After Greenwashing

Businesses show their environmental awareness through green buildings, eco-labels, sustainability reports, industry pledges and clean technologies. When are these symbols wasteful corporate spin and when do they signal authentic environmental improvements? Based on twenty years of research, three rich case studies, a strong theoretical model and a range of practical applications, this book provides the first systematic analysis of the drivers and consequences of symbolic corporate environmentalism. It addresses the indirect cost of companies' symbolic actions and develops a new concept of the 'social energy penalty' – the cost to society when powerful corporate actors limit the social conversation on environmental problems and their solutions. This thoughtful book develops a set of tools for researchers, regulators and managers to separate useful environmental information from empty corporate spin, and it will appeal to researchers and students of corporate responsibility, corporate environmental strategy and sustainable business, as well as environmental practitioners.

FRANCES BOWEN is Professor of Innovation Studies at Queen Mary University of London. She is a leading authority on when and how companies innovate in response to current and future environmental regulation. She is the 2014 Chair of the Organizations and the Natural Environment (ONE) Division of the Academy of Management, and President-Elect of GRONEN, the Group for Research on Organizations and the Natural Environment.

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# After Greenwashing

Symbolic Corporate Environmentalism and Society

FRANCES BOWEN Queen Mary University of London





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> For Susan, who helps separate my symbol from my substance.

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## Acknowledgements

I decided to write this book when I returned to the United Kingdom from Calgary, Alberta, in 2011. I had spent eight years living, researching and teaching in the oil and gas capital of Canada. While there, I witnessed up close the environmental challenges associated with providing our current production system with energy and other natural resources. Concerns about dirty oil, pipeline safety, water scarcity, climate change, carbon pricing, fracking, sustainable resource development, rapid urban growth and the health of First Nations communities dominated Calgary's public conversation. Through my executive teaching, research interviews and Stampede breakfasts, I saw generous and authentic efforts by inspirational sustainability leaders to address those challenges head on. I also saw the struggles of individuals and companies that simply did not know how to address the green problems to which their industry contributed or how to talk about them.

What I observed in my time in Calgary was, for the most part, not deliberate 'greenwashing' – that is, positive green communication by companies without positive environmental performance – but rather something more systemic. Dismissing corporate attempts to engage with environmental issues as greenwashing is too easy. We need better tools to understand a fuller range of symbolic corporate environmentalism and its consequences for society. I am deeply grateful to the Calgary-based managers, executives, consultants, activists, regulators, colleagues and students who gave me access to the inside of Canada's oilpatch when I was there. Although there are not many direct references to this context, I could not have written this book without the often candid and off-the-record conversations with individuals struggling with how to improve the environmental performance of Calgary companies.

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## Abbreviations

BREEAM	Building Research Establishment Environmental
	Assessment Method
CCS	carbon capture and storage
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CO	carbon monoxide
CO <sub>2</sub>	carbon dioxide
CSR	corporate social responsibility
DECC	Department of Energy and Climate Change (UK)
DJI	Dow Jones Index
ENGO	environmental non-governmental organisation
EPA	Environmental Protection Agency (US)
EU ETS	European Union Emission Trading System
FSC	Forest Stewardship Council
G8	Group of eight of the world's largest national economies
GHG	greenhouse gas
GRI	Global Reporting Initiative
GRONEN	Group for Research on Organizations and the Natural
	Environment
IASB	International Accounting Standards Board
ICAP	International Carbon Action Partnership
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardisation
ITC	International Trade Commission
LEED	Leadership in Energy and Environmental Design
MC	marginal costs
MR	marginal revenue
NCD	Natural Capital Declaration
NGO	non-governmental organisation
$NO_2$	nitrogen dioxide
NRBV	natural-resource-based view

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List of abbreviations

NRDC	Natural Resources Defense Council
OED	Oxford English Dictionary
ONE	Organizations and the Natural Environment
PR	public relations
R&D	research and development
RBV	resource-based view
SFI	Sustainable Forestry Initiative
TV	technology value
UN	United Nations
USGBC	US Green Building Council
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
WTO	World Trade Organisation
WWF	World Wide Fund for Nature