

TRANSPARENT OR TRANSLUCENT?

The "Net Zero" Industry and How To Navigate it in a Positive Way



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The Problem

Introduction

As market and environmental demands evolve, organizations face increasing pressure to adopt environmentally sustainable practices to remain competitive. However, a critical challenge lies in the lack of accountability for corporate sustainability claims. Many initiatives marketed as steps toward "net-zero" emissions are often ineffective, raising concerns about greenwashing and the true impact of these strategies. This research project aims to critically analyze current corporate sustainability practices and assess their effectiveness in reducing environmental impact. Additionally, it will explore the roles and responsibilities of both businesses and consumers in facilitating a genuine transition toward a sustainable future.

Case Studies

Case #1 - McDonalds

In June of 2020, McDonalds announced the introduction of paper straws as a part of the organization's broader efforts to "Protect the environment"⁷. The straws were first implemented in the UK and Ireland and received backlash shortly after being introduced. Disposal/Recycling companies found that although the materials used to make the straw were recyclable, the thickness of the straws made it extremely difficult for them to be processed by current waste solution providers⁷. Soon after, it was announced that the new paper straws were not yet recyclable and should be disposed of in general waste. If McDonalds falsely advertising their new "sustainable" straws was not controversial enough, listen to these results from 2 studies that analyzed paper straws. A study in Brazil found that paper straws actually have a more severe impact on the environment than plastic straws when disposed of in landfills⁸. This motion was supported by landfill companies in the UK. Another study examining the impacts of paper straws found that not only do paper straws contribute to deforestation, but they have also been found to contain PFAS⁹. PFAS are also known as forever chemicals and pose significant environmental and health threats.

Case #2 - Lululemon

In July 2024, Lululemon faced a lawsuit alleging that the company was misleading consumers and falsely advertising its environmental practices and claims¹⁵. Through its "Be Planet" campaign in 2020, the brand promoted itself as environmentally friendly, sustainable, and working towards further reducing its environmental impact¹⁵. However, since the campaign's launch, Lululemon's greenhouse gas emissions have more than doubled, reaching 1.7 million tons of CO2 in 2023¹⁵. Furthermore, the company continues to use polyester and nylon for over 60% of its products, which are materials known to release microplastics into water systems during washing¹⁷. There has also been little to no evidence of their manufacturing processes changing, which consume significant amounts of water and energy¹⁶. Despite these allegations and facts, the lawsuit was dismissed because the court found no significant connection between the company's claims and the price of the products¹⁸. In other words, the dismissal of the case was not because the allegations were deemed false or inaccurate but because the claims had no connection to the price of products.



Figure 1: Paper vs. Plastic Straw Emissions
Sourced From: Strawlife. (2021, July 20). Paper vs. plastic: The (brief) surprising truth about paper straws. Strawlife.

Analysis

Current Sustainability Practices

With increasing pressure and a sense of urgency, companies are proactively trying to find ways to reduce their carbon footprint. However, the problem is that some of these practices are highly effective (such as carbon offsetting) while others do nothing to actually reduce the company's carbon footprint. One of the most common practices companies pursue is investing in carbon offset initiatives. Carbon offsets involve investing in projects intended to reduce CO2 emissions external from the company's direct operations to "offset" their own emissions¹⁹. These projects are often run by organizations that are external to the company investing, and carbon credits are often sold to the investing companies as compensation for reducing emissions. However, this is a slippery slope as some of these investments/projects are ineffective or not followed through²². Many environmentalists have argued that offsets do not tackle the root problem of emissions and create a dangerous illusion that the problem has been fixed¹⁹. For example, a common initiative that has faced tons of backlash is forest carbon offset initiatives.

Several of these initiatives proceed in the following way:

- A company acquires a piece of forested land or partners with a conservation organization to protect this land from deforestation/degradation.
- The amount of CO2 sequestered by the land is converted into carbon credits and sold to the company.
- These carbon credits can be used as an offset or reduction to the organization's emissions.

There are several criticisms regarding these practices, but the main one is that these projects do not actually reduce the amount of carbon in the air or the amount of carbon produced by the company. A recent study found that over 90% of forest carbon offsets by the most prominent provider (Verra) were ineffective²⁰. Another study that examined the impact of 27 forest conservation projects across six different countries found that the majority of projects have not reduced deforestation²¹. For the projects that did, reductions were significantly lower than claimed²¹. A Carbon Brief analysis from 2023 that analyzed the top 50 global companies by market capitalization found that 34 of these companies are utilizing carbon offsets²². Between 2020 and 2022, these 34 companies used approximately 37.8 million carbon offsets, which equates to 37.8 million metric tons of CO2²². This study found that only 8% of these offsets were from projects that actively removed CO2 from the atmosphere. Around 50% were linked to REDD+ forest protection projects, which have faced criticism for inaccurate claims and not providing long-term carbon sequestration²². Without a standard verification system, it becomes extremely difficult to determine whether carbon offset initiatives are genuinely contributing to a sustainable future.

Greenwashing

The spectrum of efforts companies are making to become more "sustainable" is extreme and ranges from "greenwashing" to significant changes in business strategy and operations. Some companies simply utilize marketing strategies or campaigns to appear environmentally friendly without making any effective changes. The problem is that organizations are not held accountable for their actions, so this unethical and ineffective behavior has no consequence. This has led many companies to incorporate buzzwords like "sustainably sourced" or "eco-friendly" labels on their products/packaging without any verification, certificates, or way to confirm this claim²³. This greenwashing can mislead consumers, causing them to purchase products or services with a false understanding of the company's values and practices²³. This results in businesses continuing to increase revenue and grow without making any changes to become more sustainable²³. If we want to make effective changes and move towards a greener and more regenerative future, we must hold companies accountable and learn to be more critical of their claims and practices.



