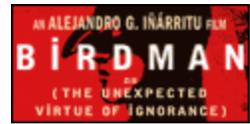


**The New York Times**



**DAVOS, Switzerland** — DAVOS, Switzerland: It was a sales pitch like so many others these days: Volkswagen, the German automaker, was using environmental imagery to advertise the latest version of its sporty Golf to British buyers, placing the car in a brightly lit meadow next to a deer.

But instead of green, the U.K. Advertising Standards Authority saw red, ordering that the advertisement should not appear again in its current form. Volkswagen had made a "claim that could mislead," the authority, which is an independent body set up by the advertising industry, ruled in December.

Readers of newspapers and magazines, the ruling continued, might think "the car had low emissions when compared to all cars," but "it did not."

Environmentalists have long complained that companies cloak themselves in a positive public image — a practice sometimes referred to as "greenwashing" — to conceal practices that fall short of praiseworthy.

Now there is a new wave of concern as companies position themselves as the moral allies of consumers concerned that emissions from cars, planes and electricity generation are contributing to global warming.

Chief executives gathered at the annual meeting of the World Economic Forum here, confronted with the rising awareness of the need to address climate change, are pondering ways to adapt their operations — as well as their image — to this new imperative.

"Some companies are running ads very cynically in order to appear as part of a progressive stance," said John Holdren, a professor of environmental policy at Harvard. "Other companies are sincere, and see a real market in products that are more environmentally friendly."

Vinod Khosla, a venture capitalist and founder of the California-based firm Khosla Ventures, was blunt about companies that make public commitments to green ideals: "Some of them are for real, and some of them are doing it for show."

Many environmentalists also worry that companies that sign up to a green agenda for image reasons alone are creating the impression that voluntary pledges and new technologies make stiffer environmental regulations unnecessary.

"Some companies selling cars and oil seem to be more than 50-percent focused on their green image in their advertising even though green products represent just a tiny percentage of their business," said Paul de Clerck, the coordinator for the Friends of the Earth international corporate campaign. That, he said, risked "creating a false image that we can leave it up to business to solve our climate problems."

Many environmentalists welcome the rush by business to embrace green causes and, in particular, the fight against global warming, saying that the new emphasis in corporate messages represents an important victory for the environmental movement.

"What has changed," said Gerd Leipold, the international executive director for Greenpeace, "is that the corporate sector has moved more towards the environmental agenda rather than the environmentalists moving to the corporate agenda."

But in 2007, more than half a decade after BP, one of the biggest oil companies in the world, adopted the corporate identity of being "beyond petroleum" — and other corporations rushed to brush up their eco-friendly credentials — many questions remain about whether this kind corporate image-making is a fair reflection of actual behavior.

Some environmentalists and clean energy experts say the green investments still represent a fraction of a company's annual accounts. In the case of BP, de Clerck of Friends of the Earth said green investments represented "little more than a very tiny proportion" of the company's total spending.

A spokesman for BP, Toby Odone, said the company was investing \$8 billion over 10 years on renewable energy, a level of engagement that he said makes BP one of the largest backers of new technologies. Odone declined to say what proportion that amount represented of BP's capital expenditure.

BP is not the only oil company catching environmental criticism; Shell, too, has its skeptics. According to Gary Kendall, a senior energy analyst with WWF in Brussels, Shell publicizes its business in cleaner-burning natural gas and renewable sources of energy, even while more discretely pursuing projects like turning coal into fuel for cars.

"From a climate change point of view, coal-to-liquids could be an absolute disaster," said Kendall, who formerly worked for ExxonMobil. Kendall said the process represented another way of developing more fossil fuels and that there was no certainty that Shell could capture the large amounts of carbon dioxide released by the process.

Andy Corrigan, a spokesman for Shell, said the coal-to-liquids process remained experimental and

that exploring for oil and gas "will remain the core of our portfolio for some time." Corrigan declined to say how much money Shell was investing in coal-to-liquids, which was first developed in Germany in the 1920s. Corrigan also did not say how soon Shell would be ready with effective carbon-capture technology.

