SILESIAN UNIVERSITY OF TECHNOLOGY PUBLISHINGHOUSE

SCIENTIFIC PAPERS OF SILESIAN UNIVERSITY OF TECHNOLOGY 2024
ORGANIZATION AND MANAGEMENT SERIES NO. 192

UNRAVELING BUSINESS ETHICS: UNETHICAL PRACTICES WITHIN THE CONTEXT OF CORPORATE SOCIAL RESPONSIBILITY

Urszula GARCZAREK-BĄK[1*], Kinga KUBASZEWSKA[2], Joanna LEMAŃCZYK[3]

[1] Uniwersytet Ekonomiczny w Poznaniu; urszula.garczarek-bak@ue.poznan.pl, ORCID: 0000-0002-3979-7964
[2] Uniwersytet Ekonomiczny w Poznaniu; 85654@student.ue.poznan.pl, ORCID: 0009-0000-6709-3991
[3] Uniwersytet Ekonomiczny w Poznaniu; joanna.lemanczyk@phd.ue.poznan.pl, ORCID: 0000-0002-6195-8568
* Correspondence author

Purpose: This article aims to conduct a rigorous examination of the literature surrounding Corporate Social Responsibility (CSR). Criticisms of the strategy will be articulated and substantiated through concrete examples from the business sphere. Additionally, the delineation of alternative approaches for implementing the tenets of responsible business is emphasized.
Design/methodology/approach: Grounded in a critical literature review, the methodology involves investigating various forms of CSR-washing, using examples to examine different definitions and implications. Additionally, CSR reports are scrutinized to identify disparities between declarations and actual situations. Furthermore, examples for each type of CSR-washing are meticulously selected, and a guidance list is created to prevent such occurrences.
Findings: Derived from the extant literature, unethical practices have been categorized and designated. Moreover, specific instances have been referenced to underscore the distinctions among various manifestations of "washing".
Social implications: The foundational literature integral to subsequent deliberations on the Corporate Social Responsibility (CSR) concept has been restricted to publications available in both English and Polish. The illustrative case studies, which highlight instances of "washing", are gleaned from a thorough analysis of academic literature on CSR-washing, practitioner documents, and activist discourse, along with notable actions described in the media.
Originality/value: This article undertakes a critical analysis of Corporate Social Responsibility (CSR) by elucidating key imperatives and delineating inequitable practices within the purview of the supply side, using a case study as an illustrative vehicle. Additionally, it endeavors to unveil alternative paradigms for responsible business conduct, thereby contributing to the discourse on the depreciation of CSR's positive standing.
Keywords: CSR, green washing, social washing, rainbow washing, diversity washing.
Category of the paper: Conceptual work.

1. Introduction

The 21st century has brought about significant changes in the business landscape, particularly with the increased accessibility of comprehensive market information, leading to heightened consumer awareness in purchasing decisions. Contemporary manufacturers are now required to meet additional demands from the consumer side in order to distinguish themselves. The substantial theoretical and empirical literature on corporate social responsibility (CSR) and business ethics in developed Western economies indicates considerable attention from both academics and practitioners (Koleva, Meadows, 2021). However, there is limited evidence of the actual implementation of CSR and business ethics.

The ability to verify the accuracy of information coming from the supply side presents an added challenge to unscrupulous marketing efforts, as companies seek to present themselves favorably to the public. Despite being a key aspect of responsible business, Corporate Social Responsibility (CSR) has faced criticism from both the scientific and business communities due to inadequate implementation. This criticism has given rise to various new instances of "washing", indicating the decline of CSR in specific sectors of activity.

As noted by Gatti, Seele, and Rademacher (2019), the concept of voluntary CSR remains widespread in CSR literature and seems to represent a gray area that allows for deceptive "green" communication. Therefore, the research question aims to delineate the concept of "washing" within the context of Corporate Social Responsibility (CSR) and furnish examples illustrating various types of washing.

2. Trust and Engagement in Corporate Social Responsibility Communication

In recent years, the examination of Corporate Social Responsibility (CSR) has garnered attention from both scholars and organizations, revealing two divergent perspectives. According to Dhanesh (2015), entities like the World Business Council for Sustainable Development perceive CSR as a mechanism for businesses to contribute to economic development while simultaneously enhancing the well-being of their workforces, local communities, and society at large (e.g. Brei, Böhm, 2013). An alternative viewpoint, as articulated by Adomako and Tran (2022), regards CSR as a strategic foundation that intertwines an organization's financial performance with its stakeholder management. These perspectives align with targeted views of CSR communication within various domains, such as public relations, marketing, public affairs, and management (Coombs, Holladay, 2011). Allen and Craig (2016) provide another lens, focusing on how organizations and their stakeholders utilize CSR communication to foster responsiveness on ethical issues, corporate philanthropy, and corporate citizenship. This paper predominantly adopts the latter approach, centered on responsiveness and ethical considerations.

As noted by Aslaksen et al. (2021), businesses are increasingly involved in corporate philanthropy and social initiatives during the early 2020s. There is also a rising scholarly interest in analyzing the terminology used in this context, and this trend is expected to continue in the future. As exemplified by Taylor (2023) the history of responsible business indicates a significant precedent for businesses making social contributions beyond mere profit generation. The evolution of a sense of social obligation among businesses has evidently progressed over time. In the context of this article, we suggest adopting a straightforward definition put forth by Dutot et al. (2016). According to this definition, a company should incorporate distinct considerations, such as environmental, social, human, or labor-related issues, into its overall strategy and policies. Crucially, this integration should be the result of a voluntary commitment that surpasses the legal or economic responsibilities of a company in terms of Corporate Social Responsibility. Singh et al. (2016) highlight that effectively implementing the concept of CSR can lead to substantial competitive benefits. These advantages encompass improved access to capital and markets, increased sales and profits, savings in operational costs, heightened productivity and quality, a skilled workforce, added value and reputation, enhanced customer loyalty, and improved decision-making and risk management processes. CSR is viewed as a business responsibility that extends beyond internal stakeholders, such as shareholders and workers, to also include external stakeholders like society and nature.