Figure 3: The 6 Sins of Greenwashing
Sourced From: Coffee Addict Mama, 2024, What is Greenwashing and How Can We Put An End To It.

The Solution

A Blueprint for Real Change -

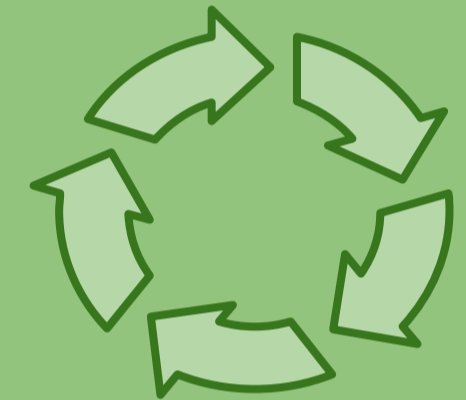


Sourced From: Tru Earth, (n.d.). Tru Earth logo (Logo). Tru Earth. Retrieved March 9, 2025, from <https://tru.earth/>

Although there are several cases of companies pursuing unethical or ineffective sustainability practices, there are still companies out there that are actively making a difference. One great example of a company committed to environmentally stable business practices and products is TruEarth, a Canadian company that specializes in household cleaning products. Founded in 2019, this company gained traction through its famous laundry strips, which are packaged in recyclable cardboard rather than plastic bottles and are an alternative to modern laundry detergent²⁴. These ultra-concentrated, pre-measured strips dissolve entirely in water, helping to reduce both plastic waste and the carbon footprint associated with shipping heavy liquid detergents. As of 2024, here are some facts that represent the company's impact:

- Prevented the creation of over 180 million plastic containers²⁴
- Saved over 6 million gallons of water that would have been used to create detergent²⁴
- Donated over 50 million laundry strips to organizations across the world²⁴
- Planted over 4,000 trees²⁴
- B-Corp Certified²⁴

This is an example of a company that is doing it right. TruEarth is not just reducing the harm done to the environment; they are creating a positive impact on society and the environment, being transparent about their practices, and creating shared value for all stakeholders. By prioritizing transparency, accountability, and shared value for all stakeholders, the company serves as a role model for how businesses can lead the way toward a more sustainable and regenerative future. If more companies adopt a similar approach, we could accelerate the transition to a circular economy that benefits both the environment and society.



Corporate Solutions

Transparency

Moving forward, businesses need to prioritize transparency in their sustainability practices and GHG emissions if we want to move towards a greener future successfully. Too many companies engage in greenwashing, which creates misleading perceptions about their environmental impact while simultaneously continuing to harm the environment. Without clear, verifiable, and detailed reporting, stakeholders cannot make informed decisions or hold businesses accountable. Having regulatory bodies or third-party verifiers would help ensure that environmental claims are supported by credible evidence. Not only will this build trust, but it will force organizations to drive real change and progress. A future built on a foundation of accountability and transparency is crucial for effective and meaningful long-term sustainability.

Effective Investments and Business Practices

Businesses must invest more resources and time into effective practices that genuinely reduce emissions or create regenerative processes. Too many companies rely on carbon offsets or other initiatives external to the organization's operations. These often do very little to address the company's carbon footprint and do not establish systemic changes that create real impact. To make a meaningful difference, businesses need to focus on creating shared value for all stakeholders, integrating regenerative technology and processes into their operations, and creating sustainable supply chains. This includes optimizing logistics to reduce any transportation emissions, redesigning products and how they are made, and being socially sustainable. Focusing on carbon offsetting rather than offsetting is an excellent way for companies to transition. Offset focuses on reducing emissions of the company's internal activities, such as within its supply chain²⁵. Often, this involves investing in more "nature based solutions" such as reforestation projects, agroforestry, renewable energy sources, and regenerative agriculture²⁵. However, when investing in sustainable projects or practices, the most important aspect is to adopt a regenerative mindset. Instead of trying to minimize harm and reduce their environmental impact, organizations must approach sustainability with the mindset of trying to actively restore and contribute to the environment. This shifts businesses from trying to be "less bad" to being actively beneficial and ethical. Organizations that embrace this philosophy become truly sustainable and ensure long-term prosperity for both people and the planet.

Consumer Actions

Accountability and Research

Although it is up to businesses to implement real change within their organization, consumers also play a crucial role in holding companies accountable for their claims and practices. As consumers, we have the ability to demand transparency and challenge corporations that fail to follow through on their commitments. Furthermore, it is up to us to support genuinely sustainable brands and not be misled by greenwashing or vague and misleading statements. This means that we must look beyond marketing buzzwords and seek out verifiable information through certifications, third-party audits, and detailed sustainability reports rather than trusting a company's word. By actively researching companies, educating oneself on which business practices actually make a difference, questioning vague claims, and supporting brands that prioritize impact over optics, consumers can drive businesses to adopt effective and regenerative sustainability strategies. Advocating for stronger corporate accountability, more transparent reporting, and making informed purchase decisions will ensure that businesses are not just reducing harm but are actively contributing to a regenerative and sustainable future.

Resources

Link to all of the sources used in research process



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