Corporate Environmentalism: How Green is it Actually?

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Corporate Environmentalism: How Green is it Actually?

Presented By:
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To the Department of Environmental Studies in partial fulfillment of the requirements for the Degree of Bachelor of Arts with Honors in Environmental Studies

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New London, Connecticut

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A special thanks to my advisor, Jane Dawson, for her constant support and guidance throughout this process, and for fueling my passion of environmental justice, beginning when I was a freshman in her introductory environmental studies class. Thank you to Maria-Cruz Saco for taking the time to be my second reader. I would also like to thank the Goodwin-Niering Center for the Environment for making my research possible, for bringing me together with a group of like-minded and passionate individuals, and for encouraging me to take risks in order to make a difference in the world. Lastly, I would also like to thank my family, friends, and fellow Goodwin-Niering center students who have supported me throughout this entire journey.
This honors thesis is dedicated to my parents, who have supported me through every endeavor, who have encouraged me to take risks, and who have fostered my sense of adventure and my love of new experiences. Thank you for teaching me to live “in no particular way, but my own”.

Wake up to find out that you are the eyes of the world
Abstract

Beginning in the 1980s, corporations began participating in voluntary environmental initiatives; this phenomenon has come to be known as corporate environmentalism. As corporate environmentalism has evolved, more and more corporations are beginning to participate and are making voluntary environmental initiatives, working with third-party certifiers, and are partnering with environmental NGOs to improve their environmental performances. For my honors thesis, I analyzed the effect the corporate environmentalism is having on corporations’ impacts on the environment and on the environmental movement. I also investigated different methods of corporate accountability, including environmental NGOs, third-party certifiers or certification schemes, and consumers. Using corporate Global Responsibility Reports and ESG manager database, I investigated the environmental claims and behaviors of Wal-Mart, General Electric, Starbucks, and Whole Foods in order to determine how these corporations are participating in corporate environmentalism and whether these corporations are upholding their voluntary environmental commitments and initiatives and to analyze the various methods in place to hold corporations accountable. My findings indicated that some aspects of corporate environmentalism have been successful, whereas in other areas, corporations are using environmentalism as a way to improve their public image without changing their business practices, subsequently not improving their environmental performances and detracting from the environmental movement. However, this study also suggests that corporate environmentalism is necessary to improve the environmental performances of corporations. Therefore, in order to improve corporate environmentalism, I recommend improving corporate accountability, NGO accountability, and the accountability of third-party certifiers in order to increase transparency and in order to make corporate environmentalism more effective.
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Chapter 1: Introduction to Corporate Social Responsibility

In an age of economic globalization and market liberalism, corporations have developed enormous amounts of power and influence within the world arena. The world’s 25 largest corporations have more wealth than the individual wealth of a majority of countries in the world. In 2011, Wal-Mart’s revenue would have placed it as the 25th largest economy in the world if Wal-Mart were a country (Trivett, 1). A study conducted in 2000 by Anderson and Cavanagh, found that of the 100 largest economies in the world, 51 were corporations and in 1999, the combined sales of corporations made up 27.5% of the world’s GDP (Anderson and Cavanagh, 3). In addition to corporations’ large influence on politics and their impacts on the economy, corporations also have immense effects on the environment. Corporations are frequently criticized for having detrimental impacts on the environment as a result of their overconsumption of natural resources, contributions to biodiversity and habitat loss, their high rates of pollution, and for contributing to climate change through their fossil fuel and greenhouse gas emissions. New research suggests that only 90 corporations have caused two-thirds of the world’s greenhouse gas emissions since the industrial era (Goldenberg, 1).

Aware of their negative environmental reputations and their detrimental environmental impacts, many corporations have started working towards improving their environmental images and performances, by developing voluntary environmental initiatives. Beginning in the 1970s and 1980s, corporations began to incorporate more voluntary environmental initiatives and socially conscious practices into their business models. Since this time, a growing phenomenon has developed known as corporate environmentalism (Hoffman, 3-5). Corporate environmentalism is when a corporation makes voluntary initiatives to improve their environmental performances that go beyond the environmental legislations and regulations that
they are required to adhere to (Banerjee, 178). Corporate environmentalism takes many different forms and can vary from corporation to corporation. Many corporations are including environmental and sustainability goals into their corporate social responsibility (CSR) platforms. Some corporations have even begun forming alliances or collaborating with environmental NGOs in order to improve their corporate environmental practices. Lastly, many corporations are engaging with third-party certifiers in order to achieve different types of voluntary environmental certification schemes as a way to improve or monitor their environmental practices or the environmental impact of individual products.

Corporate environmentalism in the United States began as a reaction to the growing environmental movement of the 1960s. During this time, the public began demanding more environmental accountability and also demanded that corporations increased their prioritization of improving their environmental performances and lowering their ecological impact. The 1970s are known as the regulatory era for environmentalism. During this time, the U.S. government passed twenty-three significant federal environmental laws that would regulate emissions and air quality, regulate water quality, and monitor toxins and hazardous waste; a majority of these regulations imposed more regulations on corporations and demanded increased levels corporate accountability and environmental responsibility. Additionally, during this time, environmental NGOs and environmental organizations utilized the legal systems and the newly implemented environmentally legislations by filing lawsuits against polluters or corporations in order to force them to comply with the new environmental legislation (Dowie, 3).

The late 1970s and early 1980s gave way to a new era of voluntary environmental initiatives and an increased emphasis on CSR. During this time, corporations realized that they could actually increase profits by employing environmental and sustainable practices into their
business operations and could simultaneously appeal to environmentally conscious consumers. In order to remain competitive and to comply with consumer demands, corporations began implementing voluntary environmental initiatives into their business models and business objectives (Beder, 91). As a result, sustainability and environmental initiatives have become very commonplace throughout society and in business practices.

Sustainability is quickly becoming mainstream. Socially responsible initiatives, from the Prius to natural foods, from green buildings, to eco-friendly clothes and cosmetics, from wind power to the beneficial reuse of industrial waste, have migrated from being considered heretical, to impractical, to visionary, and finally to common sense- usually as soon as they begin to turn a profit. Eventually, they become part of business as usual, their controversial origins all but forgotten, (Savitz, 32).

Between 1973 and 2001, corporate environmental expenditures increased by approximately $250 million each year, demonstrating a new era of corporate environmentalism (Hoffman, 6).

**Corporate Social Responsibility (CSR)**

A majority of voluntary environmental initiatives or corporate environmentalism is done on the platform of corporate social responsibility (CSR). CSR is done on a voluntary basis and goes beyond the basic business outlines for how to make a profit by adding a social value component to the role of corporations. CSR acts as internal governance for the way in which corporations behave and it promotes a corporation’s commitment to the environment, human rights, economic development, and labor standards. CSR is constantly evolving in order to adapt to the changing times, to the needs of the consumers, and even to the needs of the world. Additionally, CSR evolves to account for what will be the most profitable and economically viable for the corporation. Corporations began placing a much larger emphasis on improving and promoting their commitment to the environment and to sustainability after environmentalism became a fast-growing and salient movement. In today’s society, there are many examples of corporations who have committed to reduce their environmental impact and to incorporate more
sustainable practices into their business operations. Companies such as Wal-Mart, General Electric, McDonald’s, Starbucks, and Coca-Cola, among many others, have committed to reducing their waste, cutting back their emissions and energy use, and implementing more sustainable practices into their business models (Figure 1) (Eco-Business, 6).

<table>
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<td>Nike</td>
<td>Considered design</td>
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<td>IBM</td>
<td>Smarter planet</td>
<td>2008</td>
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<td>Live positively</td>
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Table 1: Corporate Commitments to Sustainability (Eco-Business, 7-8)

In order to further corporate environmentalism, corporations have begun to engage with environmental organizations in order to receive support in achieving their environmental initiatives and as a way to improve their public image. The growing demand and expectation for corporations to do good has led to a large number of corporations who have formed partnerships with environmental or human-rights NGOs in order to receive guidance on how to improve their
corporate practices (Eco-Business, 31). Additionally, many corporations are now voluntarily using third-party certifiers and certification schemes as a way to demonstrate that their products have complied with certain standards that in theory work to ensure that a product is more ethical or sustainable. The growing prevalence of CSR, certification schemes, and corporate-NGO partnerships suggest the ethical qualifications and the accountability of corporations is becoming more important to the public and that subsequently, this demand for ethical business practices has somewhat impacted the operations of corporations.

In this study, I will be exploring just how green the phenomenon of corporate environmentalism is. I will assess this by investigating the effectiveness of voluntary environmental initiatives, corporate-NGO partnerships, and the impact of certification schemes. Throughout this study, I will be addressing several guiding questions in order to provide insight on the impact of corporate environmentalism. How has corporate environmentalism changed a corporation’s behavior and its impact on the environment? How has the environmental movement been affected since corporations began partnering with NGOs and taking on environmental practices? How can corporations be held accountable for their voluntary environmental initiatives?

By 1991, a survey conducted by the Conference Board determined that approximately 77% of corporations were including some form of environmental protection or an assessment of environmental risks into their formal business models (Hoffman, 4). The growing prevalence of CSR, environmental initiatives, certification schemes, and NGO-corporate partnerships demonstrate a new potential role for corporations. Corporations are extremely powerful entities, with a large amount of resources, influence, and connections to different supply chains. Therefore, corporations who are engaging in corporate environmentalism have the potential to
make an enormous difference in a wide variety of sectors. These potential benefits include: regulation of supply chains, reduced energy and natural resource usage, lower fossil fuel emissions, improved human rights practices, and more efficiency in production and transportation.

Corporate environmentalism also draws upon the concept of sustainable development, which is when development and meeting the needs of the present generation do not compromise or adversely affect the needs of future generations (IISD, 2016). Additionally, corporations have the ability to create more effective change than government regulations or environmental legislation, because corporations can achieve transnational change (Eco-Business, 17). For example, governments have had difficulties regulating toxins, but many corporations have voluntary agreed to ban certain toxins from production. In this case, corporations were able to fill legislatives gaps and create corporate regulations that were more effective than government regulations (Eco-Business, 73). This is simply one example of the potential of corporate environmentalism.

**Competitive Advantage**

Although market pressures have encouraged corporations to adopt more socially responsible and environmentally friendly policies, there are many ways that corporations can benefit from having an increased focus on environmentalism and CSR. In 1990, Michael Porter published “The Competitive Advantage of Nations” in the *Harvard Business Review*, in which he stated that environmental protection did not have to be a hindrance or a restriction to corporations, but could instead be used as a means to gain competitive advantage in order to set businesses apart from other business (Porter, 73-74). Porter’s argument was that businesses who implement innovative ideas, technologies, or practices into their businesses can set themselves
apart from their other competitors. Therefore, implementing more sustainable and environmentally friendly practices can actually help corporations to distinguish themselves and to become more competitive (Porter, 74).

