Do companies walk the talk of sustainability? A foray into the particularities of corporate greenwashing in Romania

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Abstract. *Recent European regulations enforced the need for more responsible and ethical companies from an environmental, social, and financial point of view. Various incentives and programs have been introduced over the last few years to assist businesses in focusing their efforts on sustainability goals and support the EU in achieving climate neutrality by 2050. Sustainable companies are no longer characterized by their financial statements but by how they handle sustainability-related risks and opportunities. As a relatively recent topic in the research field, greenwashing is described as deceptive communication meant to suggest or create the impression that an organization's products, aims, and/or policies are environmentally friendly. This exploratory study aims to uncover the primary causes and peculiarities of greenwashing in Romania from several expert viewpoints. The initial stage in a more comprehensive study seeks to determine the effect of greenwashing communication on Romanian consumers and their views on the subject. To further identify the grounds and expert opinion on this issue, semi-structured interviews with experts from various sectors and areas were performed. Engineers, consultants, NGO staff members, corporate communicators, and influencers in sustainability-related job positions were invited to participate. As highlighted in the data analysis, the main causes of greenwashing occurrence in Romania are the lack of education on sustainability in communication departments, the lack of clear and consistent regulations in measuring corporate sustainability, and the complexity of the topic. Sustainability and green education are severely harmed in the absence of adequate education in the formal system and information about green products is often obtained through the media. The novelty of this research is identifying subtle particularities of greenwashing in Romania compared to other types of misleading communication. In addition, it provides a series of methods that may assist individual customers in identifying and combating greenwashing.*

Keywords: *greenwashing; green claims; green products; misleading communication; sustainability.*

Introduction

The world as we know it is already transforming, and future scenarios foresee more changes that lie before us. The present human systems became more difficult to maintain in our natural environment, and businesses began to adapt. But are these businesses putting forth an honest effort with pure intentions? How can they (and us) keep up with the new requirements established to regulate corporate activities in a more sustainable way? At the investors' level, many consultants and experts give their advice on what data should be asked and how it is presented afterward through reports. However, at the consumers' level, things get more difficult. The average customer lacks the time and resources to investigate a company's overall approach to sustainability.

They are exposed to the final product and rely on labels, statements, and visible packaging or marketing materials to make a judgment. When companies offer misleading, ambiguous, or incomplete information, consumers may be deceived. Greenwashing has become more prevalent in recent years as firms attempt to paint themselves as concerned about the environment and its impact on the ecosystem.

Why do businesses fear communicating in a transparent manner? How do we reach a point where an open, honest dialogue begins when discussing a balance between economic development and environmental protection? Before answering these challenging questions, we should first understand and educate society in developing a vocabulary and a common framework in addressing planetary health. Experts in this field notice the raise of greenwashing activities, at the harm of genuinely conscious brands. This research aims to go deeper into the real causes of greenwashing by exploring different points of view from professionals acting in both the public and private sectors. Based on their experience and knowledge, participants offer several solutions and methods to approach misleading communication from individual and corporate perspectives.

Literature review

Environmental claims in the context of the sustainability field

In a broad sense, sustainability refers to the capacity to constantly support or maintain a process over time. Usually, the notion is divided into three pillars: economical, environmental, and social. Hence, the word encompasses environmental concerns and influences on communities, cultures, and interpersonal connections. The environmental pillar refers to air and water pollution, ecosystem management, and any other component which can be part of environmental preservation and climate change mitigation. Because there is currently no globally acknowledged definition or methodology for determining if a product or a business is sustainable, politicians and marketers increasingly use it as a catchphrase, diminishing the term's original meaning.

Since 2016, statistics show that individual awareness and interest in nature and climate change have continuously climbed globally. Search engines report a yearly rise in searches related to nature loss and biodiversity. More and more people share their concerns and opinions on social media and news on behalf of nature (The Economist Intelligence Unit, 2021). From this viewpoint, the market for consumer goods is under pressure to adapt and provide more sustainable and ethical products and services to consumers. Hence, green, or environmentally friendly outputs may be characterized as those that do less environmental damage in terms of polluting the earth or depleting natural resources, and/or can be maintained or recycled (Shamdasani et al., 1993). Aside from academics, several European regulations and guidelines have attempted to define what environmental or green claims are. Hence, a comprehensive definition refers to “the practice of suggesting or otherwise creating the impression (in a commercial communication, marketing or advertising) that a good or a service has a positive or no impact on the environment or is less damaging to the environment than competing goods or services” (European Commission, 2021). This practice might be related to the product's composition, how it was created, how it can be disposed of, or the anticipated decrease in energy consumption or pollution resulting from its usage. Hence, relevant to evaluating an environmental claim is the product's major

environmental consequences throughout its lifetime and supply chain. An environmental claim should relate to characteristics that have a major bearing on the environmental effect of the product. When such claims are false or cannot be easily verified, it can be referred to as *greenwashing*, but it is also known as eco-washing, eco-bleaching, green makeup or whitewash.