In the exploration of Corporate Social Responsibility, the concept of trust takes center stage, representing the confidence stakeholders repose in a company based on its principled actions. This trust is firmly grounded in the anticipation that the company will adhere to ethical standards, prioritizing the interests of all stakeholders in its decisions and endeavors (Lins et al., 2016). This perspective aligns with the European Commission's definition, characterizing trust in CSR as the reliance stakeholders place on a company, shaped by its CSR initiatives and underscored by responsible decision-making (Popescu, 2019).

The current landscape is marked by a prevailing belief that consumers lean towards trusting and having confidence in corporations actively demonstrating social responsibility. Beyond harboring positive sentiments about forging enduring connections with such businesses, consumers exhibit a heightened willingness to engage with them (Caputo et al., 2023). Highlighted by Jarvis et al. (2017), the role of Corporate Social Responsibility in shaping customer engagement (CE) is substantial. CE is recognized as a strategic imperative for nurturing customer value and understanding contemporary marketing, as underscored by research such as that conducted by Lim et al. (2022). Lee et al. (2019) assert that CSR has evolved into an innovative marketing strategy for businesses striving to cultivate lasting relationships with customers, deliver added value, and gain a competitive edge.

According to Swaen et al. (2021), the strategic benefits of Corporate Social Responsibility on performance have already been firmly established. Further research suggests that active involvement in CSR initiatives, including environmental programs, ethical products, or social actions, leads to more favorable evaluations of a company (Park et al., 2017). This underscores a positive correlation between CSR policies and customer loyalty through various mechanisms (Iglesias et al., 2020). Recent studies also confirm that supporting a CSR activity positively influences intangible resources like trust, thereby augmenting purchase intentions and loyalty (Swaen et al., 2021). Trust, identified as a key player, assumes a pivotal role in championing values of transparency and social responsibility (Iglesias et al., 2020). The need for transparency in disclosing the environmental impact of corporate activities is acknowledged by Antunes, Santos and Hurtado (2015). This transparency is seen as vital, with communication strategies requiring dynamism across various channels to raise awareness among stakeholders and the broader society. The emergence of Web 2.0 introduces novel social media tools, enabling stakeholders to engage in different forms of interaction and information sharing on the Internet. Corporate websites or blogs, wiki and petition platforms, and notably social networks such as Twitter and Facebook are reshaping the dynamics of interactions and communications between companies and their stakeholders (Fieseler, Fleck, Meckel, 2010).

3. Research Method

Similarly, as in the case of Pope and Wæraas (2016), the literature review can be interpreted as a compilation of discussion points and a checklist for scholars investigating the potential occurrence of CSR-washing in a specific organizational context. Their interpretation focused on cases that can increase corporate profitability through increased consumer purchases, perceiving them as the "most well-developed". Meanwhile, this article examines the significance and relevance of the subject in both public discourse and academic discussions on Corporate Social Responsibility (CSR), leading to the conclusion that it is crucial to delve into various forms of CSR-washing, accompanied by notable examples, in order to thoroughly explore this phenomenon. The research was initiated by querying scholarly databases such as WoS and Scopus using terms such as "CSR-washing", "greenwashing", "social washing", "rainbow washing", "pink washing", and "diversity washing”, in October 2023. As highlighted by Seele and Gatti (2017), various and occasionally conflicting definitions have been proposed thus far. Further research is necessary to classify the diverse forms of greenwashing discussed in the literature, along with exploring its implications and consequences for both business and society. Concurring with Bernardino's (2021) observation that the increasing prevalence of Corporate Social Responsibility reporting has raised questions about its genuine utility, particularly given that CSR reports often resemble marketing materials rather than objective financial statements. In light of this, the content of CSR reports and their occurrences related to distinct types were scrutinized as the primary objective. Given that new social and governance issues are introduced by digitalization, particularly for corporations (Lobschat et al., 2021), the selection of examples that effectively illustrate these complexities in the online sphere was deemed the most challenging and critical aspect. Greenwashing examples were selected based on the assessment conducted by the Corporate Climate Responsibility Monitor 2023, encompassing major multinational companies. Specifically, those with low integrity and very low integrity ratings were chosen for analysis. Other types of washing examples were identified through online desk research, focusing on selected cases that were commented on.

4. Unethical CSR Practices - Varieties of "Washing"

The extensive media coverage of scandals in CSR area has heightened consumer awareness of sustainability concerns, resulting in elevated expectations for retailers to fulfill their social responsibility obligations (Diallo et al., 2023). As posited by Vredenburg et al. (2020), the authenticity of brand activism often hinges on its close congruence with a brand's intrinsic purpose, values and its conscientious corporate practices with a pro-social orientation. Authentic brand activism requires a balance between brand mission, corporate behavior and values aligned with activist marketing messages (Fredrikson, 2021). Research shows that brand activism can impact a company's value, with shareholders responding to alignment or deviation from stakeholder expectations. However, predicting the impact on company value before taking a position remains uncertain, adding to the associated risks (Mirzaei et al., 2022). Undoubtedly, the cultivation of a company's credibility within the public sphere stands as a pivotal imperative in contemporary business landscapes. Nevertheless, in an era where consumers wield unfettered access to comprehensive information, the substantiation of ethical conduct and responsible practices within the supply chain becomes a paramount determinant. Aligned with positivist perspectives on Corporate Social Responsibility implementation (Barnett, Salomon, 2012; Jayachandran et al., 2013; Luo, Bhattacharya, 2006), there are instances that cast doubt on the commendable foundations justifying corporations' efforts to assist their designated beneficiary groups. The persistent prevalence of malfeasance across diverse strata has created a climate where distinguishing between various manifestations of “washing” becomes challenging. The recognition of the necessity to define concepts for clarity and understanding is acknowledged, with the prevalence of concepts bearing diverse interpretations being acknowledged. Accordingly, examples are intended to be provided to illuminate these definitions.

