



IVEY

NO END IN SIGHT?

A Greenwash Review and
Research Agenda

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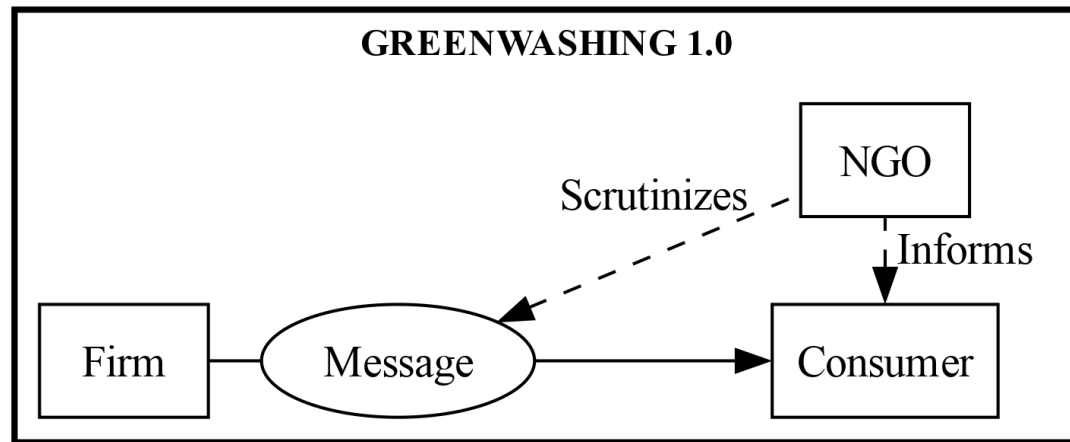


Corporations Learn From their Mistakes...

... so they will make sure not to get caught the next time

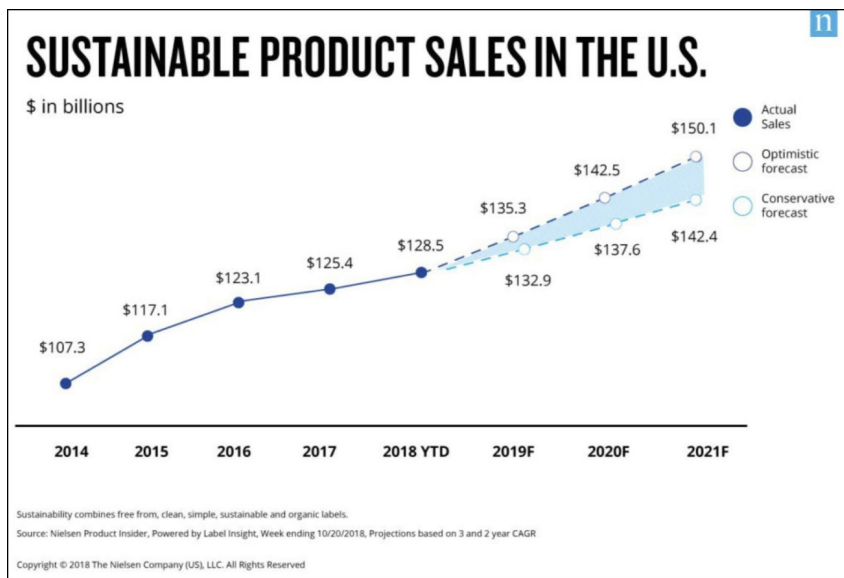
Taking stake of the ongoing discourse

- New ways of greenwashing
- Climate crisis and greenwashing
- Risks on the horizon
- What do practitioners see?