Greenwashing in business-to-consumer communication

Like other misleading advertising practices, oil firms such as Chevron were among the first to violate the idea of green advertising in the mid-1980s by downplaying their role in environmental damage for years. Over the years though, more companies tried to convince their audience about the benefits of their products from an ecological point of view and self-promoting an environmentally responsible corporate image. Greenwashing occurs when the public perceives a business's environmental claims as deceptive.

In the context of business-to-consumer communication, promotion practices that include green attributes of products can refer to "all types of statements, information, symbols, logos, graphics, and brand names, and their interplay with colors, on packaging, labeling, advertising, in all media (including websites) and made by any organization, if it qualifies as a 'trader' and engages in commercial practices towards consumers" (European Commission, 2021). At the moment, Directive 2005/29/EC (Unfair Commercial Practices Directive) is the primary EU act that addresses unfair practices that affect the economic interests of consumers, including deceptive green claims. There are a few Member States which implemented national guidelines to complement and detail the ones at the EU level. However, there is still a need for clarity in this area, since the guidelines only address environmental claims and do not regulate the broader idea of *sustainability claims*, which includes labor and human rights.

Types of greenwashing

One of the most popular classifications of greenwashing was published by TerraChoice, an environmental marketing company that researched international markets and concluded that 98% of North American brands were greenwashing their audience (de Freitas Netto et al, 2020). They provided a list of seven sins to be taken in consideration in order to avoid greenwash traps: the sin of the lesser of two evils, the sin of irrelevance, the sin of the hidden trade-off, the sin of no proof, the sin of worshiping false labels, the sin of fibbing, the sin of vagueness.

In a widely cited study, Carlson et al. (1993) split environmental advertising claims into a matrix of five distinct categories: 1) Product-orientated; (2) Process-orientated; (3) Image-orientated; (4) Environmental fact; and (5) Amalgamation. These types can be further divided into a second typology divided into: (a) vague/ambiguous claims; (2) omission; (3) false/outright lie; (4) combination; (5) acceptable.

In recent years, new studies (De Jong et al., 2020; Torelli et al., 2020) have embarked on a journey toward a novel approach of greenwashing by distinguishing between the type of green claim, company, or macro-level that it is initiated on when examining its effects on consumers. De Jong et al. (2020) categorization of greenwashing includes "vocal green," "partial" (also known as "half-lies"), "full" (also described as "lies")

greenwashing, "taking credit for following legal requirements," and "acting on own initiative". Their research proves that partial and full greenwashing has comparable negative consequences on brands' reputations compared to true green conduct. Interesting to discuss from this perspective the relevancy of the term *green-blushing*. As defined by the public relation firm Dix & Eaton, green-blushing refers to "walking the walk, but being too shy or unsure to talk the talk" (UL, 2016, p. 7). When businesses fail to communicate their social and environmental sustainability practices, they miss the chance to actively promote corporate sustainability values and encourage stakeholders and competitors to participate in constructive transformations.

On the other hand, Torelli et al. (2020) questioned that the previous literature in the greenwashing field only addresses consequences on the product or company level. Hence, they introduced two new levels: strategic and dark level. From their perspective, the strategic level is defined as "misleading environmental communication concerning aspects related to the future firm's strategies" (Torelli, 2020, p. 409). Dark level though is defined as "misleading environmental communication finalized to hidden illegal activities" (Torelli, 2020, p. 409).

Methodology

More than ever, in order to stay relevant to investors and consumers, businesses are concentrating on all three pillars of sustainability, including social and environmental. Companies are expected to build stronger policies and procedures to meet different sustainability standards. Yet they may use deceptive claims about their environmental performance to their profit becoming susceptible to greenwashing. This study seeks to answer the question: "What are the main causes of greenwashing in Romania and how can they be addressed?" This investigation's objectives are twofold: (1) to easily grasp the main culprits of greenwashing in communication; (2) to identify the distinct characteristics of greenwashing as opposed to other misleading communication practices.