4.1. Greenwashing

As environmental pollution intensifies globally, companies are increasingly prioritizing environmental issues, with growing public awareness further emphasizing the importance of environmental considerations (Zhang et al., 2018). The surge in green markets is accompanied by the occurrence of greenwashing (Majláth, 2017), a phenomenon characterized by the convergence of inadequate environmental performance and positive communication regarding environmental efforts (Delmas, Burbano, 2011). Greenwashing involves the deceptive practice of making exaggerated or false statements about the environmental benefits of a product, service, or company. Essentially, it presents a misleading image of greater eco-friendliness than the actual practices warrant. This phenomenon is alternatively termed as green sheen or green fever (Joshi, Bajpai, 2018; Plec, Pettenger, 2012). Although it has gained significant attention in recent decades, comprehensive and systematic research focusing on the evolution of this phenomenon, especially regarding its impacts on stakeholders, is still needed (Bernini, La Rosa, 2023). De Freitas Netto et al. (2020) note the existence of diverse definitions of greenwashing from various perspectives. However, the authors introduce two primary classifications: Claim greenwashing and Executional greenwashing. Their systematic literature review reveals that the majority of research to date has predominantly concentrated on claim greenwashing at the product/service level. This form involves the use of textual arguments, whether explicit or implicit, that reference the ecological benefits of a product or service to create a misleading environmental claim. Executional greenwashing does not rely on the explicit claims described earlier; instead, it incorporates nature-evoking elements such as images with colors (e.g., green, blue) or sounds (e.g., sea, birds). These nature-evoking elements, whether intentional or not, have the potential to create false perceptions of the brand’s environmental friendliness. As per Hartmann and Apaolaza-Ibáñez (2009), these elements can "subtly trigger ecological inferences by activating implicit references to nature through nature imagery". Given its multidisciplinary nature, a universally accepted general definition of greenwashing has yet to emerge. Researchers from diverse fields, including Business, Communication, Economy, Production Engineering, Social Sciences, Environmental Management, and Law, have delved into discussions surrounding this phenomenon. It is noteworthy that the varied manifestations of greenwashing pose a challenge for consumers in identifying the phenomenon. Significantly, greenwashing is intricately connected to the concept of “decoupling”. While decoupling involves the juxtaposition of promising policy statements with inadequate program implementation and impact, greenwashing is specifically characterized by the intersection of positive communication about performance, often through reporting, with actual poor performance (Delmas, Burbano, 2011).

4.2. Social washing

While greenwashing pertains to deceptive environmental assertions, social washing involves misleading information regarding the social responsibility associated with a company's products or services. Social washing encompasses a spectrum of ethical actions, or perhaps inactions, extending beyond the stewardship of natural resources to encompass areas such as labor and human rights, gender equality, modern-day slavery, and more (Rizzi, Gusmerotti, Frey, 2020).

A cognate concept rooted in corporate motivations is termed "woke-washing", wherein ethically dubious enterprises leverage social movements to enhance sales without addressing their involvement in contentious practices (Vredenburg et al., 2018). If the term woke washing is unfamiliar, it can be analogously viewed as the counterpart to greenwashing. Woke-washing entails incorporating social justice themes into marketing campaigns to cultivate a favorable corporate image without undertaking substantive actions (Sobande, 2019, p. 18). More precisely, woke washing is defined as "brands with unclear or indeterminate records of social cause practices", highlighting discrepancies between their messaging and actual practices (Vredenburg et al., 2018). These brands still strive to market themselves as being concerned with issues of inequality and social injustice (Sobande, 2019, p. 18).

Certain scholars limit their examination of deceptive corporate practices to environmental concerns, coining the term "blue washing" for issues related to social responsibility. This relatively recent phenomenon poses research challenges due to the absence of standardized terminology and blurred boundaries (Sailer, Wilfing, Straus, 2022). Blue washing specifically involves misleading marketing efforts that exaggerate a company's commitment to socially responsible practices, emphasizing economic and community factors (Berliner, Prakash, 2015). It transpires when companies use the United Nations Sustainable Development Goals to spotlight chosen responsible practices that do not align with the reality of their core operations.

Moreover, in the landscape of CSR-washing, the emergence of “purple washing” has become increasingly notable. This practice involves various companies and politicians leveraging gender equality and feminist discourse as a strategic tool to enhance their public standing (Genghini, 2023). The color purple, historically linked to women, feminism, and feminist principles, is employed symbolically in this context. The term purple washing, akin to the concept of “whitewash”, signifies the appropriation of feminism and fempinist beliefs, with purple representing these ideals and wash connoting the criticized co-opting strategies. Coined to spotlight the exploitation of minority rights, particularly those of women, this term underscores how such practices contribute to sustaining underlying forms of discrimination (Aggarwal, 2021).