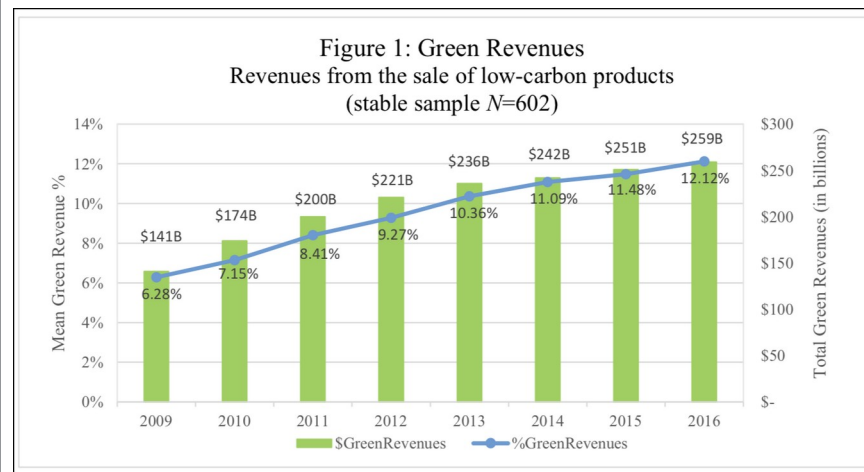


Green Sells

Sustainable product sales



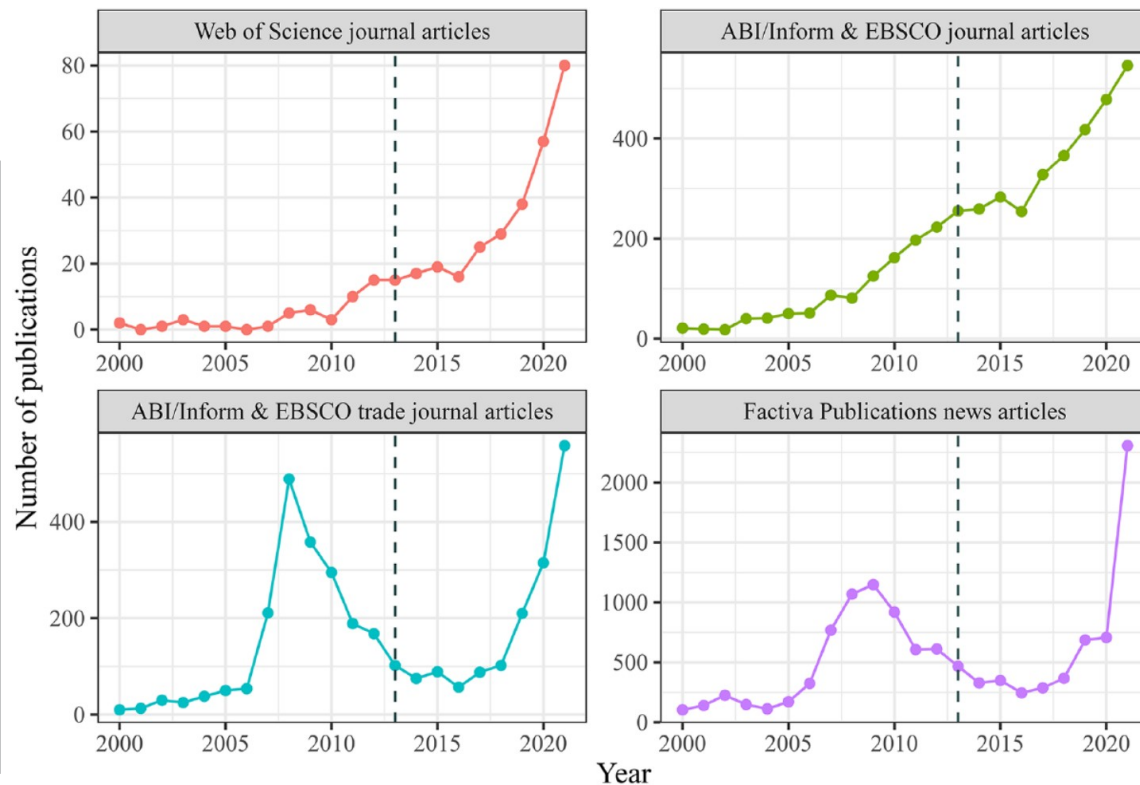
Low-carbon product sales



But Greenwash Is Back...