This philosophy is one that has become increasingly present over the past several decades amongst corporations. Environmental protection and sustainability were once considered limitations to businesses and their profits and typically corporations did not emphasize any value on these components within their business models. However, many corporations are now able to capitalize on the increased demand for environmental consciousness and improving the sustainability of a corporation can actually benefit the corporation in the long run. This concept is known as the *Triple Bottom Line* (Savitz, xiii).

**Triple Bottom Line**

In 1994, John Elkington coined the phrase Triple Bottom Line. The Triple Bottom Line is a framework that incorporates three different pillars: social, economic, and environmental. Instead of solely focusing on revenue and economic success, the Triple Bottom Line framework encourages companies to expand their definition of success to also include cutting down on fossil fuel emissions, reducing the use of toxins, using resources more efficiently, improving human rights and labor standards, increasing gender equality, and a great deal of other social and environmental factors (Slaper and Hall, 4). “A sustainable corporation is one that creates profit for its shareholders while protecting the environment and improving the lives of those with whom it interacts. It operates so that business interests and the interests of the environment and society intersect,” (Savitz, X). The most important component of the Triple Bottom Line is that not only are society and the environment benefiting from a business’ actions, but also that the
business itself is actually profiting from doing the socially and environmentally conscious thing (Savitz, 21-22).

Triple Bottom Line is extremely important to businesses, as losing sight of environmental and social concerns in the pursuit of increasing profits can have serious backlashes and detrimental effects. Corporations can drastically reduce the costs of running their business simply by focusing on reducing waste, using less resources in production, and increasing the efficiency of the company. Focusing on environmental protection also ensures that a business can continue to prosper in a sustainable way and that a corporation is not depleting its own capital in its pursuit of a profit. Additionally, creating new and innovative products that are more environmentally friendly or sustainable can greatly help to improve a corporation’s reputation and can help to increase their sales and profits, (Savitz, 29). Studies conducted on corporations who are focusing on environmental issues have found that these companies are far more innovative, and have drastically increased revenues and customer loyalty as a result (Esty and Winston, 13).

General Electric (GE) is a direct example of a company that is employing the Triple Bottom Line and that is benefiting from implementing sustainable initiatives and socially conscious practices into their business plans. In 2005, GE launched Ecomagination, which promised to reduce its environmental impact, develop innovative and clean technology, reduce its water consumption and fossil fuel emissions, and increase its investment in clean technologies to $1.5 billion each year by 2010. In addition to all of these environmental initiatives, GE has greatly benefited from these practices. Since their implementation of Ecomagination, GE’s revenues have doubled from eco-friendly products (Savitz, 22-23). Toyota experienced a very similar effect when it released the Prius, a gasoline-electric car that would significantly reduce
carbon emissions and increase gas mileage. Many people predicted that Toyota would see a large decline in profits due to this new environmental endeavor. However, these skeptics were immediately proven wrong as the demand for the Prius increased to the point where Toyota could not produce them fast enough to keep up with the growing demand (Etsy and Winston, 11). Essentially, the Triple Bottom Line serves as a framework that incentivizes corporations to incorporate environmental protection and sustainability into their business models.

Green or Greenwashing?

Corporate environmentalism has many positive possibilities, for society, the environment, and for corporations. However, there are many scholars that are skeptical of corporate environmentalism and the impact that it is having on the environment and on the environmental movement. One of the primary reasons for skepticism of corporate environmentalism is that corporations are still primarily businesses that are working towards a profit. As a result, corporations must prioritize the success of the business first. Earning this profit often requires consumption levels to remain high and unfortunately over-extraction, over-production, and over-consumption are all contributing to many of the environmental problems that our world is facing today. Dauvergne and Lister argue that although corporate environmentalism and sustainability might be reducing the per-unit environmental impacts of products; it is doing nothing to slow the world’s rising level of consumption (Eco-Business, 23-24). In this study, I will be investigating the skepticism surrounding corporate environmentalism in order to assess the impacts that corporate environmentalism is having on corporate behavior, the environment, and the environmental movement. The guiding question of this study is: just how green are these “green” corporations?
As a way to increase the success of the business, many corporations are utilizing eco-business or environmentalism as a tool to achieve this success (Eco-Business, 2). In some cases, this utilization of eco-business is simply an example of the Triple Bottom Line. However, in other cases, it is possible that businesses are using a false guise of corporate environmentalism in order to improve the success and the reputation of the corporation without making any major changes to the business. Since the beginning of corporate environmentalism, some corporations have been utilizing deceptive tactics in order to promote themselves to the public as more green or more sustainable than they actually are. This practice is known as greenwashing (Furlow, 22).

Greenwashing is a phenomenon that has become far more prevalent in today’s society as the environmental movement has become mainstreamed. Greenwashing is when a firm misrepresents itself or misleads the public about their environmental practices, a service, or a product of theirs in an attempt to promote themselves, or the product, as more green or more environmentally friendly than they truly are (Delmas and Burbano, 65). A classic example of greenwashing would be a company changing its product label to green, or placing an image of nature on a label, which can mislead consumers to believe that a product is greener or more environmentally friendly than it actually is. BP for example changed its logo from a shield to a sunflower in 2000 and also made the sunflower a lighter shade of green and added yellow to their logo. (Famous Logos, 2015). This logo change was an attempt to make BP appear as a greener and more environmentally friendly company, when in reality they are an energy company that extracts and sells a large amount of fossil fuels. In Chapter 4, I will further investigate environmental initiatives and claims that corporations release in order to assess their validity and effectiveness.
A major question that I will be investigating is: are corporations actually improving their environmental standards and practices or are they simply promoting a false, or exaggerated, image of environmentalism and sustainability in order to take advantage of consumer demands? In Chapter 3, I will provide a methodology for how I will analyze the progress that corporations have made in achieving their environmental goals and whether they are participating in acts of greenwashing. In Chapter 4, I will provide insight on how greenwashing or corporate deception is impacting the environmental movement. If corporations are utilizing deceptive techniques and greenwashing, this could mislead consumers about their behaviors, which might make consumers or NGOs less likely to hold corporations accountable for their environmental performances.

Throughout this study, I will be examining whether the environmental movement is beginning to weaken as corporations become more involved in environmentalism and sustainability, as suggested by scholars Dauvergne and LeBaron (Dauvergne and LeBaron, 4). In the 1960s, environmentalists were extremely radical and environmentalists used direct action techniques and social protests in order to promote change and to achieve their environmental goals. In today’s society, many environmental NGOs are now partnered with large corporations. These partnerships have the potential to be extremely beneficial, as NGOs would be able to push their agenda upon corporations from inside the corporation. However, these partnerships also have the potential to weaken the radical efforts of environmental NGOs and environmental activists. “Eco-business is increasing the power of big-brand companies to sway nonprofit organizations, shape international codes and standards, and influence state regulations and institutions toward market interests,” (Eco-Business, 3-4). In the 1970s, these NGOs were protesting against the corporations who were some of the biggest polluters, now, many NGOs are
partners with these corporations (Dauvergne and Lebaron, 20-21). In this paper, I will also be analyzing how these corporate-NGO partnerships and other forms of corporate environmentalism have impacted or changed the environmental movement.

The major question that I will be addressing within this paper is whether or not this new corporate focus on the environment is actually helping the environment or the environmental movement. Is corporate environmentalism a business ploy, or could it be something that helps to progress environmental protection? After assessing these questions, I will be investigating the ways in which corporations can be held accountable for their environmental actions in order to improve corporate environmentalism. In order to provide insight on the impacts of corporate environmentalism, I will be investigating the voluntary environmental claims of Wal-Mart, General Electric, Starbucks, and Whole Foods, the progress that these corporations have made in achieving their environmental claims, and the entities that are holding these corporations and other corporations accountable for their environmental initiatives. The driving research questions of this study is how green is corporate environmentalism and how can corporate environmentalism be improved?

In the next chapter, I will analyze a sampling of the existing literature on corporate environmentalism in order to illustrate both sides of the debate surrounding the impacts of corporate environmentalism. I will review literature regarding the positive aspects and potentials of corporate environmentalism and will then review literature that illustrates the skepticism surrounding corporate environmentalism. I will also aim to identify gaps in the literature in order to determine what areas of corporate environmentalism need to be explored further. In Chapter 3, I will provide the methodology that I will use in order to analyze corporate environmentalism and different methods of corporate accountability. In Chapter 4, I will be assessing corporate
behavior and will be determining whether Wal-Mart, General Electric, Starbucks, and Whole Foods are upholding their voluntary environmental claims. I will assess this by investigating each of these corporations’ major environmental claims and commitments and I will then investigate the progress that each corporation has made towards achieving these commitments. In Chapter 5, I will be assessing how corporations can be held accountable for their voluntary environmental commitments and their environmental performances. In this chapter, I will explore three different methods of corporate accountability, including: corporate-NGO partnerships, third-party certifiers or certification schemes, and the influence that consumers and market demands have on corporate behavior. In Chapter 6, I will evaluate the findings of this study in order to provide insight on the impacts that corporate environmentalism is having on both the environment and on the environmental movement. I will also provide recommendations for how corporate environmentalism and methods of corporate accountability can be improved in order to become more effective.
Chapter 2: Corporate Environmentalism: What Does the Literature Say?

Throughout literature, the representations of corporate environmentalism are very diverse. On one side, scholars such as, Savitz, DeSimone and Popoff, Esty and Winston, and Vogel are all proponents of corporate environmentalism and argue that it is method to create effective environmental change. These scholars present the supporting positions for corporate environmentalism, highlighting the benefits that ensue for society, the environment, and the corporation when corporations become involved in environmentalism. Many of these scholars highlight the economic advantages to involving corporations in the environmental movement and reiterate the influence that corporations have on supply chains, on the market, and on production. Other scholars are more skeptical of corporations who are taking on environmental initiatives. Scholars such as Dauvergne and Lister, Beder, and Hari emphasize their skepticism of corporate environmentalism. These scholars suggest that corporations are simply using environmentalism as a business tactic to improve their public image and to increase profits without drastically changing their business practices or improving their environmental practices.

Both sides of the debate on corporate environmentalism offer extremely compelling arguments regarding both the potentials and the pitfalls of corporations engaging in sustainable and environmental practices. Within this study, I will explore both sides of the debate surrounding corporate environmentalism, in order to shed light on the aspects of corporate environmentalism that have been successful, as well as the areas where corporate environmentalism has fallen short. Through exploring the juxtaposing viewpoints and by investigating what areas of corporate environmentalism are working and what areas are not, I will be able to offer insight as to how corporate environmentalism can be improved. Within this section, I will preview the existing literature on corporate environmentalism and I will cite
scholars with a diversity of opinions in order to present the debate surrounding the effectiveness of corporate environmentalism.