4.3. Rainbow washing

Another term borrowed from the concept of greenwashing - rainbow washing - describes the phenomenon where companies or brands use the language and symbols of the LGBTQ+ movement to market their products or services without genuinely supporting the community or its causes (Johns et al., 2022). According to Champlin and Li (2020), this involves companies undertaking various campaigns and brand modifications to attract the LGBTQ+ community, often with minimal or no substantial investment in the community itself. Johns et al. (2022) characterize it as a novel marketing technique, where companies implement various initiatives to appeal to the LGBTQ+ community without making authentic investments in the community itself. As exemplified by Paefgen-Laß (2021) the rainbow trend dominates as companies, institutions, and celebrities express solidarity with the LGBTQIA+ community in June, during Pride month. Fashion brands like Levi's, Happy Socks, and H+M launch Pride collections, with proceeds supporting non-profit organizations. Lego introduces gender-neutral plastic figures in rainbow sets, and German car manufacturers display rainbow-colored perimeter advertising in stadiums to signal opposition to homophobia, racism, and intolerance. In essence, companies are actively aligning themselves with the vision of a diverse and prejudice-free society. Demonstrating these distinct colors signifies a comprehensive political standpoint (Niculescu, 2022), indicating ongoing support throughout the entire year. More broadly, the concept of rainbow-washing doesn't solely indicate a lack of awareness on the part of companies regarding LGBTQ+ issues. Upon closer examination, it seems to function, in part, as a well-established marketing strategy, with certain negative aspects being overlooked. Some companies are cognizant of this double standard, while others may not be (potentially) (Rusch, 2023).

In addition to rainbow washing, another prevalent term is "pink washing". While some sources consider both terms as synonyms, it's essential to highlight the need for differentiation. Both concepts involve companies attempting to court the queer community and boost revenues or profits through superficial and shallow advertising campaigns. Many of these companies engage in such practices while discreetly funding causes or politicians who oppose LGBTQ rights. Corporate giving practices have become less secretive in recent years, and their visibility swiftly becomes fuel for activists and special interest groups to raise consumer awareness about how these companies truly behave (Wolny, 2023). Puar (2013) defines pink washing as the act of diverting attention from a nation's discriminatory policies toward certain populations by loudly promoting its gay rights for a select few. This practice reinforces a discourse of sexual exceptionalism. Western nation-states actively engaging in global LGBTQ human rights activism enhance their representational capital, portraying themselves as culturally superior, through the strategy of pink washing within the nation. However, a different perspective includes pink washing as the practice of using the color pink and pink ribbons to indicate a company's support for the search for a breast cancer cure and to invoke breast cancer solidarity (Lubitow, Davis, 2011). Pink washing frequently appears during Pride celebrations, which have transitioned from protests against police brutality to emphasizing corporate and police engagement. These entities are criticized for leveraging their participation as a strategy to enhance their image through pink washing. This transformation aligns with the preferences of "respectable queers", embodying the homonormative ideal (Russell, 2018), and introduces another related term — “queerbaiting”.

4.4. Diversity washing

In the realm of social analysis, scholars have progressively substantiated the phenomenon known as diversity washing. Diversity washing is closely related to, but not the same as, other terms like inclusivity washing and rainbow washing. While diversity washing broadly refers to exploiting the idea of cultural, disability, and racial diversity for marketing purposes, inclusivity washing leans more towards pretending to embrace a broader range of social issues, including gender and other forms of marginalization (Aujla, 2023). This term encapsulates significant incongruities between companies' outward declarations of commitment to diversity, equity, and inclusion (DEI) and the actual implementation of these principles in their hiring practices. Companies identified as diversity washers prioritize rhetoric on DEI over achieving authentic gender and racial diversity among their workforce. Intriguingly, despite their tendency to face discrimination violations and negative human capital events, these firms paradoxically receive higher ratings from environmental, social, and governance (ESG) rating organizations. Additionally, they attract increased investments from institutional investors with a focus on ESG criteria (Baker et al., 2023).

5. Results

Table 1 provides a comprehensive overview of selected examples, presenting both the criticisms and the original declarations or marketing messages associated with each case. This table serves as a valuable resource for analyzing the nuanced dynamics between corporate claims and the corresponding scrutiny, offering insights into the alignment - or lack thereof - between publicized commitments and actual practices.

Table 1.
CSR Washing Types and Examples

Company	Criticism	Declarations	Source
	Greenwashing (based on New Climate CSR Monitor 2023)		
Amazon	Emission disclosure lacks transparency, only market-based emissions are reported and major emission sources in s3 are missing.	"We aim to reach net-zero carbon emissions by 2040 by investing in renewable energy, scaling solutions across our operations, and collaborating with partners to broaden our impact"	https://sustainability.aboutamazon.com/2022-sustainability-report.pdf
Carrefour	Carbon neutral by 2040 target entails a commitment to eliminate less than 1% of the company's emission footprint. The continued inconsistent disclosure of GHG emissions does not facilitate a good understanding of the company's emissions.	"CO2 emissions: 50% reduction in GHG emissions (Scopes 1 and 2) by 2030, and 70% reduction by 2040, compared with 2019"	www.carrefour.com/en/csr/performance
Samsung Electronics	Set a 2050 net-zero carbon emissions target, but pledged only a 20% reduction from its 2019 emissions, without sharing a full emissions footprint estimate publicly.	"With this new strategy, we plan to achieve net zero for the DX Division by 2030 and company-wide, including the DS Division, by 2050"	https://news.samsung.com/global/samsung-electronics-announces-new-environmental-strategy
Social washing			
Nestlé	Nestle has been accused of using child labor, unethical production methods, and misleading marketing strategies too many times.	"People and respect for human rights are at the core of Nestlé's culture and values"	www.theguardian.com/global-development/2021/feb/12/mars-nestle www.nestle.com/sustainability/human-rights
Primark	The fast-fashion retailer can offer very low prices because it employs workers from the poorest countries of the world, such as India and Cambodia, and under terrible working conditions.	"Without them we wouldn't be where we are today, and we take our responsibilities to them very seriously"	https://corporate.primark.com/en-gb/a/primark-cares/people.
L'Oreal	It has been criticized for failing to disclose how it mitigates risks in its operations to ensure its supply chains are free of child labor and modern slavery.	"We help solve the problems the world faces by supporting important social and environmental needs"	www.reuters.com/article/global-slavery-loreal- www.loreal.com/plpl/poland/pages/commitments/l-oreal-for-the-future-pl/

Cont. table 1.