Resurgence

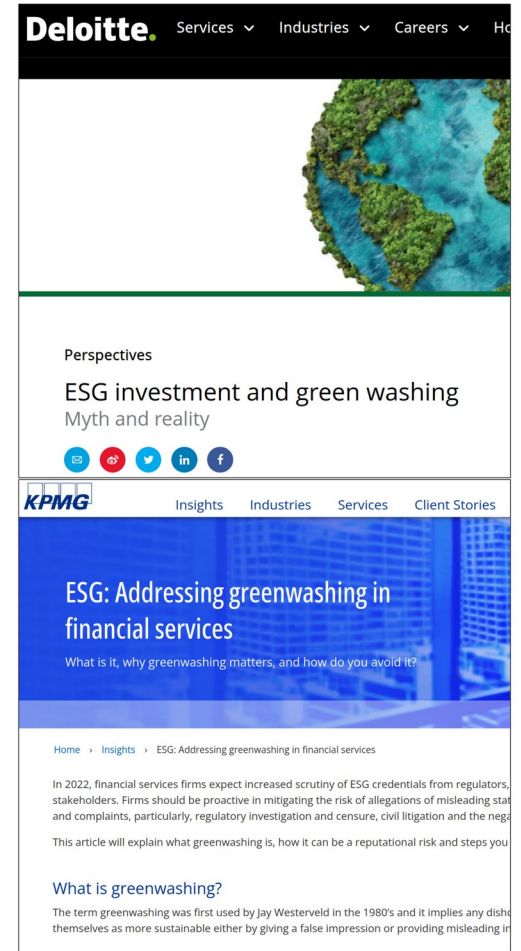
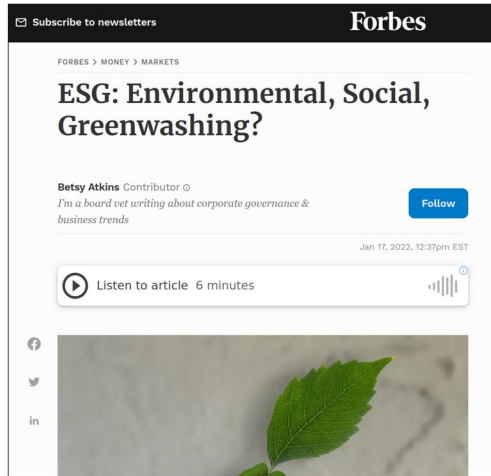
- It's not just our impression
- Practitioners, scientists, and the public talk about greenwashing more again
- Starting point: 2,890 academic articles on greenwash (see figure)



...And It Has a New Face

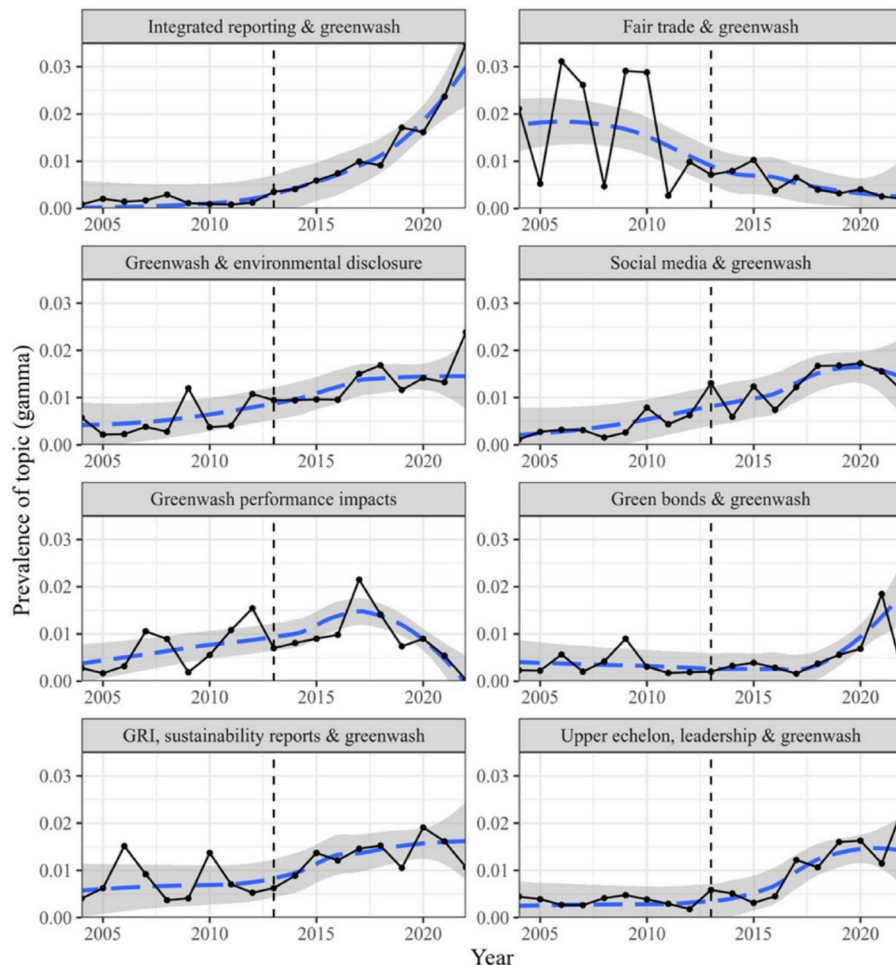
Concern About Greenwash in Financial Products

