

GREENWASHING

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GREENWASHING

Foundations and Emerging Research
on Corporate Sustainability and
Deceptive Communication

BY

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INVESTOR IN PEOPLE

To my wife Grazia and my sons Riccardo and Francesco, each of whom has a special place in my heart and inspires me to 'walk the talk'.

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CONTENTS

<i>List of Figures and Tables</i>	ix
<i>About the Author</i>	xi
<i>Foreword</i>	xiii
<i>Preface</i>	xv
<i>Acknowledgements</i>	xix
1. Understanding Greenwashing	1
2. The State of Art: A Systematic Literature Review	21
3. Theoretical Approaches and Research Trends	47
4. Case Studies: Lessons to Avoiding the Greenwashing Trap	65
5. A Look to the Future	95
<i>References</i>	107
<i>Index</i>	139

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LIST OF FIGURES AND TABLES

Figure 2.1.	Search Strategy.	25
Figure 2.2.	Number of Publications Over Years (1993–mid2021).	28
Figure 2.3.	Number of Publications Over 2011–2021 per Level of Analysis (Consumers/Companies).	29
Figure 2.4.	Geographical Affiliation of First authors.	30
Figure 3.1.	CSR Rhetorics and Legitimacy Types.	49
Figure 4.1.	Frequency of Sustainability Issues in Nestlé FB Posts (2018).	78
Figure 4.2.	Frequency of Greenwashing Signals in Nestlé FB Posts (2018).	78
Figure 4.3.	Frequency of Sustainability Issues in GAR FB Posts (September–October 2021).	83
Figure 4.4.	Frequency of Greenwashing Signals in GAR FB Posts (October–November 2021).	83
Figure 5.1.	The Role of Communication in Sustainability-Oriented Organisations.	100
Figure 5.2.	A Systemic View of Greenwashing.	103
Table 1.1.	Main Definitions of Greenwashing.	8
Table 2.1.	Leading Journals in Greenwashing Research.	27
Table 2.2.	Trending Articles in Greenwashing Research.	31
Table 2.3.	Theoretical Approaches in Greenwashing Research.	38
Table 2.4.	Methods Used in Greenwashing Research.	39
Table 4.1.	Frequency of ‘environmental sustainability’ and ‘Reduction of CO2 Emissions’ in the Volkswagen Reports (2012–2014).	68
Table 4.2.	Excerpts of Statements Related to Volkswagen’s Claims in Environmental Sustainability Leadership.	69

Table 4.3.	Impact of Concept of 'Fraud' in US Newspapers Headlines.	70
Table 4.4.	Average Interactions in Nestlè FB Posts (2018) per Sustainability Dimension.	79
Table 4.5.	Sustainability Communication Management and Triggers of Greenwashing.	87
Table 4.6.	Operative Communication for CSR: Recommended Use of Owned, Paid and Earned Media.	92

ABOUT THE AUTHOR

Agostino Vollero (PhD) is Associate Professor of Management and Marketing at the Department of Political and Communication Sciences, University of Salerno (Italy), where he teaches Digital Marketing, E-commerce and Place Marketing. His primary research interest focuses on different types of greenwashing in CSR communication. Other main research interests involve online consumer empowerment and marketing communications in sustainable tourism. He has published two books and several articles in leading international journals, including the *Journal of Business Research*, *Journal of Cleaner Production*, *Corporate Social Responsibility and Environmental Management*, *European Management Journal* and *International Journal of Advertising*.

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FOREWORD

The art of rhetoric has characterised the Western world for over two millennia. Compared to Greek civilisation, where rhetoric was theorised and practiced, contemporary globalised and technological society offers extraordinarily greater opportunities to express this particular attitude of writing and speaking in corporate and marketing communications. The opportunities, methods and flows of rhetorical communication are in fact numerous in the era of digital and hyper-communication. These options seem also proliferated with the emergence of corporate sustainability, progressively seen as a co-evolutionary process where companies are called to include social and environmental concerns in their business operations by interacting with their stakeholders.

The main drivers of this increasing use of rhetoric communication are in fact essentially two: (1) the growing interest of stakeholders to be informed on CSR and environmental and social sustainability issues and (2) the tendency of companies to seek social legitimacy by leveraging the potential of multichannel and polycentric communication. Frequently, companies use rhetoric as an expedient to communicate their sustainability efforts in a cosmetic and inauthentic way, thus perpetrating deliberate deception. However, it would be interesting to understand if this is really the way to correctly frame and interpret the phenomenon of greenwashing in corporate sustainability. If the spectrum of greenwashing situations is indeed much broader and more diverse, it is also critical to understand the nuances involved.

At the end of a long and fruitful research path, Agostino Vollero's volume, *Greenwashing/Foundations and emerging research on corporate sustainability and deceptive communication*, provides a valuable window on this issue and fills a gap in the extant literature by offering thought-provoking insights that go well beyond the mainstream assumptions in this field of study.