The Potentials of Corporate Environmentalism

Scholars that are proponents of corporate environmentalism have made a wide variety of arguments that demonstrate the possibilities and the benefits associated with corporate environmentalism. These scholars argue that corporate environmentalism is good for the environment, good for society, and good for business. Proponents of corporate environmentalism argue that corporate environmentalism increases eco-efficiency, employs the Triple Bottom Line, and is a method of sustainable development, meaning that current resource consumption and development will not interfere with the ability of future generations to meet their needs (IISD, 2016).

DeSimone and Popoff argue that as corporations become involved in environmental practices, they work to improve their efficiency in production and in waste minimization. DeSimone and Popoff claim that improving eco-efficiency within corporations is a key component towards achieving sustainable development. They theorize that as a business works to minimize its waste, utilize more recycled materials, and reduce the usage of energy and greenhouse gases, the business will become more efficient. Not only are these practices saving the business money, but DeSimone and Popoff also argue that employing eco-efficient tactics in business will help to greatly reduce major environmental issues, such as biodiversity loss, pollution, and climate change. DeSimone and Popoff make the case that sustainable development is the true key towards resolving environmental problems, because development is unlikely to slow, therefore making development more sustainable is effective and necessary (DeSimone and Popoff, 3-5).
Although DeSimone and Popoff state that everyone should be responsible for improving their sustainable practices, they demonstrate that businesses who are engaging in sustainable development can have a large impact and can be at the crux of minimizing or solving environmental problems facing our world today due to their large amount of power, influence, and involvement in development, production, and waste. DeSimone and Popoff’s main argument is that engaging in sustainable development maximizes the Triple Bottom Line and produces a win-win-win scenario for society, the environment, and for the business (DeSimone and Popoff, 25).

Esty and Winston in their book “Green to Gold” discuss that environmental issues such as water scarcity, biodiversity loss, global warming, and high rates of pollution are actually key issues that corporations can capitalize on. Esty and Winston argue that businesses who employ voluntary environmental practices and who provide solutions or adaptations in response to environmental issues will be the most competitive. As environmental issues become more prominent, customers, NGOs, banks, and investors began demanding corporations to focus on improving their environmental practices. These demands have reshape the market and Esty and Winston argue that as a result, corporations are starting to make effective changes that will improve the environment and the corporations will simultaneously benefit from these environmental initiatives (Etsy and Winston, 25).

Through their research, Esty and Winston found that many corporations were not engaging in environmental initiatives simply because it was the “right thing to do”, but instead businesses were replying to growing market demands for environmental practices and also found that these environmental practices were also improving the business. Esty and Winston argue that engaging in eco-efficiency and corporate environmentalism has the potential to improve a
corporation’s public image, increase profits or investment potential, and reducing spending (Esty and Winston, 21).

Esty and Winston also analyzed the role that corporations are playing in private governance. Their study reported that in the Twenty-First century, corporations are starting to gain more power than governments worldwide. Some corporations are even stepping up in order to fill in the negligence or gaps of the federal government. Others are being asked to voluntarily comply with social and environmental standards and to hold themselves accountable through self-regulation. The study determined that in regards to water conservation, reducing toxin usage, and lowering greenhouse gas emissions, corporations are actually somewhat more advanced than the current government regulations (Esty and Winston, 121). The role of government versus corporations should also be explored further in order to determine whether more effective change could actually come from private governance and corporate regulations rather than from legislation and government standards.

In 2005, David Vogel conducted a study that assessed the impacts of private governance and the potential human rights and environmental benefits that could ensue from private governance. It was his conclusion that corporations who were participating in corporate social responsibility and had improved their self-monitoring and private governance had in fact improved labor rights, environmental performance, and human rights practices. However, he also concluded that private governance was not effective enough to replace strong state governments or international standards. He suggested that private governance would be most effective when it was paired with strong state legislation and a strong set of international standards (Vogel, 79).

Andrew Savitz is also a scholar who is a large proponent of the Triple Bottom Line and argues that when businesses attempt to improve the Triple Bottom Line, the environmental
benefits will be large. Savitz makes the point that corporations are in a transitional phase, where many of the younger CEOs were growing up as the environmental movement was gaining traction; as a result, environmentalism has become more of a priority and a value for this new generation of CEOs. Savitz also acknowledges that as a result of growing environmentalism, many CEOs still recognize that taking part in environmental initiatives is a necessary business strategy. Savitz recognizes that many people suggest that companies like GE are simply becoming involved in environmental initiatives simply as a way to improve their public image. However, Savitz argues that regardless of a company’s reason to engage in corporate environmentalism, the environmental benefits will still be as great (Savitz, 67).

**Skepticism of Corporate Environmentalism**

Dauvergne and Lister in their book “Eco-Business” analyze the adoption of environmental protection and sustainability by corporations. In their findings, they conclude that eco-business is fairly limited as it can only improve the sustainability of big businesses rather than the practices of the people. Additionally, some of the eco-business efforts are diluted by greenwashing and deception. However, they also conclude that eco-business does have the potential to make some positive changes and can help to improve supply chain practices, increase efficiency, and is a valuable economic and public appearance tool for corporations (Eco-Business, 3).

One major limitation of eco-business that was identified in Dauvergne and Lister’s book was that in the end, corporations are primarily concerned with their economic success and therefore generating a profit is their first priority. Earning this profit requires consumption levels to remain high, which therefore means that over-extraction and over-production levels will most likely remain high as well. Another problem that Dauvergne and Lister identified was the
Rebound Effect. An example of the Rebound Effect is if an owner of a Prius car drives more than they did when they owned a less fuel-efficient car, because the Prius has a lower environmental impact. However, the increased rates of driving negate the environmental benefits of the Prius, because the car owner is still emitting comparable emissions to when they owned a regular car. Dauvergne and Lister determined that when corporations promoted their environmental actions or initiatives, they also saw an increase in sales and revenues (Eco-Business, 23). Although the products might be more sustainable and environmentally friendly, increased levels of consumption were negating these environmental benefits. Therefore, Dauvergne and Lister argue that at times, corporate environmental initiatives are only reducing the per-unit environmental impacts of a product, but is doing nothing to change the overall environmental impact of the product (Eco-Business, 17).

Dauvergne and Lister also determined that the growing power and influence of corporations has completely altered the relationships between corporations and environmental NGOs and has even influenced the dynamic between corporations and federal governments. In their research, Dauvergne and Lister assessed that environmental NGOs are now forming partnerships with large corporations as a means to achieve more effective environmental changes. These partnerships have the potential to allow NGOs to effectively achieve their goals in regards to sustainability and environmental protection. However, Dauvergne and Lister also warn that these partnerships have given corporations the power to alter the behavior of environmental NGOs (Eco-Business, 3). These NGO and corporate partnerships require further investigation in order to explore whether these partnerships have been beneficial to the environmental movement or whether they have detracted from the environmental movement. In
chapter 4, I will further explore these partnerships in order to determine how much power environmental NGOs have in these corporate-NGO partnerships.

Scholar Susan Beder agrees with Dauvergne and Lister and argues that it is important to be extremely skeptical and cautious when it comes to corporate environmentalism. In her book “Global Spin: The Corporate Assault on Environmentalism”, Beder demonstrates how corporations are using environmentalism as a way to further business goals, but in the process are detracting from the environmental movement through greenwashing, control of the media, and deceptive tactics. Beder demonstrates how green advertising and green initiatives have actually contributed to people purchasing more products, further increasing consumption and environmental degradation. Corporations who are producing environmental products typically have a non-environmentally friendly version of the same product that is still sold (Beder, 177). This demonstrates a lack of environmental commitment and is a result of corporations trying to capitalize on the increased willingness to pay of green consumers.

Beder also provides several cases of corporations who are influencing the media through partnerships and funding. As a result, Beder warns consumers to be extremely skeptical of greenwashing, because a majority of corporations have engaged in some form of greenwashing and have some level of influence on the media and on advertisements. Overall, Beder argues that corporate environmentalism is solely a business tactic employed by corporations to improve their appearances and their profits. Lastly, Beder argues that corporate environmentalism has negatively impacted environmentalism, as corporations now have a large amount of control over NGOs and are also able to sway public opinions through greenwashing and deceptive tactics (Beder, 176).
In her article “The Wrong Kind of Green”, published in The Nation, Johann Hari argues that corporate environmentalism has led to corruption, de-radicalization of the environmental movement, and has altered the practices of environmental NGOs. Hari demonstrates that prior to NGOs forming partnerships with corporations, members were the primary funders for environmental NGOs. During this time, preventing environmental destruction and preserving the environment was the main goal of these NGOs. However, corporations soon began using corporate environmentalism as a business tactic and Hari argues that by forming partnerships with environmental NGOs, businesses were guaranteed “reputation insurance” (Hari, 1).

Hari demonstrates how when corporations like Shell and Exxon made large monetary contributions to environmental NGOs, they were able to exonerate some of their poor environmental performances and impacts. Additionally, Hari suggests that corporations often use corporate environmentalism as a strategy in order to prevent further environmental regulations and legislations. Harri demonstrates through case studies how corporations are beginning to take over and corrupt environmental NGOs through funding and donations, impacting their effectiveness and affecting the environmental movement. Hari warns to be extremely weary of corporations who are engaging in environmental initiatives and partnerships with environmental NGOs, warning that these practices and partnership is “corrupt conservation” (Harri, 2).

The literature on corporate environmentalism illustrates areas where corporate environmentalism has been successful and areas where corporate environmentalism is falling short. Throughout this study, I will be exploring both sides of the debate surrounding corporate environmentalism in order to illustrate how corporate environmentalism has affected a small sampling of corporations and how it has impacted environmental NGOs, consumers, third-party certifiers, and the environmental movement. Using Wal-Mart, General Electric, Starbucks, and
Whole Foods, a sampling of corporations who have recently undertaken corporate environmental initiatives, I will provide insight into how these corporations have improved their environmental practices and where these corporations have fallen short. I will also assess how these corporations’ involvement in the environmental movement has impacted other environmental entities and how their participation has impacted the environmental movement itself. Within the next chapter, I will provide the methodology that I will use throughout this study in order to assess the impacts that corporate environmentalism is having on corporate behavior, on the environment, and on the environmental movement.
Chapter 3: Methodology

The main goal of this study is to assess the impact that large corporations are having on both the environment and the environmental movement. Throughout this study, I will be investigating how corporations who are participating in voluntary environmental initiatives are changing their behaviors and whether they are minimizing their impact on the environment through these voluntary initiatives. I will additionally be assessing how corporations are working with NGOs and third-party certifiers in order to analyze whether these relationships have been effective at holding corporations accountable for their voluntary environmental goals. Conversely, I will also be assessing whether corporations have begun to change the behaviors of environmental NGOs and third-party certifiers that they are working with and whether these partnerships are detracting from the environmental goals of these organizations or reducing their effectiveness, and therefore detracting from the environmental movement.