- ESG ratings used in investment decisions
- Researchers have long highlighted concerns
 - Decoupled from environmental reality (Eccles et al., 2020)
 - Inconsistent (Chatterji et al., 2016)
 - Unclear what they measure (Delmas et al., 2013)
- Practitioners catching up (see figure)



Exploring the Changing Face of Greenwash

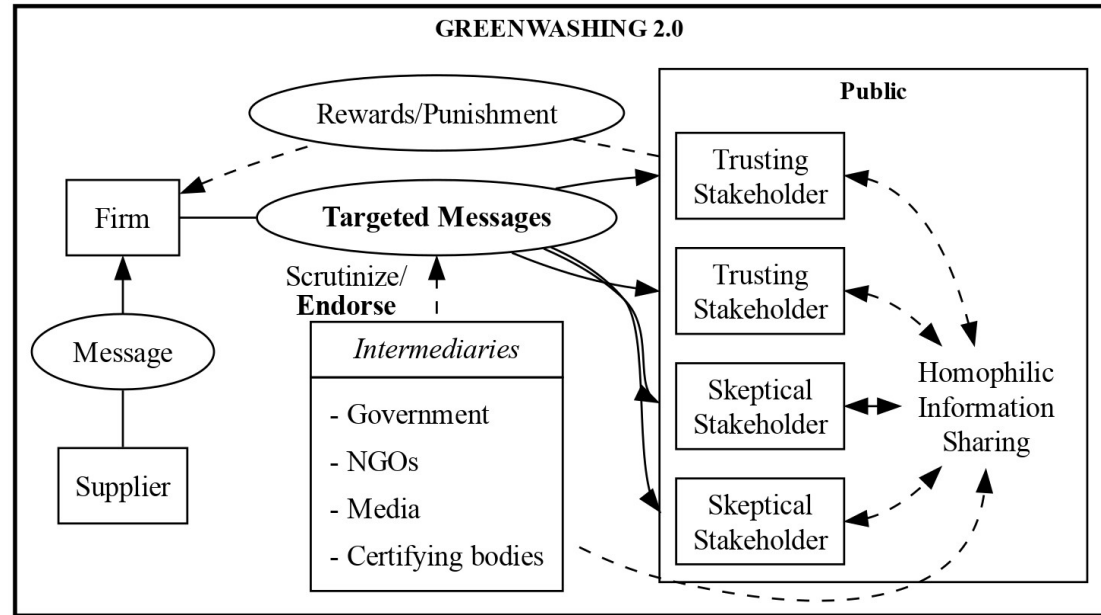
1. Topic modeling
 - Topics of said 2,890 articles
 - Identified qualitative trends (see figure)
2. Created extended keyword list (see Oliveira & Lumineau, 2019)
3. Targeted search in keywords & abstracts
 - 657 articles
4. Limit to ABS 3+ journals
 - 249 articles
5. Manual review
 - 182 articles



No Longer Just Deceptive Packaging and Fake Labels

Stark examples

- Companies co-opt intermediaries (Crilly et al., 2016)
- Governments engage in greenwashing (Alon-Barkat, 2020)
- Journalists aide greenwashing through lack of due diligence (Strauß, 2022)
- Independent certifications fail to drive environmental improvements (e.g., Liute & De Giacomo, 2022)



Greenwashing 3.0 – Futurewashing

Climate pledges

- 44% of international corporations have set net-zero goals (MSCI, 2023)
 - I.e., net zero in 2050, 2035 or 2030 etc.
- Buy time
 - Greenwashing – difficult, but often possible to invalidate claims
 - Futurewashing – we won't know until 2035...