Rainbow washing			
La Mania	Introduced basics with a Love is Love print, but profits don't support LGBTQ+ causes; they go to the TVN foundation instead. Positive, but misses aiding the represented community or likely buyers.	“T-shirt supporting the LGBTQ+ community from the La Mania brand”	https://fashionpost.pl/rainbow-washing-a-uczciwe-kampanie-pride
Yes	Anyone purchasing an engagement ring worth at least 1000 PLN has the chance to receive complimentary wedding bands from YES once same-sex partnerships are legalized in Poland - limited to the first 10 pairs and expires by 2027.	“We wholeheartedly support equality, justice, respect and openness”	www.wirtualnemedia.pl/artykul/krytyka-yes-yesforlove-rainbow-washing-lgbt-wykorzystywanie #YESforLove
Toyota	Criticized for donating over $600,000 to politicians actively opposing LGBTQ+ rights, their political affiliations contradict the professed values of supporting the LGBTQ+ community.	“Elevating the voice of LGBTQi+ employees is key to Toyota’s vision of building a diverse organization that echoes inclusive society”	www.peacefuldumpling.com/rainbow-washing www.toyota-europe.com/news/2023/pride-2023
Diversity washing			
Google	The company faced criticism for discrepancies between its external stances on diversity, equity, and inclusion and its hiring practices (Baker et al., 2023).	“Strengthening our culture of respect for all”	https://about.google/belonging/diversity-annual-report/2023
Tesla	There are many sexual harassment lawsuits pending against Tesla. Furthermore they received a $137 million judgment for racial discrimination.	“We do the work required to ensure that our culture is as diverse and inclusive as it is collaborative and driven”	https://digitalassets.tesla.com/tesla-contents/image/upload/2020-DEI-impact-report www.npr.org/2021/10/05/1043336212/tesla-racial-discrimination-lawsuit
Qualcomm	Qualcomm was sued for hindering the promotion of Black employees to higher positions despite emphasizing diversity within the company.	“Qualcomm aims to build an inclusive environment where everyone feels like they’re part of the team”	www.qualcomm.com/company/corporate-responsibility/ www.sandiegouniontribune.com

Table 2 distills valuable insights from the aforementioned examples, proposing a set of best practices to effectively address and mitigate various forms of corporate washing. These guidelines serve as a proactive framework for organizations seeking to navigate and avoid potential CSR pitfalls.

Table 2.
Key Advisory Insights for CSR Implementation

Washing Type	Best Practices
Greenwashing	- Corporate climate targets: Provide immediate action signals for emissions reduction and long-term visions for deep decarbonization. - Explanations: Include reasons for omitting certain emission sources from tracking. - Targets Coverage: Explicitly cover short-, medium-, and long-term targets across all emission sources and greenhouse gases.
Social Washing	- Data Disclosure: Advocate for greater data disclosure to uncover and assess the management of social risks. - Evolving Field: Recognize that measuring social risk is an evolving field compared to environmental risk.
Rainbow Washing	- Language Sensitivity: Increase awareness of language sensitivity in corporate communication. - Genuine Commitment: Assess whether companies genuinely understand and prioritize supporting LGBT+ rights or if involvement is a marketing strategy. - Advocacy: Vocal advocacy for LGBT+ rights, opposition to anti-LGBT+ views, and efforts to reduce hate and bias. - Inclusive Practices: Ensure year-round hiring, support, and representation of LGBT+ employees, implementing inclusive policies and processes. - Customer and Employee Opportunities: Create opportunities for expressing identities within products, platforms, and services. - Intersectionality: Spotlight intersectional identities to raise awareness for the most marginalized individuals. - Investments: Make year-round investments in frontline LGBT+ groups through donations, partnerships, or participatory campaigns.
Diversity Washing	- Ongoing Efforts: Recognize that diversity is an ongoing effort requiring continual learning. - Problem Understanding: Understand specific problems within organizations and cultures to create personalized deconstruction strategies. - Representation: Ensure representation of minority groups in all departments and leadership levels for genuine diversity and meaningful change.

Source: own elaboration.

6. Discussion

Through an analysis of existing literature on different types of CSR washing, this paper offers guidance for scholars and practitioners in the field, aiding in a more profound understanding of the central implications and characteristics of these various phenomena. The importance of customer education is deemed significant. Consequently, an endeavor is being made to apply some fundamental guidance. When considering whether a claim is indicative of "greenwashing" in future instances, the following questions may be posed: Is transparency observed? Are goals articulated in a direct and quantifiable manner? Is there a demonstrated understanding of their role in addressing climate change, and is there a willingness expressed to prioritize the planet over profits?

Each individual has a role to play in environmental protection. One of the most effective means of rejecting greenwashing and conveying a message to companies involved in such practices is for purchases to be made exclusively from companies that are genuinely committed to social and environmental sustainability.

Most contemporary literature offers recommendations for managers to enact practical changes with the goal of fortifying reporting practices and associated controls. Enhanced governance practices in CSR reporting should address several crucial considerations. Firstly, materiality assessments presented in CSR reports should utilize fair and accurate descriptors, avoiding the use of mathematical language unless supported by underlying data. Visual aids, such as materiality matrices, should steer clear of any deceptive portrayal of mathematical scale, scatterplots, or weights. Secondly, when adhering to recommendations from standard-setting organizations, companies should openly communicate their decision not to respond to a specific prompt, offering a clear explanation for why the requested information is considered not applicable or reportable. This transparency should prevent the concealment of a non-answer through hyperlinks or other deceptive means. Thirdly, statements regarding third-party assurance should be carefully articulated and positioned to avoid exaggerating the audit scope. Assurance certificates and auditor letters should be strategically placed within or linked to the relevant section of the report reflecting their scope, rather than being relegated to the end of the report, which might unintentionally imply a broader applicability (Famularo, 2023).