In-depth, semi-structured interviews were conducted with seven senior practitioners with expertise in several sustainability-related sectors. Communication professionals inside for-profit organizations, influencers, sustainability engineers, and consultants were engaged to increase universal applicability and give solid explanations on greenwashing from several viewpoints. This paper investigated how professionals in Romania describe and recognize greenwashing activities in corporate communication materials. To assure accuracy, interviews were recorded, transcribed, and sent back to the interviewees with an English translation of the original transcript.
Each interview lasted between 30 minutes and 2 hours and was recorded with the participants' permission. Atlas.ti was used for both coding and analysis. Before all papers were exported from Atlas.ti, they were cleaned for repeated phrases ("yes, yes") and utterances ("uhm", "ihm"). Text documents were imported into Atlas.ti for coding and modeling the relationships between codes after being edited, cleaned, and prepared. Six of the seven participants were female, and one was male. The capture of data began in May 2022 and continued until August 2022.

Results and discussion

All interviews were imported as primary source materials into Atlas.ti, and 113 significant text fragments or quotations were identified. As the quotations are the basic units of analysis in Atlas.ti, they are connected by codes to increase their relevance, significance, and processing efficiency. The main areas of coding for this research were organized into three themes, namely a) Examples of greenwashing and its characteristics in Romania; b) Causes of greenwashing; and c) Potential solutions.

The findings demonstrate the complexity of the greenwashing issue and how it is driven by the absence of clearly defined terminology and regulation at national and international levels and the lack of education on this given matter inside and outside of companies. The most prominent greenwashing mentioned by respondents refers to the final product, which is visible to customers; examples from the interviews include cleaning products, cosmetics, and home goods. As customers seek eco-friendly alternatives to harmful items, they may be confused by misleading pledges made by manufacturers. They use packaging and labeling to give the idea that their product is a greener choice, however, it is not: "*And you sit and ask yourself why bother to make the packaging part and put the eco-label when keeping the other part which is, if not the same, maybe even more important, right?*" (Interview_RC3). As most customers are unaware of the internal procedures and strategies of the producers, the green claim addressing the product characteristics is the most obvious to consumers. Therefore, they are more vulnerable to greenwashing through ambiguous assertions or withholding crucial information on packaging or marketing materials. "*People won't research, they don't have the time and resources to research, like the logistics and the companies owned by who and who are the partners and so on*", "*so most visible for them is, for example, a carton box with plastic inside. That's greenwashing*" (Interview_RC1). Biodegradable products like bags and other single-use accessories were often mentioned by respondents as greenwashing solutions proposed by different companies in order to convince their customers and investors of their support of green choices: "this is a lie because all biodegradable compostable packaging should be put into compostable biodegradable packaging categories and taken to recycling centers" (Interview_NGO1). Biodegradable products are "very difficult to compost or recycle because of the material from which they are produced' (Interview_RS2). In terms of communicating and promoting a product, those responsible for the creation and execution of the materials might lack a sufficient understanding of green claims and the regulations for using terminology such as green, eco-friendly, bio, etc. Without sufficient training, they are prone to make errors and use vocabulary improperly while referring to their company's goods and services: "*And then it happens sometimes because the people who communicate about this are marketing people, so they have no idea what they're doing. They don't know about greenwashing. It happens in my company as well*." Therefore, one factor contributing to greenwashing in Romania may be the novelty of the concept in the relatively young field of sustainability, the lack of individual education on the subject, and the limited resources they have to adopt more sustainable daily habits.

From the standpoint of participants, however, image orientation-based greenwashing may be the most bothersome. This deceptive green claim is based on the company's involvement with an environmental cause in its marketing materials, as pushed mostly via corporate social responsibility (CSR) efforts and it has become very common during the previous several years: "*Basically anybody who has CSR projects and they want to*

market them, they do it, they over market them (...) It's just the impression I get from commercials on the radio or tv." The majority of respondents said that it is not the fact that these companies are promoting their CSR initiatives, but rather the exaggerated benefits they claim that are providing to the environment or society while neglecting the damaging effect they have. Nonetheless, there were more straightforward respondents who argued that a company's impact cannot be anything but harmful for the environment, hence any green marketing message may be considered greenwashing. "*You can plant your trees as long as you don't put a communication part in that budget"* (Interview_NGO1), "*as long as my belief is that there is no sustainable growth, therefore, no sustainable business, anything you do would be greenwashing because if you say you are sustainable, but I believe there is no sustainable, it means you're lying. So, greenwashing*" (Interview_RS1).

