When sustainability is on sale

The mechanism of "compensation" today is often used to use the term "sustainable", replacing the social and environmental commitment in their business, with a financial commitment

Continuing on the subject of the previous speeches ("Sustainability is ...", and "The unsustainable lightness of advertising”), I will now talk about how a company with its products can qualify as "sustainable"without any intervention to reduce its ecological footprint. Unfortunately, this practice is widespread and abused in advertising communications but still under examination, in Italy, in the assessment of its legitimacy.

It is called "compensation" or, also, "carbon offsetting" that mechanism that allows companies to offset their emissions of CO2 or other greenhouse gases (measured in carbon dioxide equivalent, CO2E) in a certain place, through project support, emissions, which absorb or avoid CO2. This mechanism is achieved through the purchase of so-called "carbon credits", where a carbon credit corresponds to a ton of CO2 absorbed or avoided by the project. It would not be a bad idea, if it affected the structural emissions and typical of a certain business activity, it becomes a very bad idea if used in the additional or residual activities of that same company.

I explain with a narrative sketch: let’s say that a company emits, in its ordinary activity, 100 units of greenhouse gas; then decide to expand its business with a new production sector that emits 30 units of gas; So, buy 30 carbon credits to offset the new emission; 100+30-30= 100, the result is that that activity continues to pollute 100 and the contribution to achieving climate neutrality by 2050 is practically nil. But there is more, that compensation activity is enhanced in advertising claims (obviously, to support the sale of new products or services) to rebuild the lost environmental virginity of that polluting company or to support marketing activities in which the issues of environmental protection and ecological and environmental sustainability, acquire value in the eyes of customers and investors.

The mechanism that transforms into financial commitment what should be a social and environmental commitment is not new or unique in our latitudes: a mechanism no different from that of the so-called "milk quotas" for dairy overproduction, the "green certificates" for renewables, the market for "guarantees of origin" for clean energy, etc. We can translate it into a "pay and exceed the limits of the allowed". But can the protection of the environment and ecosystems, the fight against climate change, health protection, be subject to market? States think so, if it is true, as it is true, that the introduction of regulated markets date back to the 1997 Kyoto Protocol and provide for the exchange of "emission allowances" between companies and governments, which are legally bound to account for their greenhouse gas emissions, with the aim of

profiting from unused allowances (CO_2 not emitted) or achieving predetermined regulatory targets.
The voluntary carbon market emerged in parallel with the implementation of the Kyoto Protocol for sectors not included in the regulatory market. But, fortunately, over the years, the idea of compensation for CO_2 emissions related to carbon offsetting, has acquired a negative connotation precisely because it suggests the action of negative behavior and without a common definition. It seems almost obvious that we need to support emission reduction projects, but in parallel with ordinary reduction actions, to contribute to global carbon neutrality (without the objective of compensating for negative behaviour). The more we reduce our emissions and contribute to projects that reduce CO_2 emissions, the more impact we can have in addressing climate change. In short, the effort should be twofold and combine reduction measures within a company's production chain, while supporting, in a transparent way, projects that avoid or capture emissions outside their traditional production chain. I believe that companies should refer to the concept of global carbon neutrality, such as the overall balance between greenhouse gases released into the atmosphere and absorbed greenhouse gases. It should therefore be stressed that carbon offsetting must always be associated with CO_2 reduction practices in order to be a valid and effective action.
According to the latest Science Based Targets report, SBT (here), carbon offsetting (CO_2) offsetting measures play a critical role in accelerating the transition to zero net emissions globally, but "do not replace the need to reduce CO_2 emissions in the corporate value chain in line with the latest scientific findings". The report explains that the reduction efforts may not be enough to reach the 1.5 C target set by the Paris Agreement because of the residual emissions, the emissions that a company does not want to reduce due mainly to technical or economic constraints. Therefore, the compensation of CO_2 emissions becomes a necessary measure to reach the goal of zero net emissions globally, only if in parallel with the reduction.
Communicating in a non global way, spreading quality related only to compensation for activities other than those of its traditional supply chain, to affirm the sustainability of its business activity, does not help the environment and is also misleading for consumers. For this reason, ClimateAid Network and the ACU Consumer Users Association, have filed with the AGCM (Authority for Competition and Market) in recent months well 20 reports against as many companies, assuming cases of greenwashing.
But this will be the subject of my next speech, even taking a cue from our last survey on these pages, from which it emerged that 54% of participants said they do not know what greenwashing is and want to know, compared to a 46% who knows it.

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