7. Conclusion

Under the broader umbrella of CSR communication, a term encompassing the production, consumption, and exchange of information, several categories like CSR, nonfinancial, ESG, and sustainability information have emerged (O’Connor, 2022). This multifaceted landscape underscores the evolving nature of CSR and its diverse manifestations in contemporary organizational discourse. Regulators and lawmakers in the United States and Europe have recently intensified their scrutiny on materiality and greenwashing. In Europe, the Corporate Sustainability Reporting Directive, implemented in January 2023, mandates large and listed companies, including European subsidiaries of foreign entities, to regularly disclose information about social and environmental risks they encounter. This includes details on how their operations impact both people and the environment (Famularo, 2023).

Numerous violations of the CSR concept have led to a loss of confidence on the demand side in the noble intentions of market participants when introducing sustainable business practices. The reluctance and distrust of CSR has led to alternatives that offer a chance to cleanse the reputation of companies trying to act responsibly. One proposal worth mentioning is the creation of shared values, presented by Porter and Kramer (2011). Due to them firms can create shared value by innovating products, optimizing market presence, and reducing costs. Additionally, they can enhance productivity in the value chain, acting as stewards for natural resources. Acknowledging their interdependence, companies benefit from local cluster development through reliable suppliers, efficient infrastructure, skilled talent, and a robust legal framework for sustained competitiveness and socio-economic progress. Furthermore, the described concept offers smaller market participants, who lack adequate financial resources compared to international corporations, a concrete opportunity to actively participate in philanthropic endeavors (Lemańczyk, 2023). Moreover, it is noteworthy that the outlined concept has the potential to catalyze the emergence of local initiatives and thus represents an integral part of the realization of social capital theory (Działek, 2011). Another proposal for CSR is the concept of ESG, whose transparency is guaranteed by individual indicators. The adoption of ESG criteria has fundamentally reshaped 'sustainable investing,' moving beyond regulatory efforts to enhance investment ethics. It has evolved into a speculative valuation approach, capitalizing on current societal issues and the growing influence of capitalism (Leins, 2020). The environmental, social and governance (ESG) framework, defined as the management of environmental, social and governance issues in organizations, serves as a guiding framework for risk management (Bradley, 2021). Based on the contemporary imperative to optimize corporate profits while promoting lasting social and environmental benefits (Domańska-Szaruga, 2011; Giese et al., 2019), key considerations include climate change, carbon emissions, pollution, human rights, labor standards, health and safety, diversity policies, and corporate governance (Inderst, Stewart, 2018).

References

1. Adomako, S., Tran, M.D. (2022). Stakeholder management, CSR commitment, corporate social performance: the moderating role of uncertainty in CSR regulation. *Corporate Social-Responsibility and Environmental Management, 29*(5), 1414-1423.
2. Aggarwal, I. *What is purple washing? How does it show the double standards of the perpetrator?* Retrieved from: https://www.oneworldnews.com/women-talk/what-is-purple-washing/, 20.11.2023.

3. Allen, M.W., Craig, C.A. (2016). Rethinking corporate social responsibility in the age of climate change: a communication perspective. *International Journal of Corporate Social Responsibility,1(1),* 1–11. https://doi.org/10.1186/s40991-016-0002-8
4. Antunes, D., Santos, A., Hurtado, A. (2015). The communication of the LCA: the need for guidelines to avoid greenwashing. *Espacios*, *36*(5), 1.
5. Aslaksen, H.M., Hildebrandt, C.,Johnsen, H.C.G. (2021). The long-term transformation of the concept of CSR: Towards a more comprehensive emphasis on sustainability. International *Journal of Corporate Social Responsibility, 6(11),* 1–14. https://doi.org/10.1186/s40991-021-00063-9
6. Aujla, O. *Diversity Washing: What is it? And How Can Your Brand Avoid it?* Retrieved from: https://www.purplegoatagency.com/insights/diversity-washing/, 21.11.2023.
7. Baker, A.C., Larcker, D.F., McClure, C., Saraph, D., Watts, E.M. (2023). Diversity Washing. *ECGI Working Paper Series in Finance Working Paper, No. 868*.
8. Barnett, M.L., Salomon, R.M. (2012). Does it pay to be really good? Addressing the shape of the relationship between social and financial performance. *Strategic Management Journal, 33(11),* 1304-1320.
9. Berliner, D., Prakash, A. (2015). “Bluewashing” the Firm? Voluntary Regulations, Program Design, and Member Compliance with the United Nations Global C ompact. *Policy Studies Journal*, *43*(1), 115-138.
10. Bernardino, P. (2021). Responsible CSR Communications: Avoid" Washing" Your Corporate Social Responsibility (CSR) Reports and Messages. *Journal of Leadership, Accountability & Ethics, 18(1).*
11. Bradley, B. (2021). *ESG investing for dummies*. John Wiley & Sons.
12. Brei, V., Böhm, S. (2013). ‘1L=10L for Africa’: corporate social responsibility and the transformation of bottled water into a ‘consumer activist’ commodity. *Discourse and Society, 25(1),* 1–29. https://doi.org/10.1177/0957926513503536
13. Caputo, F., Pironti, M., Quaglia, R., Chierici, R. (2023). Human resources and internationalisation processes: a cognitive-based view. *European Journal of International Management, Vol. 19, No. 4,* pp. 518-536.
14. Carroll, A.B. (2008). *A history of corporate social responsibility: Concepts and practices*.
15. Carroll, A.B. (2015). *Corporate social responsibility: The centerpiece of competing and complementary frameworks. Organizational dynamics*.
16. Champlin, S., Li, M. (2020). Communicating Support in Pride Collection Advertising: The Impact of Gender Expression and Contribution Amount. *International Journal of Strategic Communication, 14(3),* 160-178.
17. Coombs, W.T., Holladay, S.J. (2011). *Managing corporate social responsibility: a communication approach.* Wiley-Blackwell.

