

# **The Corporate Greenwashing Checklist**

An exclusive publication for EcoInvestor subscribers

# The Corporate Greenwashing Checklist

*A quick-reference guide for the eco-conscious investor.*

When evaluating a company's sustainability claims, look out for these four major red flags:

## 1. The "Offsets" Trap

**The Claim:** "We are a carbon-neutral company." **The Reality Check:** Are they actually reducing their own emissions, or are they just buying cheap, low-quality carbon offsets? \* **Red Flag:** High reliance on unverified tree-planting schemes. \* **Green Flag:** A clear, absolute reduction in Scope 1 and Scope 2 emissions before offsets are even calculated.

## 2. Vague Terminology

**The Claim:** "Our new product line is eco-friendly and green." **The Reality Check:** Words like "eco-friendly," "natural," and "sustainable" have no legal definition. \* **Red Flag:** Using green imagery (leaves, earth tones) without linking to hard data. \* **Green Flag:** Specific, verifiable claims like "100% post-consumer recycled plastic" or "SBTi-validated 1.5 degree Celsius pathway."

## 3. Cherry-Picked Data

**The Claim:** "We reduced our operational emissions by 50% this year!" **The Reality Check:** Operational emissions (Scope 1 & 2) often make up less than 10% of a company's true carbon footprint. The rest lies in the supply chain and consumer use (Scope 3). \* **Red Flag:** Celebrating minor efficiency gains in office buildings while oil extraction/manufacturing continues to expand. \* **Green Flag:** Comprehensive Scope 3 reporting and strict supplier mandates.

## 4. The Lobbying Disconnect

**The Claim:** "We fully support the Paris Agreement." **The Reality Check:** Many companies run PR campaigns supporting climate action while simultaneously funding trade associations that lobby against environmental regulations. \* **Red Flag:** High political donations to fossil-fuel-friendly candidates or shadow-lobbying groups. \* **Green Flag:** Transparent publication of all political contributions and alignment of trade association memberships with climate goals.

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