At Davos this week, chief executives of industrial companies expressed doubts about using carbon-capture technologies to cut emissions anytime soon. Alain Belda of Alcoa said it would be "another 20 years" before practices such as large-scale sequestration, or allowing carbon dioxide to be stored below ground or the ocean rather than released into the atmosphere, became commonplace in industry.

Environmentalists said that one of the most common "greenwash" pitches involved promoting the use of unproved technologies to show environmental credentials.

Robert Bell, chairman of the economics department at Brooklyn College and the author of a forthcoming book about the coming boom in renewable energy, said General Motors was among companies using the promise of new hydrogen fuel-cell projects to enhance its green credentials. Bell said fuel-cell cars made by GM would be priced far out of reach of consumers if they were on the market and that such cars were unlikely to be affordable any time soon, despite a decision by President George W. Bush in 2003 to inject more than \$1 billion into hydrogen research. GM received \$44 million of that money as part of a contract to support the operation of a fleet of demonstration vehicles, said Rob Peterson, a spokesman for GM.

Bell said hybrid-style cars such as the Toyota Prius — which operates with two engines, electric- and gas- powered, and therefore runs on less fuel than standard cars — were more effective than fuel-cell vehicles at reducing emissions in the near term.

"At least GM has its greenwash pitch," Bell said.

Peterson, the GM spokesman, said the company already had put three hybrid cars on the market and also was focused on alternative fuels. "We don't believe there is a one silver bullet solution to reducing our dependency on petroleum," Peterson said.

Airlines also are stepping up their efforts on climate change amid concerns that the boom in jet travel is becoming one of the chief ways that greenhouse gases reach the atmosphere.

Richard Branson, the chairman of Virgin Group, captured headlines last year with a 10-year plan to invest \$3 billion in biofuel and renewable energy research to produce an alcohol-based biofuel that could supplement jet fuel. Air transport represents about 2 percent of global carbon dioxide

emissions, far less than cars, but European Union officials and environmentalists say that volume is growing fast and that aircraft flying in the skies release more harmful pollutants than cars.

But renewable fuels have a downside, said Dudley Curtis of Transport & Environment, a federation of environmental organizations based in Brussels: They emit some carbon, and growing crops for biofuels takes up land that may be needed to grow food while risking putting additional strain on water resources in some countries.

"If Branson is serious about reducing emissions, why doesn't he simply commit to reducing Virgin's greenhouse gas emissions by a defined percentage every year?" Curtis asked. "The \$3 billion makes a nice headline but nobody, including us, including Virgin, has any idea what that will mean in real terms for carbon emissions and especially land use."

Will Whitehorn, a spokesman for Virgin, said that "sensibly produced ethanol and biodiesel can in fact be close to carbon-neutral." Biofuels, he added, "have a huge role to play," and that "to dismiss them is irrational."

Another trend among companies, and individuals, is to "offset" carbon emissions by paying a third party to plant trees or install devices that reduce them by an equivalent amount somewhere else in the world.

But Paul Zakkour of ERM, a consulting firm in London, said there was growing uncertainty about the quality of credits some companies are buying, whether those credits are verifiable, and whether the projects were genuinely reducing emissions.

The British Advertising Standards Authority also has warned consumers about unverifiable claims of carbon offset. In recent months, the authority required a U.K.-based electricity company, Scottish & Southern Energy Group, to cease distributing a leaflet promising to offset the carbon dioxide produced by the waste production and gas consumption of an average British household.

For Volkswagen, its trouble with the advertising authority was due, in part, to the prominent use of the phrase "low emissions" in its advertisement. Consumers had notified the authority that the Golf GT TSI was in the fifth most polluting band of seven in terms of emissions from cars sold in Britain.

Kate Thompson, a spokeswoman for Volkswagen in Britain, was disappointed by the advertising body's decision because the new Golf was fuel efficient compared to other vehicles with a similar performance level.

Thompson said the company had ceased running the advertisement but that environment-themed

publicity remained important for Volkswagen because more consumers than ever before "want to know that they are not buying a vehicle doing damage to the planet."