18. de Freitas Netto, S.V., Sobral, M.F.F., Ribeiro, A.R.B., Soares, G.R.D.L. (2020). Concepts and forms of greenwashing: A systematic review. *Environmental Sciences Europe*, *32*(1), 1-12.
19. Delmas, M.A., Burbano, V.C. (2011). The drivers of greenwashing. *California Management Review*, *54*(1), 64-87.
20. Dhanesh, G.S. (2015). Why corporate social responsibility? An analysis of drivers of CSR in India. *Management Communication Quarterly, 29,* 114–129. https://doi.org/10.1177/0893318914545496
21. Diallo, M.F., Lambey, C., Hasanzade, V., Osburg, V.S. (2023). Do socio-cultural factors affect the relationships between CSR and loyalty in retailing? A three-country investigation. *International Journal of Retail & Distribution Management*.
22. Domańska-Szaruga, B. (2011). Rola czynników ESG w budowaniu wartości przedsiębiorstwa. *Contemporary Management Quarterly [Współczesne Zarzadzanie], 3*.
23. Dutot, V., Lacalle Galvez, E., Versailles, D.W. (2016). CSR communications strategies through social media and influence on e-reputation: An exploratory study. *Management Decision, 54(2)*, 363-389.
24. Działek, J. (2011). Kapitał społeczny–ujęcia teoretyczne i praktyka badawcza. *Studia Regionalne i Lokalne, 12(45)*, 100-118.
25. Famularo, J. (2023). Corporate social responsibility communication in the ICT sector: digital issues, greenwashing, and materiality. *International Journal of Corporate Social Responsibility*, *8*(1), 8.
26. Fieseler, C., Fleck, M., Meckel, M. (2010). Corporate social responsibility in the blogosphere. *Journal of Business Ethics*, *91*, 599-614.
27. Fredrikson, K. (2021). *Woke-washing or altruism?: Understanding the phenomenon of brand activism by studying the media effects and audience responses to the practice*.
28. Friedman, M. (1962). *Capitalism and freedom*. Chicago: University of Chicago Press.
29. Gatti, L., Seele, P., Rademacher, L. (2019). Grey zone in–greenwash out. A review of greenwashing research and implications for the voluntary-mandatory transition of CSR. *International Journal of Corporate Social Responsibility, 4(1),* 1-15.
30. Genghini, L. *Greenwashing, Rainbow Washing and Woke Washing: how they can harm brands' reputation and the way to stop them.* Retrieved from: https://2030.builders/avoid-greenwashing-woke-washing-and-rainbow-washing/, 21.11.2023.
31. Giese, G., Lee, L.E., Melas, D., Nagy, Z., Nishikawa, L. (2019). Foundations of ESG investing: How ESG affects equity valuation, risk, and performance. *The Journal of Portfolio Management, 45(5)*, 69-83.
32. Hartmann, P., Apaolaza-Ibáñez, V. (2009). Green advertising revisited: Conditioning virtual nature experiences. *International Journal of Advertising*, *28*(4), 715-739.

33. Iglesias, O., Markovic, S., Bagherzadeh, M., Singh, J.J. (2020). Co-creation: a key link between corporate social responsibility, customer trust, and customer loyalty. *Journal of Business Ethics, Vol. 163, No. 1,* pp. 151-166.
34. Inderst, G., Stewart, F. (2018). Incorporating environmental, social and governance (ESG) factors into fixed income investment. *World Bank Group publication, April*.
35. Jarvis, W., Ouschan, R., Burton, H.J., Soutar, G., O'Brien, I.M. (2017). Customer engagement in CSR: a utility theory model with moderating variables. *Journal of Service Theory and Practice, Vol. 27, No. 4,* pp. 833-853.
36. Jayachandran, S., Kalaignanam, K., Eilert, M. (2013). Product and environmental social performance: Varying effect on firm performance. *Strategic Management Journal, 34(10),* 1255-1264.
37. Johns, A.N., Chapa, S., Brooks, N., Coleman, H., DuBois, M. (2022). *Rainbow-Washing Away Customers: Does the Consumer's Perception of Rainbow-Washing Affect Purchasing Behavior?*
38. Joshi, S., Bajpai, J. (2018). Green Washing: The Darker Shade of Green. *International Journal of Management, IT and Engineering, 8(5),* 25-32.
39. Koleva, P., Meadows, M. (2021). Inherited scepticism and neo-communist CSR-washing: Evidence from a post-communist society. *Journal of Business Ethics, 174,* 783-804.
40. Kramer, M.R., Porter, M. (2011). *Creating shared value, Vol. 17*. Boston, MA, USA: FSG.
41. Latapí Agudelo, M.A., Jóhannsdóttir, L., Davídsdóttir, B. (2019). A literature review of the history and evolution of corporate social responsibility. *International Journal of Corporate Social Responsibility, 4(1),* 1-23.
42. Lee, S.Y., Zhang, W., Abitbol, A. (2019). What makes CSR communication lead to CSR participation? Testing the mediating effects of CSR associations, CSR credibility, and organization–public relationships. *Journal of Business Ethics, Vol. 157,* pp. 413-429.
43. Leins, S. (2020). 'Responsible investment': ESG and the post-crisis ethical order. *Economy and Society, 49(1),* 71-91.
44. Lemańczyk, J. (2023). CSV revolution or evolution of the CSR concept. *Scientific Papers of Silesian University of Technology. Organization & Management [Zeszyty Naukowe Politechniki Slaskiej. Seria Organizacji i Zarzadzanie], 173*.
45. Lim, W.M., Rasul, T., Kumar, S., Ala, M. (2022). Past, present, and future of customer engagement. *Journal of Business Research, Vol. 140,* pp. 439-458.
46. Lins, K.V., Servaes, H., Tamayo, A. (2017). Social capital, trust, and firm performance: The value of corporate social responsibility during the financial crisis. *the Journal of Finance, 72(4),* 1785-1824.
47. Lobschat, L., Mueller, B., Eggers, F., Brandimarte, L., Diefenbach, S., Kroschke, M., Wirtz, J. (2021). Corporate digital responsibility. *Journal of Business Research 122,* 875-88. https://doi.org/10.1016/j.jbusres.2019.10.006