Although ideally this study would investigate and analyze the environmental performances and impacts of all major corporations that are participating in corporate environmentalism, that type of research and investigation is beyond the scope of this study. Subsequently, I will be focusing my research on four large, U.S.-based corporations that are relatively well known for their recent voluntary environmental initiatives and commitments. The four corporations that I have selected are: Wal-Mart, General Electric, Starbucks, and Whole. Each of these corporations were selected using criteria that would help to illustrate different components of corporate environmentalism.

These four corporations were selected, because they are all are powerful and well-known corporations that have recently been undertaking various forms of voluntary environmental initiatives. All four of the corporations were selected, because they are headquartered within the
U.S. and are therefore operating under the same set of environmental standards and government regulations. Several times throughout the paper, I will draw on case studies from other corporations, if these cases better exemplify an aspect of corporate environmentalism. Although these four corporations have conducted corporate environmentalism in different manners, they have all made various environmental goals and commitments, and have been working with different NGOs and third-party certifiers in order to improve their environmental performances and to achieve their voluntary environmental goals. These criteria will allow me to assess the success that these corporations have had since they have employed corporate environmentalism, as well as where these corporations have fallen short on reaching their environmental goals. The involvement that these corporations have had with environmental NGOs and third-party certifiers will also allow me to assess how these corporate environmental initiatives have affected the behavior of environmental NGOs or third-party certifiers.

Within the following chapters, I will be researching the major environmental claims and the voluntary environmental initiatives of these corporations. Using these claims, I will assess the progress that these corporations have made towards achieving their voluntary goals and commitments. Additionally, I will investigate the relationships that these corporations have with environmental NGOs and third-party certifiers and how effective these entities have been at improving a corporation’s environmental performances and in turn how a corporation has influenced the behavior of NGOs or third-party certifiers. Lastly, I will explore how consumers can influence corporate behavior and how they can hold corporations accountable for their environmental initiatives. These next two chapters will be crucial in order to assess the overall environmental impact that corporations are having on the environment and will also help to illustrate how the environmental movement has evolved since corporations began playing a
larger role in environmental initiatives. By researching these four corporations that are very commonplace in society and who have been recognized for their growing environmental focus, I seek to provide a better understanding of how corporate environmentalism is affecting sustainability, environmentalism, and the environmental impact of corporations. The findings from this study do not claim to yield conclusions for all corporate environmental claims, because only four corporations will be thoroughly investigated. However, because these corporations are very large and well-known companies, the findings will provide insight into how corporate environmentalism is affecting corporate behavior and the environmental movement. Within the next sections of this chapter, I provide methodological approaches for how I will investigate corporate behavior, greenwashing, and corporate accountability and monitoring. Lastly, I will provide the criteria that I will use in order to provide insight on the effects of corporate environmentalism.

Throughout my research, I will be using several different databases, scholarly articles, corporate claims and ad campaigns, and environmental performance reports of corporations in order to conduct my research. I will begin by researching what environmental claims and commitments the four corporations that I am investigating have made. I will collect this information from each of the corporation’s websites and from their ad campaigns. I will then utilize the MSCI ESG Database Manager, a database for investors that provides data, statistics, and analysis about corporate behavior, as a way to collect information about each of the corporation’s use of toxins and pollutants, emission levels, consumption of natural resources, and their overall environmental impact. I will also be using environmental performance and impact reports on each company as another way to assess the corporation’s environmental impact and the progress that they have made towards achieving their voluntary environmental goals. The
MSCI ESG Database Manager and the environmental performance reports will permit me to contrast the claims made by a corporation to their actual environmental impact. I will utilize NGO reports and scholarly articles in order to analyze the relationships that the four corporations that I am investigating have with environmental NGOs.

**Corporate Behavior and Greenwashing**

In the next chapter, I will be focusing on how a corporation’s environmental claims and commitments differ from a corporation’s behavior. One of the main aspects of corporate behavior that I will be exploring is greenwashing and corporations who are using deception tools in order to appear greener than they actually are. Within this chapter, I will preview the environmental goals and commitments made by the four corporations that I am analyzing. In the next chapter, I will investigate how much progress these corporations have made towards achieving these environmental goals and voluntary commitments. This research will help to determine whether a discrepancy exists between a corporation’s claims versus their actual practices. If a corporation has made very little progress towards achieving their goals, but are still promoting these goals to the public, it would suggest that the corporation is trying to promote itself as greener than it actually is, which could be interpreted as a form of greenwashing.

Through ad campaigns, labels, and corporate social responsibility promises, corporations have begun to release numerous promises and claims in regards to environmental initiatives and sustainable practices. However, the main goal of the next chapter will be to determine how valid these promises and claims actually are. Greenwashing, or an act of making a company or a product seem more green that it actually is, has the potential to skew the public’s perception of these companies or products and could also serve as a hindrance to the environmental movement.
To explore this, I will first investigate environmental claims and promises that are being made by the four corporations that I am researching. I will then use corporate environmental reports, data and statistics, and information from the MSCI ESG Manager Database in order to determine the validity behind the environmental claims of the four corporations that I am researching. The main question that I will attempt to answer based on these four cases is: are corporations actually improving their environmental standards and regulations or are they simply promoting a false image of environmentalism and sustainability in order to comply with consumer demands?

In order to assess whether a corporation is using tactics of greenwashing or public deception, I will be investigating several of the major environmental claims and initiatives that each of the corporations are advertising. This could include claims regarding operations, supply chains, energy consumption, fossil fuel emissions, water usage, etc. I will then use several guiding questions in order to assess whether there is a discrepancy between how the corporation is portraying its environmental performance to the public versus its environmental impact and performance. Are corporations actually following through on all of their promises in regards to sustainability and the environment? How much progress have these four corporations made towards achieving their environmental goals? How accurate are these claims? Is the public being tricked by deceptive claims and greenwashing?

In addition to investigating the validity of these claims, it is also equally important to determine how effective these corporate environmental initiatives actually are. Are these environmental initiatives actually reducing the environmental impact and carbon emissions of these large corporations? Or are these environmental promotions resulting in the rebound effect, therefore meaning that only the per-unit impact of a product is being reduced while the total environmental impact of a corporation is remaining static (Eco-Business, 23)? These are all
questions that I will be exploring throughout this paper in order to assess the impact that corporations are having on both the environment and on the environmental movement.

Within chapter 4, I will also need to investigate how susceptible the public is to greenwashing and how much these corporate claims of environmentalism influence consumption habits. In order to investigate the effects of greenwashing, I will be using several guiding questions: Are consumers more likely to buy from a corporation that is known for having environmental initiatives versus a corporation of similar caliber that is not participating in comparable environmental practices? Are consumers more likely to purchase a product if it has a green label or an environmental certification, such as “all natural”? In order to answer these questions, I will be utilizing data and statistics on sales and consumption habits.

The corporations that I am investigating have all made environmental claims and commitments and I will therefore be investigating how valid these claims are and I will be investigating the actions that these corporations have taken in order to achieve these commitments. For example, Wal-Mart released a claim that it was moving towards a zero waste business model and would run 100% off of renewable energy in the future, (Eco-Business, 8). I will be using data from the ESG Manager Database in order to determine what actions Wal-Mart has taken since they released these goals and how close Wal-Mart is to achieving these goals. Within this section I will also be drawing on secondary literature in order to offer analysis on the behavior or corporations who are participating in corporate environmentalism and who are making voluntary environmental initiatives.
Corporate Accountability

Acts of greenwashing and discrepancies in corporate behavior and corporate claims and suggest that there is a need for methods of corporate accountability. Who is responsible, or who should be responsible, for holding corporations accountable? After investigating greenwashing and deception tactics in Chapter 4, I will then use Chapter 5 to explore the current methods that are in place with the intention of holding corporations accountable for their environmental claims and their environmental performances. The three methods of corporate accountability that I will be investigating are 1) corporate-NGO partnerships, 2) certification schemes, and 3) consumers and consumer purchasing power. I will also offer an analysis on the effectiveness of these current forms of corporate monitoring and accountability and will then explore how these methods could be improved in order to better hold corporations accountable for their claims and their actions. Having more corporate accountability and monitoring would help to ensure that greenwashing and deception tactics are less prevalent and will also guarantee that corporations are being held responsible for any environmental damages or accidents that they cause.

In Chapter 5, I will use several guiding questions in order to investigate the current methods for holding corporations accountable. When a corporation makes a voluntary environmental claim or a commitment, what entity, if any, is currently enforcing these voluntary initiatives and holding corporations accountable for their actions? How can corporations be held accountable for cases of greenwashing or public deception? In order to address these questions, I will be investigating the different ways that NGOs, certification schemes, and consumers have influenced corporate behavior. I will also investigate how effective these methods of corporate accountability are. Several times throughout Chapter 5, I will draw on case studies of other corporations when these case studies better exemplify methods of corporate accountability.
Chapter 5 will examine the impact that the new phenomenon of corporate-NGO partnerships is having on corporate behavior and on corporate environmentalism. I will also be investigating how these partnerships are impacting or changing the behavior of environmental NGOs and how they are impacting the environmental movement. In order to assess the potentials and the impacts of corporate-NGO relationships, I will be analyzing the influence that NGOs have on corporations and vice versa. In order to assess how environmental NGOs have influenced the environmental behavior of corporations, I will look at case studies of corporate-NGO partnerships in order to determine whether environmental NGOs succeeded at improving the environmental practices of corporations that they are partnered with. Additionally, I will assess the impact that corporations are having on the behavior of environmental NGOs in order to determine whether environmental NGOs have changed their behavior or their tactics after forming partnerships with corporations.

Using secondary literature, I will investigate how much of an influence environmental NGOs have on large corporations. I will be investigating whether environmental organizations are allowed to serve on the boards of corporations that they are partnering with, as this would suggest that the environmental NGO has some influence on the corporation. I will also be assessing the opposite of this in order to determine how much of an influence large corporations have on the environmental NGOs that they are partnering with. Do these corporations have members sitting on the boards of the environmental NGOs? I will also explore whether corporations are donating money to the environmental NGOs in order to form their partnership. If so, are environmental NGOs essentially being bought out, or are these donations actually helping to achieve positive environmental results?
A theory that I will be examining in Chapter 5 is based on scholar Johann Hari’s argument that environmental NGOs who have formed partnerships with corporations have been rendered less radical and therefore less effective (Hari, 2). In order to explore this theory, I will be investigating the approaches that environmental NGOs took in order to monitor corporations and hold them prior to forming alliances with corporations between 1980 and 1990. I will attempt to analyze whether the methods that NGOs were utilizing before the 1980s were producing more effective results at influencing corporations and holding them accountable. I will then investigate the current dynamics of NGO-corporate relationships in order to determine whether this is an effective way to achieve positive changes to corporate environmental behavior and corporate accountability.