As for the method, the systematic literature review, the theoretical approaches and research trends, the soundness and rigour of the research design allows the author to deepen and interpret the phenomenon of greenwashing in its various facets and to identify multiple perspectives of analysis. The variety of corporate greenwashing behaviours outlined in Agostino

Vollero's study represents the ideal platform for effectively suggesting managerial principles and guidelines for sustainability communication.

The several elements of originality, combined with methodological rigour, dedication and enthusiasm for in-depth enquiry, make this volume the most complete and stimulating contribution on the theme of greenwashing currently available in the international literature. The appreciation for the results achieved in the book is also justified by the recognition that the subject of study is not easy to deal with. This is because it is intrinsically subtle and elusive, and spans various scientific disciplines, from Management to Marketing Communications, from Accounting to Corporate Communication and Business Ethics. The challenges in greenwashing research are both difficult and interesting. This clear awareness allowed Agostino Vollero to manage the subject without running into convenient but dangerous simplifications or shortcuts. This book is an excellent step towards providing scholars, practitioners, both professionals and students, with an integrated state-of-the-art understanding of greenwashing.

Alfonso Siano

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PREFACE

Communication of sustainability efforts has become crucial for most companies in various industries over the past decade. These growing corporate attempts to disclose organisational policies and practices related to their corporate social and environmental responsibilities are due to several reasons: increasing pressure from stakeholders, being compliant with newer norms or procedures, addressing rising public opinion's concerns in relation to sustainability issues, etc. Potential benefits (e.g. social legitimacy, financial and reputational resources at lower cost) derived from the commitment to sustainability or corporate social responsibility (CSR) have further accelerated this process.

This book aims at providing a comprehensive picture of the dark side of this 'sustainability rush', often described as greenwashing, which refers to the disproportionate focus on the sustainability efforts of a company beyond its corresponding responsible corporate practices. 'Cosmetic' communication practices and questionable CSR practices are more and more recurrent in the context of marketing and corporate communication strategies and often hide the most controversial aspects of corporate sustainability strategies.

Recent cases at firm and industry levels (Volkswagen, plastic pollution and Nestlé, fast-fashion industry, palm oil plantations, etc.) revealed that companies present themselves as 'green' or 'responsible' companies, even if they do not possess the qualities of sustainable entities. Greenwashing practices can also hinder a proper stakeholder/investor assessment of the environmental, social and governance performance of a company, thus affecting the reliability of main sustainability indices (Dow Jones Sustainability Index, MSCI KLD 400 Social Index, FTSE4Good Index, Gender equality index, etc.) and rankings (MSCI ESG Ratings, Sustainalytics' ESG Risk Ratings, Bloomberg ESG disclosure scores, FTSE Russell's ESG Ratings, CSR RepTrak, etc.). The rise of mandatory environmental disclosures (opposed to voluntary reporting) further complicates the situation.

In the current debate on sustainability communication and related degenerative phenomena, scant attention has been paid to 'avoiding bad', which refers to initiatives aimed at preventing socially irresponsible corporate

practices. Recognising the complexity of the phenomenon, this text poses a number of original research questions on the intrinsic nature of greenwashing and seeks to offer a comprehensive view of different approaches to interpret and tackle identity washing communication practices. This book takes a different and integrated approach by challenging dominant themes in the literature and analysing them critically from multiple angles.

From a theoretical point of view, the book in fact sets at the intersection of marketing, management, accounting and corporate communication disciplines and distances itself from the mainstream debate on the communication of CSR that has implicitly acknowledged the idea that greenwashing is only about talking and not doing. On these lines, the text represents an original attempt to shed light on the links between communication and corporate actions. While the gap between symbolic and substantive actions ('talk' versus 'walk') has been the subject of various studies in recent years, a systematic analysis of research approaches and trends in this relevant field of study is lacking.

This book thus provides an extensive and comprehensive look into a complex and growing phenomenon that affects current and future corporate decisions, and it is particularly relevant at this time also in the light of Agenda 2030 for sustainable development and associated sustainable development goals (SDGs), in which the majority of companies are challenged to initiate long-lasting positive change and contribute to the development and prosperity of the global community.

Book Structure

Chapter 1 begins the analysis by showing how the most complex challenges organisations are facing nowadays concern ethical issues in conducting their businesses. The ethical behaviour in organisations represents thus the starting point to discuss the emergence of corporate environmentalism and the rise of greenwashing. Understanding greenwashing inevitably intertwines with corporate sustainability and CSR efforts, and associated mandatory and voluntary reporting activities. Lastly, by discussing deceptive communication used by companies, the concept of greenwashing is expanded by including a much broader range of CSR washing activities.

Chapter 2 examines the state-of-the-art knowledge on greenwashing by means of a systematic literature review, covering a 30-year span (1990–2021). Research design is detailed, along with the description of research objectives, search and refining criteria for selected publications. Results are then discussed, to show the evolutionary trajectories of the research on greenwashing, in terms of leading outlets of publications, entity of analysis, methodologies, type of data collection, tools and research methods used in this field of study.

The chapter ends by clarifying the definitional issues (i.e. the different types of greenwashing) and research gaps identified for each perspective.