Regarding Torelli et al. classification, this strategy-level greenwashing is easier to identify when professionals work in the field and are responsible for assessing or writing sustainability reports. Hence, the lack of clear regulations and transparency in sustainability reports can lead to vague claims and omissions in the communication materials of the corporations. "*Any sustainability report and what people communicate are done based on what the company considers material for the company. There is no clear rule on performing this materiality analysis, except some guidelines*" (Interview_RS1). Even though consultants in this field are optimistic about their work and its effect on putting organizations on the road to sustainability, they agree that the absence of data and sometimes the resistance of the management level hinder development attempts at the executive level.

But for most participants in this research, the lack of public information and education on this topic facilitates misleading corporate communication. "*So educational campaigns made by companies and especially big companies, or NGOs supported or having partners, oil companies, for example, will just do some type of campaigns (for example, recycling). But nobody will say we need to be more mindful of consumption and everything*" (Interview_RC1). The most visible campaigns on environmental topics are sponsored by big companies, most of the time as part of their communication campaigns. The end goal of these campaigns is usually gaining more visibility for the brand. The results are included in sustainability reports, marketing communication, and other commercial materials that big companies create to prove their consciousness.

The solutions proposed by the respondents could be grouped into two main categories, according to the active agent responsible for driving the change. The public sector, at the national and international levels, is expected to get involved in individual education on one hand. But on the other hand, they are expected to rethink the standards in evaluating the companies to better reflect what a sustainable organization should look like: "*I wouldn't like to live in a world, which is extremely regulated because it's not good for anyone. (...) But on the other hand, I think authorities could address this issue and reconsider and deep dive into this subject*" (Interview_RC1). The authorities could do this with better results if they team up with both professionals in the field of regulatory beneficiaries: "*I think we need to gather experts in different things at the table and try to connect with them more. And with the people who actually are consuming or benefiting from the rules and legislations that are being made*" (Interview_RS1). As referring to a relatively new topic to be included in the public policies, experts and professional

expertise could help politicians address the correct issues and develop the best solutions for Romanian society.

At the individual level, the urgent need for more education in Romanian formal education was mentioned by several professionals. While growing up abroad, one of the respondents highlighted the importance of children's education in environmental issues at an early age: "*they taught us a kind of civic education, how to do selective collection, and when you grow up, you will do them well by reflex*" (Interview_RS2). Another respondent observed the same solution in young educational programs "*it needs to become some sort of mass common knowledge and that means it needs to go into the structures of the state… laws that force you to put this into school and then the laws force companies to have some sort of a common knowledge*" (Interview_RS1). A more educated audience would also mean more educated communication and marketing professionals who could spot unintended misleading green claims before they leave the organization and better-prepared audiences who could spot and draw attention to greenwashing tentative across different markets. Equipped with better environmental skills customers won't be deceived to purchase a product that is not clearly green, and they won't feel overwhelmed when navigating through numerous corporate claims and slogans: "*I think it can be obtained through a lot of education as in people actually learning what the concept of sustainability means at its basic definition. And what all of these words are being used for*" (Interview_RS1).

Curiously, even though the companies themselves perform the greenwashing activities, no specific action points were mentioned for them to implement. Sometimes seen as performing misleading communication activities intentionally, they are expected to be exposed by more educated consumers or clear regulations. Transparency and honesty are expected from the private sector, but no clear action was asked from their side in order to help build a better-reporting standard or change the way we look at consumption and education in this field. This could suggest that in the subconscious mind, the objective of making profits is hard to associate with more honest sustainability actions. Except for stopping to exaggerate the benefits of a product or service, the companies are not seen as reliable educational actors or genuine promoters of a green economy.

Conclusions

In conclusion, this exploratory research aimed to identify the fundamental reasons and particularities of greenwashing in Romania from the perspective of a number of experts in the field such as engineers, consultants, NGO personnel, corporate communicators, and influencers roles connected to sustainability. The preliminary phase of a larger research aims to assess the real impact of greenwashing communication on Romanian consumers and their perceptions of the topic. The results show that the primary reasons for greenwashing in Romania are the lack of awareness on the topic in communication departments, the absence of clear and uniform laws in evaluating corporate sustainability, and the complexity of the issue. The solutions suggested by respondents in this research involve public authorities, public education, and individual research as more knowledge about the green claims could help employees develop more sustainable products inside the company and could support customers in spotting and denouncing misleading information and practices in corporate communication.

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