2. Third-Party Certifiers

Chapter 5 will explore the impact that third-party certifiers or certification schemes are having on corporate environmentalism, including: supply chains, the sustainability of individual products, environmental behavior and lastly how certification schemes affect corporate accountability. One of the major factors that I will be investigating is whether there are some certification schemes that are more effective than others. If this is the case, are some corporations choosing to participate in the less effective certification schemes because these certification schemes require fewer changes in corporate behavior? I will also assess how transparent certification schemes. If an ineffective certification scheme is not well-known or is not transparent, then consumers might be misled to believe that they are making more responsible choices than they actually are. This could be considered another form of greenwashing. I will also discuss the International Standard Organization (ISO), the world’s largest international standard-setting organization and will explore whether an increased involvement in the ISO
could help to further improve corporate environmentalism and whether it could also increase corporate accountability.

3. Consumers and Purchasing Power

Finally, Chapter 5 will examine the role that consumers play on demanding corporate environmentalism and well as corporate accountability. Within this section, I will be assessing how consumer purchasing power, market demands, and consumer boycotts can influence corporate behavior and whether consumers are an effective way to hold corporations accountable. One of the major questions that I will be addressing in this section is: how much power and influence do consumers actually have? Is purchasing power or boycotts influential enough to change a corporation’s behavior? How reliant are consumers on transparency and environmental information that is disclosed by a corporation or by an NGO in order to make ethical or sustainable purchasing decisions? Assessing the consumer side of corporations will provide a new perspective on how the public perceives and values corporate environmentalism and will determine whether consumers have the ability to be an effective method of corporate accountability.

Net Result and Conclusion

In Chapter 6, I will be assessing the information and case studies from Chapter 4 and Chapter 5 in order to draw conclusions on how corporate environmentalism is impacting corporate behavior, the environment, and the environmental movement. An article released by Ilnitch, Soderstrom, and Thomas discusses how challenging it can be to measure the environmental performances and impacts of corporations. Currently, there are many different tactics and criterions utilized to measure the environmental performance of corporations. One challenge is that corporations are often classified as either good or bad, and these classifications
are typically based off of consumer response and public opinions of a corporation’s actions. This is problematic as it overlooks a multitude of corporate actions and negates a set standard of measurement. Subsequently, Illich, Soderstrom, and Thomas concluded that a set standard and criterion based off of both theoretical and quantitative data must first be established in order to measure the environmental performance and the environmental impact of a corporation. A need for a uniform standard of measurement is especially essential given the amount of greenwashing and public deception tactics that corporations have historically used in regards to their self-released environmental performance reports (Illich et al others, 386). Therefore in Chapter six, I will be using both theoretical and quantitative data collected in Chapters 4 and 5 on will be using on corporate behavior, greenwashing, and methods of corporate accountability.

Throughout Chapter 6, I will be investigating six driving questions in order to assess the impacts of corporate environmentalism on the environment and on the environmental movement. (1) Have the corporations that I am researching followed through or achieved their environmental goals? (2) In what areas has corporate environmentalism been successful? (3) In what areas has corporate environmentalism fallen short? (4) What are the most effective methods of corporate accountability? (5) How could methods of corporate accountability be improved? (6) How can corporate environmentalism be improved? The findings throughout the paper will help to provide insight into the impact that corporate environmentalism is having on the environmental movement and on the environment. This study will also help to determine the ways in which corporate environmentalism could be improved in order to make it more effective. This study will be an insight into corporate environmentalism, as it is beyond the scope of this study to form across the board conclusions on corporate environmentalism.
Chapter Four: Corporate Behavior and Greenwashing

As environmentalism and sustainability have become increasingly salient and important issues, corporations have started to incorporate environmental and sustainable practices into their business models and strategies. Ad campaigns about a company’s environmental initiatives started to become increasingly prevalent as it was determined that environmentalism was in fact a smart marketing strategy (Menon and Menon, 52-53). However, while these environmental and “green” initiatives could be an extremely positive step for environmentalism and sustainability, they should also be examined with caution. As consumer demands for sustainable companies and environmentally friendly products grew, corporate acts of greenwashing and deception also became more prevalent. A survey conducted by TerraChoice in 2010 found that over 95% of products that were advertised as environmentally friendly were greenwashed to some degree (TerraChoice, 2010). This chapter seeks to determine the extent to which there is a discrepancy between the environmental claims and commitments that corporations are promoting versus the environmental actions that corporations are actually taking.

Within this chapter, I will begin by exploring the discrepancies between a corporation’s environmental claims versus a corporation’s environmental actions. I will identify the major environmental claims, promises, and commitments that the four corporations that I am studying have made. I will then investigate the actions of these corporations in order to determine whether these corporations have been adhering to their claims or how much progress they have made towards reaching their environmental promises. In order to assess the progress that these corporations have made towards achieving their voluntary environmental goals, I will utilize the investment database MSCI ESG Manager and the corporations’ Global Responsibility Reports. In this chapter, I will assess whether Wal-Mart, General Electric, Starbucks, and Whole Foods
are upholding their voluntary environmental commitments or whether these corporations are participating in acts of greenwashing or deception.

**Degrees of Greenwashing**

One explanation for a corporation’s self-portrayal being different than the corporation’s actual behavior is greenwashing. Greenwashing is when a firm misrepresents itself or misleads the public about a service or a product of theirs in an attempt to promote themselves are more green or environmentally friendly than they actually are (Delmas and Burbano, 65). In their book *Green to Gold*, Esty and Winston discuss the how greenwashing can be multidimensional. In their analysis, they consider true greenwashing to occur when a corporation makes an environmental claim that they know is not true. While they acknowledge that greenwashing is very prevalent, they believe that the most common failure occurs when a corporation makes an environmental claim before they have taken action. Therefore, the corporation is not necessarily attempting to deceive the public, but is simply failing to act upon their claims and commitments (Esty and Winston, 137).

Greenwashing can come in varying degrees. A minor example of greenwashing is when a company changes its logo to green in order to mislead the public that they are greener than they actually are. Greenwashing can also occur when a company releases environmental claims and commitments, but does not follow through with these commitments. As a result, the public could be misled to believe that a corporation has improved its environmental performance, when in reality the corporation has done very little or nothing to change its environmental practices. Lastly, a more extreme form of greenwashing is when a corporation knowingly releases deceptive or false information in order to misinform the public about the environmental impact of a product or of the corporation itself.
One of the most glaring examples of minor greenwashing is when British Petroleum (BP) self-promoted itself as an energy company instead of an oil company and then proceeded to change the color and shape of its logo. BP is an energy and oil company that it relatively well known for its poor environmental practices and its large consumption of fossil fuels. In an attempt to combat these negative environmental connotations, BP changed its logo from a dark green shield to a light green and yellow flower and simultaneously began referring to itself as an energy company rather than an oil company. Although BP’s actual environmental practices did not change, they attempted to alter the public’s perception of their environmental impact through greenwashing tactics (Furlow, 23).

BP’s “Beyond Petroleum” campaign and logo change proved to be successful. After it launched the campaign, BP’s sales rose and in 2007 a public survey, “ImagePower Green Brands Survey”, found that BP was considered by the public to be the “greenest” energy company. Additionally, over one-third of the respondents believed that BP had become “more green” and more environmentally friendly than they were five years previously (MacDonald, 105). BP’s business practices did not change and only 4% of BP’s total expenditures went to environmentally friendly investments, including solar power. However, BP’s “Beyond Petroleum” campaign and logo change drastically changed the public’s perception of the oil company, demonstrating how powerful greenwashing can be (MacDonald, 107).

The public relations industry in the United States is one of the largest industries and is also among the fastest growing occupation. Over the past few decades, the PR Industry has become increasingly involved in helping corporations promote a “green” or environmentally friendly image of themselves to the public (Beder, 107-108).

By 1990 US firms were spending about $500 million a year on PR advice about how to green their images and deal with environmental opposition. By 1995 that figure had
increased to about $1 billion per year on environmental PR activities. Today most of the PR firms include environmental PR as one of their specialties. (Beder, 108).

Although corporations initially tried to counter the growing salience of environmentalism with an environmental backlash that targeted both environmentalists and their claims\(^1\), it eventually became apparent that corporations needed to comply with the public’s increased demand for a higher prioritization of the environment (Beder, 16-17).

In the 1990s, advertisements and campaigns that promoted a corporation's commitment to the environment, a “green” product, or an environmentally friendly initiative taken on by a corporation became extremely prevalent. The thought process was that it was far easier to change the public’s perception about a corporation’s behavior than the corporation actually changing its behavior (Beder, 178). In 2010 TerraChoice, a consulting firm that has studied greenwashing conducted a study and determined that approximately 95% of products that had been promoted as “environmentally friendly”, “eco-friendly”, or “green”, had been greenwashed in some way. Many of these greenwashing examples were minor offenses; however it was determined that 22% of these products had claims or labels that had no real meaning and absolutely no environmental benefit (TerraChoice, 2010).

By marketing a product as green or as environmentally friendly, corporations can actually convince the public that buying this product is good for the environment and subsequently can encourage them to buy more of this product. It can also encourage consumers to discard products

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\(^1\) The 1970s is known as the regulatory era, because during this time a large number of environmental legislations were passed and environmentalists were very active at supporting and enforcing these legislations by using the courts or through public demonstrations. As a result, a backlash to the environmental movement occurred, where anti-environmentalists attempted to discredit and counter the environmental movement by warning of the costs of environmentalism and by scapegoating environmentalists. Some of the environmental backlash movement turned very violent and environmentalists were targeted. (Rowell, 2). During this time, U.S. corporations worked very hard to support the anti-regulatory and anti-environmental movement. Corporations became very politically active and increased the number of lobbyists in Washington in an attempt to counter environmental regulation and the environmental movement by promoting messages to discredit environmentalism (Beder, 16-17).
or goods that they already have and to buy the new product that is now marketed as “greener” or better for the environment, leading to increased rates of consumption and the rebound affect. Beder argues that corporations market green products as a way to take up more shelf space and to capitalize on consumers that have a higher willingness to pay for products that are marketed as environmentally friendly (Bedder, 177).

Since manufacturers still make environmentally damaging products and retailers still sell non-green products on the shelves next to green ones, it is evident that green marketing is merely a way of expanding sales. If they were genuinely concerned to protect the environment they would replace the unsound products with sound ones, not just augment their existing lines (Bedder, 177).