48. Lubitow, A., Davis, M. (2011). Pastel injustice: The corporate use of pinkwashing for profit. *Environmental Justice*, *4*(2), 139-144.
49. Luo, X., Bhattacharya, C.B. (2006). Corporate social responsibility, customer satisfaction, and market value. *Journal of Marketing, 70(4)*, 1-18.
50. Majláth, M. (2017). The effect of greenwashing information on ad evaluation. *European Journal of Sustainable Development*, *6*(3), 92-92.
51. Mirzaei, A., Wilkie, D.C., Siuki, H. (2022). Woke brand activism authenticity or the lack of it. *Journal of Business Research, 139*, 1-12.
52. New Climate (2023). *Corporate Climate Responsibility Monitor 2023*, https://newclimate.org/sites/default/files/2023-02/NewClimate_CorporateClimate ResponsibilityMonitor2023_Feb23.pdf
53. Niculescu, N. *Rainbow Washing: What Is It and Why It Needs to Stop*. Retrieved from: www.tokinomo.com/blog/rainbow-washing-in-retail, 21.11.2023.
54. O'Connor, A. (Ed.) (2022). *The routledge handbook of corporate social responsibility communication.* Routledge.
55. Paefgen-Laß, M. *Wenn Rainbow Washing Hochkonjunktur hat*. Retrieved from: www.springerprofessional.de/diversitaetsmanagement/unternehmenskultur/wenn-rainbow-washing-hochkonjunktur-hat/19313886, 21.11.2023.
56. Park, E., Kim, K.J., Kwon, S.J. (2017). Corporate social responsibility as a determinant of consumer loyalty: an examination of ethical standard, satisfaction, and trust. *Journal of Business Research, Vol. 76, July*, pp. 8-13.
57. Plec, E., Pettenger, M. (2012). Greenwashing consumption. The didactic framing of ExxonMobil's energy solutions. Environmental Communication. *A Journal of Nature and Culture, 6(4),* 459-476
58. Pope, S., Wæraas, A. (2016). CSR-washing is rare: A conceptual framework, literature review, and critique. *Journal of Business Ethics, 137*, 173-193.
59. Popescu, C.R.G. (2019). Corporate social responsibility, corporate governance and business performance: Limits and challenges imposed by the implementation of directive 2013/34/EU in Romania. *Sustainability, 11(19),* 5146.
60. Puar, J. (2013). Homonationalism as assemblage: Viral travels, affective sexualities. *Jindal Global Law Review*, *4(2)*, 23-43.
61. Rizzi, F., Gusmerotti, N., Frey, M. (2020). How to meet reuse and preparation for reuse targets? Shape advertising strategies but be aware of "social washing". *Waste Management*, *101*, 291-300.
62. Rusch, M. (2023). True Colours or Rainbow-Washing Exposed!?–Company Pride in and through Digital and Social Media Reviewed. *ILCEA. Revue de l'Institut des langues et cultures d'Europe, Amérique, Afrique, Asie et Australie*, *51*.
63. Russell, E.K. (2018). Carceral pride: The fusion of police imagery with LGBTI rights. *Feminist Legal Studies*, *26*, 331-350.

64. Sailer, A., Wilfing, H., Straus, E. (2022). Greenwashing and bluewashing in black Friday-related sustainable fashion marketing on Instagram. *Sustainability*, *14*(3), 1494.
65. Seele, P., Gatti, L. (2017). Greenwashing revisited: In search of a typology and accusation-based definition incorporating legitimacy strategies. *Business Strategy and the Environment, 26(2),* 239-252.
66. Singh, S., Bawa, J., Sharma, G.D. (2016). A case study on Corporate Social Responsibility in NESTLE, TATA, ITC. *ADR Journals*.
67. Sobande, F. (2019). Woke-washing:“intersectional” femvertising and branding “woke” bravery. *European Journal of Marketing*, *54*(11), 2723-2745.
68. Swaen, V., Demoulin, N., Pauwels-Delassus, V. (2021). Impact of customers' perceptions regarding corporate social responsibility and irresponsibility in the grocery retailing industry: the role of corporate reputation. *Journal of Business Research, Vol. 131, July*, pp. 709-721.
69. Taylor, I. (2023). Responsible government and responsible business: the challenge of harnessing CSR in a new epoch. *International Journal of Corporate Social Responsibility*, *8(1),* 7.
70. Vredenburg, J., Kapitan, S., Spry, A., Kemper, J. (2018). Woke washing: What happens when marketing communications don't match corporate practice. *The conversation*.
71. Vredenburg, J., Kapitan, S., Spry, A., Kemper, J.A. (2020). Brands taking a stand: Authentic brand activism or woke washing? *Journal of Public Policy & Marketing, 39(4),* 444-460.
72. Wolny, N. *What Is Pink Money? LGBTQ Spending, Explained*. Retrieved from: https://nickwolny.com/what-is-pink-money, 21.11.2023.
73. Zhang, L., Li, D., Cao, C., Huang, S. (2018). The influence of greenwashing perception on green purchasing intentions: The mediating role of green word-of-mouth and moderating role of green concern. *Journal of Cleaner Production*, *187*, 740-750.