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QUANTIFYING YOUR SUSTAINABILITY COMMUNICATIONS FOR INCREASED TRANSPARENCY

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TRANSPARENCY IN COMMUNICATION



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A few years ago, for a company to say it is “sustainable” offered a competitive advantage.

You have likely stumbled across at least one sustainability page describing that company’s sustainability mission if you have perused most any brand website recently. Since these missions and pages have become so commonplace, companies must distinguish themselves based on how effectively they reduce the environmental impact of their products or operations. This isn’t just increasingly important due to incoming regulation on green claims, but because studies have found that **over 90% of customers are likely to be more loyal to companies that offer complete transparency.**

As a judge on multiple Luxepack InGreen awards, I’ve had the opportunity to read through many product communications and explanations on how these are sustainable. The submissions are often confidential and provide more information than is publicly available. Some companies clearly describe how their products are contributing, for example, to the circular economy and provide quantitative statistics on the environmental benefits that this provides.

The reality is that there is still quite a bit of vagueness in both public and internal communications about the sustainability efforts of suppliers and brands. The reality is that there is an obvious industry white space to improve clarity and notably, quantitative metrics as evidence for these sustainable initiatives.

Part of the reason for this widespread lack of transparency stems from companies not having sufficient sustainability knowledge to appropriately explain their processes and from a lack of expertise about what factors contribute to being “sustainable”.

In judging deliberations, we often had discussions about the environmental benefits of the products when specific, detailed and quantitative information was not provided to explain the benefit. Environmental sustainability is not always a clear-cut definition, for instance, a material could have lower carbon emissions in exchange for consuming more water than the alternative. While the sustainability of this material may be unclear, providing this information shows transparency and helps readers to clearly see the sustainability attributes of a product.

It is precisely because sustainability is not simple, that transparency and details in communication are essential. Simply stating that a product is “eco”, “green”, “sustainable” or even “contributes to the circular economy” is not enough. Today, brands need to explain:

- HOW their processes or materials are different,
- WHAT quantitative impact this has on the environment
- WHY the product is better for the planet than current alternatives.

Companies who do not communicate transparently in this way risk being perceived to be greenwashing (publishing information that falsely presents a company as environmentally responsible) regardless of how serious their efforts are to innovate and reduce their environmental impact.



Alexandra URIBE at the LUXE PACK In Green Awards, New York, 2023

To explain clearly the differences in communication that show how companies can be more or less transparent, there are a few examples below. The three fictional texts show information ranging in transparency from low (company A) to high (company C) based on their increasing sustainability maturity.

Company A - Basic Maturity

“The easiest way to clean up our planet is to do things right from the very beginning. That’s why we’ve committed to reducing our carbon footprint. To achieve this we switched to sustainable materials in our packaging.”

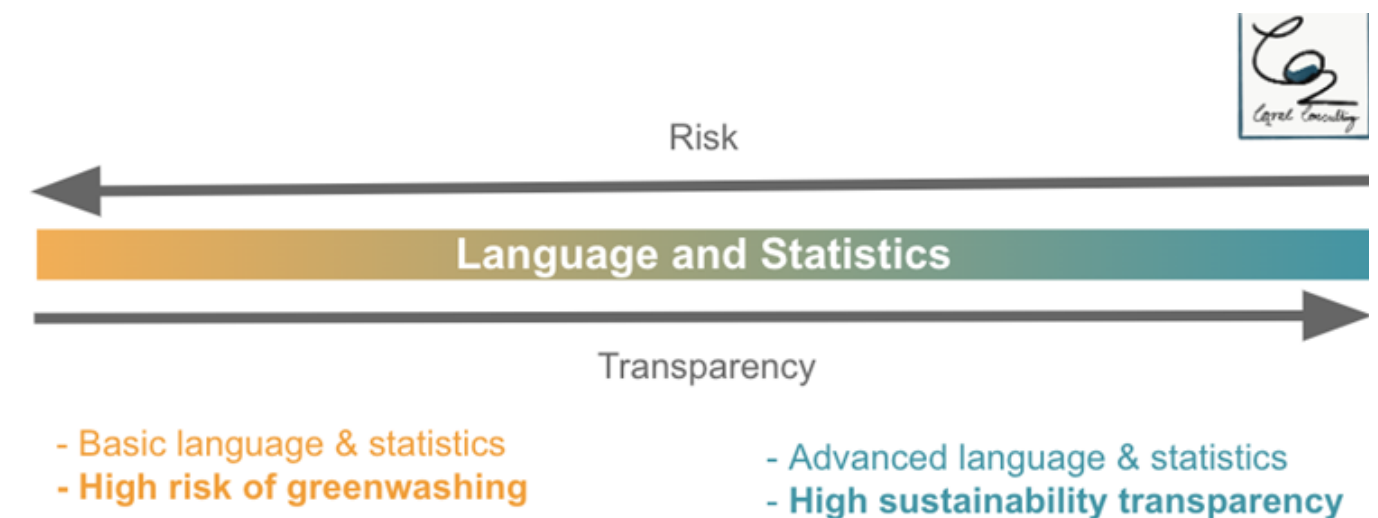
Company B - Intermediate Maturity

“We are committed to helping our planet stay green and cool, that’s why we want to align with Science Based Targets. We conducted our first scope 1 & 2 emissions calculations in 2022 and are working to have scope 3 calculations by 2024. Our new eco-green packs use 100% recycled paper making the packaging 100% recyclable.”

Company C - Advanced Maturity

“We set an ambitious target to reduce our total carbon footprint by 50% by 2040 from a 2020 baseline. We already reduced our emissions by 15%, half of which came from switching to 100% renewable energy sources across all our offices. In 2022 our total carbon emissions were 400 metric tons CO2e with 76% of these coming from Scope 3 categories. Given our goal to make the entire product line more circular, we looked to innovate our packaging. All our paper comes from certified 100% recycled sources. We redesigned 5 of our most popular products to reduce their weight and use of materials by 35%.”

Notice how as the company maturity on sustainability topics increases, their language becomes more specific which shows understanding of underlying environmental issues and the presence of metrics increases as evidence of actions taken. As a result of this, the risk of greenwashing is significantly lower for company C in our last example than for company A. The actions taken on sustainability don’t change significantly between company B and C but their transparency is different based on the level of detail that company C provides.



This graphic provides a visual representation of the spectrum of transparency which shows a high risk of greenwashing when the use of language and statistics is basic. Conversely, the more advanced language and statistics are the higher the level of transparency and lower the risk of greenwashing.

Now having said that, what if you could give your published CSR language a grade? What if how you are communicating your CSR initiatives could be quantified?

To learn more about the indicators of transparency in sustainability communications, different ways to quantify your environmental benefits, and how you can improve your brand's communications, be sure to come to my "How to increase transparency in your sustainability communications" workshop at LUXE PACK and MakeUp LA this Thursday at 10 am.

For any additional information please contact Alexandra Uribe: alexandra@co2ral.com

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