Dauvergne and Lister argue that this increased focus on sustainable consumption and eco-business is actually increasing consumption. As trusted brands release new products or corporations promote new environmental commitments, it encourages consumers to purchase these new products. As a result, corporations like Wal-Mart are increasing the cycle of consumption and products are now moving from the factory, to the shelf, to the home, to the landfill at much higher rates than ever before. Dauvergne and Lister argue that eco-business and corporate environmentalism are decreasing the per-unit impact of products and of their companies. However, because consumption is increasing and corporations are constantly opening new stores, rates of extraction and production are actually increasing, which has the potential to negate any environmental benefits that these potentially “greener” products or corporate initiatives might have had (Eco-Business, 23).

The extreme danger with greenwashing is that it can often go unnoticed by the public. Often times, a product will not change at all, however, producers and retailers will begin to advertise a small environmental component that the product has always had, thus making it appear more environmentally friendly (Beder, 178). This is not to say that the corporation is
trying to lie about a product, however the goal is often to mislead the public or to alter their perception about a product’s environmental impact or a corporation’s environmental performance.

A study conducted by Matthes, Wonneberger, and Schmuck in 2014 analyzed the impact that green advertisements have on consumers and on their purchasing decisions. Their study concluded that consumers are most likely to purchase a product that has a picture of a nature scene on its label rather than a product that advertises its environmental function, because the other advertisement triggers an emotional appeal or sentiment. It was therefore concluded that the emotional appeal of a product is more powerful than the functional appeal. However, consumers on average were still more likely to buy a product that advertised being “green” or environmentally friendly than a product that did not advertise this (Matthes, Wonneberger, Schmuck, 1886-1887). This study helps to demonstrate how powerful of a marketing tool green advertising can be and also that consumers often do not prioritize the function of a product, but instead value the appearance of the product.

A large problem that occurs with greenwashing, is that it misleads consumers into thinking that they are buying products that are good for the environment or that they are doing the environmentally responsible or conscious thing, when in fact the products that they are purchasing are having negative environmental impacts. Additionally, it can lead consumers to have a skewed image of a corporation itself. As a result, consumers are less likely to exercise their purchasing power or to avoid a product or a corporation that they believe is not environmentally friendly. Therefore, this decreases a consumer’s ability to hold corporations accountable for the environmental performance (Hari, 3).
Corporations have an extremely large influence over the media and news outlet sources as a result of their enormous amounts of money and power. Subsequently, corporations have a level of control over the media’s portrayal of them. “A 1992 US study of 150 newspaper editors found that ninety percent said that advertisers tried to interfere with newspaper content, and seventy per cent said that advertisers tried to stop news stories altogether. Forty per cent admitted that advertisers had in fact influenced a story,” (Bedder, 181). In the past few decades, corporations have been making efforts to ensure that scientists, think-tank experts, front groups, or spokespeople that are corporate-funded are the ones that are interviewed by the media (Beder, 75-76). This corporate control of the media can filter and alter the information that is available to the public and it can also affect the way in which the public perceives a corporation or corporate activity.

Another form of greenwashing is when a corporation promotes environmental claims and commitments, but then fails to follow through on these commitments. If a corporation releases a lofty environmental goal, this may make the corporation appear very impressive and environmentally conscious, especially if the corporation repeatedly advertises this goal and promotes itself as striving to become more environmentally friendly (Cho et al others, 16-17). However, it is possible that the corporation will never actually achieve this environmental goal, but this failure to achieve its goal is typically not advertised. For example, if a corporation sets an environmental goal to become carbon neutral by a certain year, this would appear like a very impressive environmental goal to the public. If the corporation fails to disclose or advertise its progress to the public or if the corporation fails to achieve its goal, then its environmental commitment is nothing more than empty words. However, the corporation's environmental
image typically improves simply by the corporation advertising and promoting this environmental commitment to the public (Etsy and Winston, 11).

One of the most extreme forms of greenwashing is when a corporation knowingly releases information to the public that is falsified or is deceptive. This form of greenwashing is extremely problematic, because the public is led to believe that a product or a corporation is more environmentally friendly or sustainable than it actually is. If consumers are being misled with deceptive corporate claims, it takes away consumers’ ability to hold corporations accountable or to demand corporate change. Volkswagen is a very good example of a corporation who has participated in deceptive greenwashing. Volkswagen installed software into its diesel engine cars in order to cheat emission tests. As a result, Volkswagen released to the public that its diesel engine cars were emitting less greenhouse gases than they actually were. As a result, environmentally-conscience consumers were buying these cars, after being led to believe that they were far better for the environment than they actually were. Additionally, environmental NGOs and consumers were not able to pressure Volkswagen into improving its emission standards until after the scandal was released (Gates et al others, 1).

**Wal-Mart**

In 2005, Wal-Mart publically released its sustainability commitment in which it stated its new environmental goals, including that they were striving to achieve zero-waste, Wal-Mart would transition to running solely off of renewable energy, and Wal-Mart would also ensure that all of its sourcing was sustainable (Eco-Business, 8). These are all extremely bold environmental claims and are undoubtedly difficult to achieve. However, Wal-Mart received a large amount of recognition for these environmental initiatives. Prior to this initiative, Wal-Mart had received a large amount of criticism regarding its human rights practices and labor standards. Subsequently,
Wal-Mart decided to focus on improving its environmental image as a way to gain back consumer trust. A study conducted by Mitchell in 2012 found that Wal-Mart’s public relations and media coverage of its new sustainability campaign improved the company’s image and increased consumer trust even though Wal-Mart was not being held accountable for their voluntary environmental claims in any way (“Walmart’s Greenwash”, 26).

Within this section, I will be using data from MSCI ESG Database Manager, Wal-Mart’s most recent Global Responsibility Report, and other outside information and data in order to determine the progress that Wal-Mart has made in achieving its sustainability commitments and environmental goals. I will also be investigating several of the other environmental initiatives that Wal-Mart has made over the past few years and the products that it is now supplying in order to later assess whether or not Wal-Mart is participating in acts of greenwashing or public deception.

Wal-Mart’s goal of striving to become carbon neutral by running off of entirely renewable energy is one of its biggest environmental claims. In an attempt to achieve this goal Wal-Mart has been building more efficient stores and has been investing in renewable energy (Wal-Mart ESG Manager, 4). Between 2006 and 2011, Wal-Mart emitted approximately 3.5-3.9 million metric tons of CO₂ globally each year, excluding production (“Walmart’s Greenwash”, 4). In 2012, less than 4% of Wal-Mart’s energy was coming from renewable energy sources and it had only reduced carbon dioxide emissions by approximately 13%. At the rate that Wal-Mart was initially improving energy efficiency and cutting emissions, it would take Wal-Mart roughly 300 years to achieve its target of running off of 100 percent renewable energy (“Walmart’s Greenwash, 4). Wal-Mart did eventually expedite the rate that it was reducing its dependence on fossil fuels and by 2014, 26% of its electricity was coming from renewable energy sources. From
2013 to 2014, they reduced their greenhouse gas emissions by 1% (MSCI ESG Manager Wal-Mart, 4).

Another one of Wal-Mart’s major environmental initiatives that was launched in 2009 is the Sustainability Index program. The Sustainability Index measures the environmental and social impact of products through their entire life cycles. This allows consumers to make more educated purchases and also enables Wal-Mart to track its supply chain and also make improvements within the supply chain and within the sustainability of its products (Wal-Mart Global Responsibility Report, 71). By 2014, 1,300 of Wal-Mart’s suppliers were using the Sustainability Index, which accounted for 65% of products in Wal-Mart (MSCI ESG Manager Wal-Mart, 5). This initiative has not necessarily improved the sustainability of the products sold in Wal-Mart, but it has helped to increase corporate transparency and to provide consumers with more information about the products that they are consuming.

Despite Wal-Mart’s strides to improve its environmental and sustainable practices, Wal-Mart still has some concerning environmental practices. One of the most glaring problems is that Wal-Mart is notorious for selling extremely cheap items, which is very helpful for lower and middle-income families. However, this also has large ramifications on the environment. Products that are designed cheaply are typically not built to last. Subsequently, these products have much shorter lifestyles and are ending up in landfills very quickly, forcing consumers to buy more of these products more frequently, leading to increased production, increased consumption, higher levels of waste, and overall a much higher environmental footprint (“Walmart’s Greenwash”, 7-8). Dauvergne and Lister argue that Wal-Mart is drastically speeding up the lifestyle of its products by creating cheap items and constantly creating new and improved items to replace existing items (Eco-Business, 23)
Wal-Mart has also set a goal to increase the amount of local food sold in each one of their stores. Wal-Mart has increased its sales of local foods by 85.5% between 2009 and 2014 (MSCI ESG Manager Wal-Mart, 5-6). This is a very important environmental initiative as the transportation of food is responsible for a large percentage of carbon emissions and fossil fuel consumption each year. However, under Wal-Mart’s criteria, all food is deemed local if it came from within the same state that the Wal-Mart is located in. While this might be a beneficial initiative for Wal-Mart stores that are located in small states, large states like California could have food traveling a large number of miles, that is still being considered local,” (“Walmart’s Greenwash”, 23). Small labeling tactics like this improve Wal-Mart’s appearance, but do not require a large change in Wal-Mart’s business practices or behavior.

With Wal-Mart’s commitment to reducing its impact on the environment, Wal-Mart has been attempting to reduce rates of deforestation. In some aspects, Wal-Mart has been successful at this. Wal-Mart has made huge efforts to ensure that the products containing palm oil are sustainable and are ethically sourced, as palm oil has been linked to high rates of deforestation and conflict. Wal-Mart is now a member of the Roundtable on Sustainable Palm Oil and is working with third-party certifiers to improve the sustainability and the ethicality of its products containing palm oil (MSCI ESG Manager Wal-Mart, 8). As of 2015, 54% of the palm oil products sold in Wal-Mart were certified sustainable. Additionally, Wal-Mart has made recent efforts to work with its beef suppliers to cut down on the amount of deforestation associated with the sourcing of beef sold in Wal-Mart (Wal-Mart Global Responsibility Report, 49).

However, despite these initiatives, Wal-Mart has been ranked among some of the worst companies in regards to deforestation and forestry practices. A high percentage of the certified wood or paper products sold in Wal-Mart are certified under the SFI certification scheme, which
is notorious for being far less effective than the FSC forestry certification. Greenpeace and Forest Ethics criticized Wal-Mart for trying to greenwash their forestry practices by using the SFI certification as a way to cover up unsustainable or poor forestry practices (MSCI ESG Manager Wal-Mart, 52). Although Wal-Mart has been promoting the sustainable certification of its wood and paper products, it was discovered that approximately 84% of Wal-Mart’s paper and wood products were being sourced from China, and that anywhere from 30-80% of wood coming from China is illegally harvested (Prospects and Limits of Eco-Consumerism, 136). The Environmental Investigation Agency estimated that it was unknown where approximately 83% of the wood sold in Wal-Mart was coming from (MacDonald, 161). Additionally, Wal-Mart has been criticized by environmental organizations, such as Greenpeace for selling a large amount of paper and wood products that were sourced from endangered forests or were sourced with unsustainable forestry practices (MSCI ESG Manager Wal-Mart, 52).