Theoretical approaches and research trends are then analysed in Chapter 3. Different theoretical approaches to greenwashing research are examined, contrasted and compared in this chapter. The systematic literature review led to six major theories (legitimacy theory, attribution theory, institutional theory, signaling theory, impression management approach and communicative constitution of organisations), outlining cutting-edge research trends that transcend the traditional dichotomy talk vs. action. The novel questions emerging in this area of research in fact challenge the dominant view in literature and provide research avenues based on the best practices in the field.

Chapter 4 presents a set of three recent case studies on greenwashing, namely Volkswagen Dieselgate, #PlasticMonster and Nestlè, Golden Agri Resources and Dow Jones Sustainability Index. The empirical analysis of these cases provides lessons for avoiding the greenwashing trap. The chapter reflects on deliberate and accidental practices that cause greenwashing accusations. It proposes a series of communication principles and guidelines, addressed to develop managerial solutions to avoid greenwashing risks and associated negative effects.

The final chapter (Chapter 5) concludes with ideas on where greenwashing is expected to move in the future. It stresses the risk of other forms of corporate deception, including greenhushing, that is a deceptive strategic silence that occurs when companies voluntarily decrease their communication on sustainability issues. As regards different forms of greenwashing, the chapter offers a clear picture of the role of communication in sustainability-oriented organisations that can help companies being involved in ethically questionable management practices. The final part of the chapter moves from a firm-level perspective of greenwashing to a systemic view, necessary to address some unresolved tensions in sustainability approaches that cause ‘deep-rooted’ greenwashing. A broader relational view of the processes and the connections between actors (the company, the industry, the consumer, society at large) can help to refocus the greenwashing phenomenon and support policy and decision-makers to identify priority areas for action.

In terms of contributions, this book is a systematic examination of greenwashing research that offers a comprehensive picture of building blocks (business ethics, CSR, corporate environmentalism, corporate communication), greenwashing typologies, different theoretical and methodological approaches used by scholars to investigate the phenomenon. By tapping into systematic literature review in management, marketing, accounting, corporate

communication and business ethics, an integrated and extended view of the greenwashing dynamics is proposed.

From a practical perspective, the book will help to bridge the theory–practice gap by providing managers with key lessons to avoid the greenwashing trap and to reduce negative strategic and reputational effects in the long run. Lastly, the reflection on future trends moves beyond firm-level perspective and mainstream views in extant research. Critical analyses of the social and environmental costs of greenwashing are not new. However, what this book would add is an integrative view among different disciplines and a holistic systemic perspective. This could help to tackle the dangers of deceptive corporate sustainability communication in a broader perspective.

The hope is that this volume can provide significant benefits to students, researchers, managers, professionals, policymakers and organisations that experience the challenges of the sustainability revolution. By developing a critical and analytical approach to the theoretical and practical dimensions of CSR communication and greenwashing, this book can offer valuable insights for curricular development, sustainable growth and ethical business decisions.

Agostino Vollero

ACKNOWLEDGEMENTS

I started to write this book during the first months of the lockdown in Italy following the first wave of the COVID-19 pandemic. What I observed then is that many companies tried to exploit their response to the situation by proposing the same slogans and hashtags used by people that seek to reassure each other of the dramatic situation, for example, the Italian motto *andrà tutto bene* ('everything will be alright') or the hopeful Cantonese expression *jiayou* ('don't give up'). I found that some ads and other corporate messages took it even further by reimagining a different post-pandemic world, characterised by inclusiveness, solidarity and sustainability. Sadly, almost none of these companies have changed their unsustainable or irresponsible practices. This makes me consider it was the right time to systematically analyse greenwashing, as it permeates all aspects of everyday life, even without full awareness of it.

Nevertheless, this book is based on my extensive research into sustainability communication and associated degenerative phenomena since 2006 and up to the present day. I frequently discussed and worked on the topic with my extraordinary colleagues at the Sustainability Communication Centre (SCC) – POLICOM (Department of Political and Communication Sciences), University of Salerno (Italy) – an inspiring research environment that encourages knowledge exchange and collaborative research.

I am therefore particularly indebted to Prof. Alfonso Siano who taught me a lot from a scientific point of view and always helped me to develop a critical view of the most controversial issues, by reading and commenting several chapters of this book. I am much obliged to my SCC colleagues, Paolo Picicchi, Francesca Conte, Maria Palazzo, Maria Giovanna Confetto, Domenico Sardanelli and Sara Amabile, who helped me to refine my ideas on different theoretical approaches and contributed to some of the case studies hereby presented.

I have also had the privilege of testing some of the ideas included in the book and to receive constructive feedback from many generous colleagues at academic conferences and meetings, among which I would like to remember the IABS and CSR communication conferences, and the annual meetings by

Sinergie-SIMA (Italian Society of Management) and SIM (Italian Academy of Marketing).

Finally, I would like to acknowledge with gratitude, the support and love of my family, my wife Grazia and my children, Riccardo and Francesco. They keep me going, ‘walking the talk’; this book would not have been possible without them.

Agostino Vollero