Major concerns

- Use of offsets rather than reducing emissions at the source
- Firms adjusting dialing down ambitions over time

ESG commitments

- From ESG disclosure research we learned (Boiral & Henri, 2017):
 - Often no progress on goals for years, with no explanation
 - Data often withheld, without explanation
- ESG data becoming weaker indicator, indicating “aggregate confusion” (Berg et al., 2022)

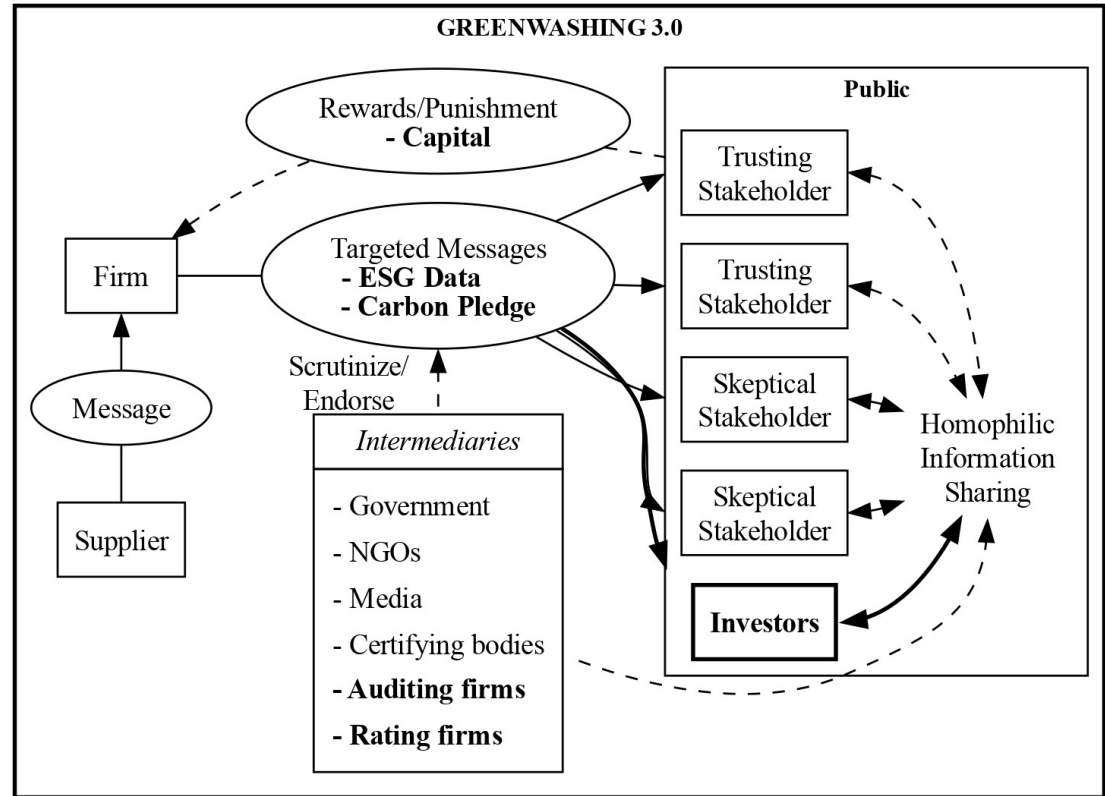
Major concerns

- Incentive for financial intermediaries to offer & sell a solution
- Purpose: return on investment, *not* reduction of impact
 - E.g., identify firms that can weather climate change, not those with low emissions

Greenwashing 3.0

Extension of 2.0 model

- Highlights the involvement of financial sector
- Difficulty of establishing trustworthy data if financial actors with diverging interests involved in data collection



Thank you

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New Affiliation

Postdoc

Climate Accountability Lab,
with Geoffrey Supran

Starting in the coming weeks



UNIVERSITY OF MIAMI
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MARINE, ATMOSPHERIC
& EARTH SCIENCE



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