In recent years, Wal-Mart has also been involved in several environmental violations. In Wal-Mart stores located in New York, it was discovered that lawn fertilizers that contained phosphorus were not being properly labeled as to distinguish phosphorus fertilizer from non-phosphorus fertilizers. As a result, a large increase in nutrient runoff and water contamination occurred in these areas and Wal-Mart was subsequently forced to pay a large fine. Secondly, Wal-Mart was found to be sourcing bottled water from California during periods of its extreme drought in 2015 (MSCI ESG Manager Wal-Mart, 52).

Despite Wal-Mart’s newfound commitment to the environment, Mitchell’s study found that Wal-Mart had typically funded or supported political parties or candidates that were anti-environmental legislation (“Walmart Spends Big”, 1). Because Wal-Mart is such a large company that generates such high revenues, Wal-Mart’s political action committee (PAC) has
continuously donated to candidates who oppose environmental regulation and climate change legislation. In 2005, Wal-Mart announced its commitment to become a more sustainable and environmentally friendly company. However, between 2005 and 2011, Wal-Mart has donated $3.9 million to members of Congress, 40% of which went to supporting candidates who vote against environmental legislation 80-100% of the time. An additional 19% of this donation went to supporting candidates who voted against the environment 50-79% of the time ("Walmart Spends Big", 2). Wal-Mart’s donations to influence politics demonstrate that, like most corporations, Wal-Mart’s priority is business and making a profit. Mitchell concluded that Wal-Mart’s main rationale for incorporating environmental and sustainable practices into their business model was to improve their public appearance after they have been heavily criticized for their poor labor practices ("Walmart’s Greenwash”, 6).’

Critics of Wal-Mart’s environmental initiatives theorized that Wal-Mart’s new environmental focus was an effort to divide an alliance between environmental groups and labor groups that were trying to block Wal-Mart from opening new stores. Prior to Wal-Mart’s environmental commitment in 2005, Wal-Mart had been heavily criticized for its labor practices and for its environmental practices. Subsequently, labor rights organizations and environmental organizations were teaming up to protest Wal-Mart and to prevent new stores from opening. MacDonald suggests that Wal-Mart’s new environmental focus distracted environmentalists from the detrimental impact of Wal-Mart’s cheap goods that end up in landfills quickly. Additionally, focusing on environmental issues allowed Wal-Mart to improve its public image although it still failed to address some of its major human rights violations and labor violations (MacDonald, 154).
While Wal-Mart has undoubtedly made some big strides to reduce its environmental impact, it still has a lot of work to do in order to achieve its environmental commitments that it has made within the past years. Subsequently, consumers need to be weary of what Wal-Mart is putting into practice versus what is simply an empty goal that it has publicized but not followed through on. Another large problem associated with Wal-Mart is that while it is able to make serious environmental reforms in its distribution centers and stores, Wal-Mart has far less control over its supply chain and the environmental impact of the products that it is selling. Approximately 75% of Wal-Mart’s carbon footprint is associated with the production and supply chain area of its operations (MSCI ESG Manager Wal-Mart, 3). Subsequently, despite large environmental initiatives, it will be very difficult for Wal-Mart to dramatically decrease its carbon footprint and ecological impact unless its supply chain is completely altered.

**General Electric**

Over the last decade, General Electric (GE) has been striving to improve its environmental performance and its environmental appearance. In 2004, GE launched its new environmental program known as Ecomagination, which advertised GE’s new commitment to improving its efficiency and to reduce the environmental impacts of its products and of its operations. Through Ecomagination, GE promised to reduce its energy and water consumption, reduce its carbon emissions, and provide more efficient and environmentally friendly products, all while continuing to grow sales (GE Sustainability, 2016). Ecomagination has been an extremely beneficial program for GE and after only four years it saved GE $100 million in operational costs. Additionally it has helped GE to reduce their greenhouse gas emissions by 30% and as a result GE developed 80 new energy efficient products. However, despite these environmental initiatives, GE still has a fairly poor environmental track record.
In the past, GE was a company with an extremely poor environmental performance. Between the years of 1940 to 1977, GE was dumping toxic waste into the Hudson River and was also responsible for 72 superfund sites across the country. By 2010, there were still fighting responsibility on a dozen or so of these superfund sites. The EPA ordered GE to take responsibility for the cleanup of the Hudson River. However, in 2010, GE was still protesting this EPA order. Additionally, in 2000, GE went to the Supreme Court in an attempt to fight the EPA on clean air requirements (Furlow, 23). Although GE has tried to promote itself as green, it has a track record of resisting stronger environmental legislation and its refusal to take responsibility for hazardous waste spills.

GE’s environmental performance has improved slightly since Ecomagination. However, GE is still involved in a large amount of environmentally damaging and polluting activities. One of GE’s promotions under Ecomagination is their commitment to clean energy. However, this commitment to clean energy appears to be a way for GE to improve its environmental image and to act as diversion from its actual environmental problems and poor environmental practices. In 2007, the Environmental Protection Agency cited GE as the fifth largest producer of chemicals in their Toxic Release Inventory. At this time, GE produced 332,336 pounds of chemical waste. GE also uses a large amount of chromium as a coating for its appliances. Chromium when leaked into the groundwater can become extremely detrimental to human health and the water system (MSCI ESG Manager GE, 39). The Massachusetts Political Economy Research Institute (PERI) cites GE as the sixth most toxic corporation due to the amount of chemical waste that it produces and how exposed society is to these chemicals. In 2008, PERI also listed GE as the 8th most toxic air polluter taking into account the amount of toxic air emissions and the amount of people exposed to these emissions (PERI, 2013).
In addition to the pollution associated with GE’s production and operations, GE is also still producing products that are associated with environmental degradation and have been known to contribute to climate change. For example, GE is still producing and selling coal-fired steam turbines, which release a large amount of carbon emissions and are contributing to climate change. Additionally, GE is still investing into oil and gas production and was found to be investing in coal power plants. According to GE, one of their main motivations for launching Ecomagination was to increase their sales of pre-existing wind turbines, which they could market as environmentally friendly (Kranhold, 2007).

Kristi Jacobson argues that GE’s commitment to Ecomagination and environmental initiatives has been far more about advertising and trying to improve GE’s public image rather than GE trying to improve its environmental performance. In 2006 alone, GE spent $150 million in advertising Ecomagination. GE wanted to advertise Ecomagination to the public very well, because at the beginning of the environmental initiative, GE officials estimated that they would double their revenues from environmental profits in 5 years to $20 billion as a result of Ecomagination (Jacobson, 3). Kranhold argues that GE’s main incentive for launching Ecomagination was a business strategy that was intended to increase revenues and to improve its public image, while making minimal changes to its business operations and its environmental performance (Kranhold, 2).

**Starbucks**

In 2008, Starbucks made a commitment to reduce the ecological impact of their corporate actions, improve the sustainability and environmental efficiency of their operations, and to improve the sustainability and the ethicality of the coffee that it was selling. During this time, Starbucks identified four areas that it would focus on in order to improve its environmental
performance: recycling and reducing waste, water and energy conservation, climate change, and
the construction and efficiency of their stores. Within each category, Starbucks created
initiatives, goals, and targets that would all help Starbucks to achieve its overall goal of
improving its environmental performance. Within this section, I will be investigating the
environmental goals set by Starbucks and will then analyze Starbucks’ progress towards
achieving these targets.

In 2008, Starbucks released several environmental goals and targets that it hoped to
achieve by 2015 as a way to improve its environmental performance and its sustainability
practices. Starbucks claimed that it would reduce both its water and energy consumption by 25%
(Figure 2). Starbucks additionally committed to building more efficient stores and facilities and
vowed to invest in renewable energy in order to offset some of its carbon emissions.
Additionally, Starbucks set a goal that by 2015 100% of its coffee would be ethically sourced
and would comply with the C.A.F.E. standards or Fairtrade standards, two programs that work to
improve the ethicality and sustainability of coffee production (Starbucks Global Responsibility
Report, 7-8).

In Starbucks’ 2014 Global Responsibility Report, it released the progress that it has made
towards achieving its environmental goals. In this report, Starbucks stated that the planet was
Starbucks’ “most important business partner”. Subsequently, Starbucks claimed that it was
actively trying to reduce its environmental footprint by “building more efficient stores and
facilities; conserving energy and water; investing in renewable energy; and exploring new
solutions for recycling and making our cups sustainable” (Starbucks Global Responsibility
Report, 7). Beginning in 2008, Starbucks began an initiative to build all of its new stores in
compliance with the U.S. Green Building Council’s LEED (Leadership in Energy &
Environmental Design) standards. Since 2008, 98% of the new Starbucks stores in the United States and 64% of stores outside of the United States have been built in compliance with LEED standards (Starbucks Global Responsibility Report, 7).

In 2014, Starbucks had reduced its water consumption in company-operated stores by 23%, as the new LEED building standards help to conserve close to 25,000 gallons of water each year. Starbucks also set a goal to reduce its energy consumption by 25% by 2015. However, this initiative has been fairly unsuccessful, and by 2014, Starbucks had only reduced its energy consumption by 4.6% (Starbucks Global Responsibility Report, 8). By 2014, 96% of the coffee sold in Starbucks stores had been ethically sourced through C.A.F.E. Practice standards, Fairtrade standards, and “other externally audited system”. In 2014, Starbucks purchased 461 million pounds of coffee, 441 million pounds of which was ethically sourced (Starbucks Global Responsibility Report, 15). This data demonstrates that Starbucks has been fairly successful at achieving or making substantial progress on the environmental goals that it set for itself in 2008, with the exception being its goal on reducing energy consumption.

In addition to these environmental targets, Starbucks has been involved in several environmental initiatives that have helped to improve Starbucks’ environmental performance as well as their image. Several years ago, Starbucks began working with Heifer International in Tanzania as part of their corporate social responsibility initiatives to help introduce dairy cattle and clean water practices to small coffee farmers. Starbucks has also drastically increased its investment in renewable energy. According to the Environmental Protection Agency, Starbucks is one of the top purchasers of renewable energy in the United States. In 2014, Starbucks had purchased a large amount of renewable energy that was the equivalent of approximately 59% of
the electricity that was used in their stores around the globe (Starbucks Global Responsibility Report, 8)

Starbucks has been attempting to drastically reduce the amount of waste that they produce. In 2014, Starbucks’ Roasting Plant and Distribution Center in York, Pennsylvania earned a certification of 100% Landfill Diversion by Underwriters Laboratories. As part of their commitment to reducing waste, Starbucks began promoting the reduction of waste and the recycling of their cups. In order to further this imitative, Starbucks implemented a discount for customers who brought in their own reusable coffee cups. However, the rate of customers who use reusable mugs has remained extremely low, with an average of 1.8% of consumers each year (Starbucks Global Responsibility Report, 9).

Starbucks also began building more recycling receptacles in front of their stores to encourage the recycling of their cups. By 2014, Starbucks had implemented recycling receptacles in the front of 47% of their stores in an attempt to promote recycling (Starbucks Global Responsibility Report, 8). However, although the promotion of recycling is an extremely important imitative, this is fairly problematic in regards to the recycling of Starbucks cups. Although Starbucks has ensured that the material used in their cups is recyclable, the cups must be washed out and cleaned before they can be recycled. Subsequently, Starbucks’ recycling initiative is fairly unsuccessful unless consumers are personally rinsing out and then recycling their own coffee cups.

Starbucks is also a member of BICEP, Business for Innovative Climate and Energy Policy, which is a group of corporations who are advocating and lobbying for improvements in climate change policies and climate legislation. BICEP is composed of corporations who have committed to making effective business changes in an effort to combat climate change.
Starbucks’ involvement in this group bodes very well for its commitment to improving its environmental image and performance (Business for Innovative Climate & Energy Policy, 2016). Starbucks has definitely been effective at implementing environmental initiatives and is definitely striving to partake in more sustainable and environmentally friendly practices. However, Starbucks still has a large amount of work to do in order to achieve the environmental goals that it set in 2008, specifically in regards to its energy consumption and recycling.

**Whole Foods**

Whole Foods is a corporation that centers its entire business ideals and practices on the concept of being good for the environment, good for health, and the concept of “natural”. Whole Foods strives to promote healthy and sustainable food options and provides more “natural” and organic options than conventional grocery stores. One of Whole Foods’ missions is to supply consumers with the best organic and natural products. Additionally, Whole Foods identifies environmental stewardship as another one of its core values. In its mission statement, Whole Foods identifies sustainable agriculture and wise environmental practices as the two major ways that is will achieve its goal of being an environmental steward. Whole Foods promotes itself as a supporter of sustainable agriculture by providing a market for organic products. Whole Foods identifies this as a very important business platform, because the increased prevalence of organically grown food helps to reduce pesticide use and protects soil health.

In 2012, Whole Foods released a “Green Mission Report” as a way to incorporate more environmental and sustainable initiatives into their business operations. The major environmental initiatives that Whole Foods incorporated into its Green Mission were: improve recycling efforts, more incentives for consumers to use reusable shopping bags, waste reduction, energy conservation, renewable energy, and green building (Green Mission Report, 33). Whole Foods
categorizes an environmental focus as one of the core values of Whole Foods, as well as a crucial component of its business operations (Green Mission Report, 2). Whole Foods has made its environmental goals a central part of its business operations and has also increased levels of transparency regarding the sustainability and ethical qualifications of the food, household products, and flowers that it is selling so that consumers can make more informed decisions. Whole Foods has attempted to increase transparency by labeling GMOs, rating products based on their impacts on the environment, and by providing consumers with information of where their food or products are coming from and what is in these products (Green Mission Report, 26).

In order to become more sustainable and environmentally friendly, Whole Foods has been making improvements towards energy efficiency in its operational stores. They have focused on using more efficient and energy saving refrigeration systems. Several of their stores are also partially run off of renewable energy, including: solar, thermal, and fuel cells. Whole Foods has also been attempting to improve the efficiency of its delivery fleets by using vehicles that run off of biofuel (MSCI ESG Manager Whole Foods, 3).

In its 2012 Green Mission Report, Whole Foods categorized waste reduction and increased recycling as one of its major environmental initiatives. Subsequently, Whole Foods has become more involved in recycling programs and is also striving to decrease its packaging and to use recyclable or reusable packaging materials (Whole Foods Green Mission Report, 38). Whole Foods has also been increasing the amount of its food waste that is composted and the amount of material that is recycled in order to decrease the percentage of its waste that is sent to the landfill (Figure 2). By 2012, twenty of the twenty-three Whole Food stores located in the Northeast were diverting 80%-90% of their waste. The other three stores located in the Northeast do not have access to a composting facility and therefore are only to divert 30%-40% of its waste, because a
significant portion of Whole Foods’ waste is food waste that can be diverted through composting (Green Mission Report, 34).

Figure 2: Whole Foods Waste Breakdown and Diversion Rates (Green Mission Report, 35)

In 2014, in an attempt to be more transparent about the sustainability and environmental impact of its products, Whole Foods launched its Responsibly Grown program, which provides a rating system for fruit, vegetable, and flower products. The rating system depicts how sustainable a product is and has also prompted Whole Foods to begin tracking some of the greenhouse gas emissions associated with its agricultural suppliers (Whole Foods ESG Manager, 4).

Additionally, Whole Foods claimed that by 2012 they would label all products containing palm oil and would also eliminate palm oil products associated with deforestation or human rights violations from their stores. However, Whole Foods has failed to report their progress with eliminating these palm oil products and is also not a member of the Roundtable on Sustainable Palm Oil, which is something that Whole Foods has been criticized on (MSCI ESG Manager Whole Foods, 6).
In October 2015, PETA filed a lawsuit against Whole Foods for misleading consumers with their 5-step animal welfare rating system, which was one of the initiatives that were put in place to promote the sustainability of its meat product (MSCI ESG Manager Whole Foods, 39). Whole Foods has also faced criticism from environmentalists and animal rights activists, because promoting meat as sustainable or environmentally friendly can be misleading given the large carbon footprint and environmental impact of meat. It is understandable why cutting meat or palm oil products would be very challenging for Whole Foods. It was determine that in 2014 products containing palm oil accounted for approximately 12% of Whole Foods’ sales and 7.68% of their sales came from dairy and beef products. Based on a three-year average, it was estimated that Whole Foods earned $1,552.39 million from the sale of palm oil products and $999.53 million from the sale of beef and dairy products (MSCI ESG Manager Whole Foods, 5). Although Whole Foods cannot be expected to stop selling meat, PETA criticized Whole Foods for promoting its meat as more sustainable and more humane even though some their meat is still coming from factory farms (MSCI ESG Manager Whole Foods, 39).

Whole Foods runs off of the notion of promoting environmentally conscious consumption. As a result, Whole Foods has implemented sustainability into its business model fairly well. Whole Foods does not advertise its sustainable initiatives or environmental goals as much as some of the other corporations do. One explanation for this is that Whole Foods is known for being more environmentally friendly and therefore does not need to construct and advertise a new environmental reputation to the public as corporations like Wal-Mart, Starbucks, and GE have to do.
Conclusions: Comparisons of Wal-Mart, General Electric, Starbucks, and Whole Foods: Are Any of these Corporations “Walking the Walk”?

This chapter demonstrated that greenwashing comes in various degrees and that it is a major contributor to the discrepancies that exist between corporate claims and corporate behavior. All four of the corporations within this study have set environmental goals and have implemented environmental initiatives into their CSR platforms. However, as this chapter has demonstrated, all four corporations had areas where they were falling short in achieving their environmental goals or had environmental initiatives that they were failing to uphold. Wal-Mart, General Electric, and Starbucks all had fairly large discrepancies between some of their environmental goals and their environmental performances and behaviors. Whole Foods on the other hand has done a better job of upholding most its environmental claims.

It is likely that Whole Foods has been more successful than the other three corporations, because Whole Foods was built on the platform of environmental consciousness and sustainability, whereas the other companies were not. Therefore, Whole Foods runs its business off of sustainable practices, while the other three corporations in this study have recently implemented environmental and sustainable practices as an addition to their preexisting business practices.

Whole Foods has also been very successful because it typically targets a group of consumers with more disposable income who have a higher willingness to pay for environmentally friendly and sustainable food and household products. Unlike the other three corporations in this study, Whole Foods’ reputation is built upon environmentally conscious business practices and a majority of its profits are derived from consumers who value the environmental initiatives of Whole Foods. Wal-Mart, General Electric, and Starbucks are targeted more towards the average consumer. Wal-Mart in particular is targeted towards lower-
income and middle-income consumers and therefore in the past did not try to target consumers with a higher willingness to pay for environmentally friendly products. Unlike Whole Foods, the other three corporations within this study did not include an environmental concern or focus with their original conception, but instead have adopted these environmental initiatives and focuses based on competitive advantage, growing environmental salience, consumer demands, and market pressures.

One of the main reasons for this gap, particularly for Wal-Mart and Starbucks, was that these corporations set very ambitious environmental goals, but in regards to some of these goals, they have made very little progress in achieving them. This lack of follow through and failure to uphold their environmental goals is a major problem associated with corporate environmentalism. Wal-Mart and Starbucks are still advertising their environmental commitments on the sustainability sections of their websites. However, both corporations fail to advertise the amount of progress that they have made towards achieving their goals. This can be very misleading for consumers and can make corporations appear more environmentally friendly than they are.

Many corporations seem to be engaging in corporate environmentalism by making bold environmental goals and claims, but they are not making big changes to their business practices. As Johann Hari warns, it is important to be aware of the “wrong kind of green”. Many companies are making environmental commitments as a way to simply improve their image without making any big changes (Hari, 1-2). Corporate environmentalism can be problematic, because corporations are not legally obligated to follow through with their voluntary environmental commitments. If a corporation fails to achieve its voluntary environmental goals, no legal actions can be taken against the corporation. However, given the findings from this
chapter that three of the four corporations in this study are failing to follow through on environmental goals and are engaging in some form of greenwashing, it is evident that there is a need for entities to hold corporations accountable. Within the next chapter, I will investigate three different methods of holding corporations accountable for their voluntary environmental claims and commitments and for their environmental impacts. These three methods of corporate accountability include: NGOs, third-party certifiers, and consumers.
Chapter 5: Holding Corporations Accountable

As corporations develop corporate social responsibility platforms, they release many claims and promises to the public about the way in which they are supposedly conducting and operating business. CSR is essentially a form of corporate governance that suggests that the corporation is operating in a manner that is good for the environment, beneficial for society, and also is still beneficial to the business itself. However, as discussed in Chapter 4, corporations often utilize various deceptive tactics in order to convince the public that they are operating in a more environmentally friendly or socially responsible manner. Corporations often engage in forms of greenwashing or deceptive information in regards to environmental promises that corporations have included in their CSR platforms. With the many promises, claims, and commitments that corporations make, paired with the many deceptive techniques that they often utilize, the question becomes: how can corporations be held responsible and accountable for their actions and claims? Who should be responsible for monitoring corporate behavior? Within this chapter, I identify several different entities or methods that could contribute to corporate monitoring and accountability. These include: consumers, certification schemes, and/or NGOs.

While government regulations and legislation can partially regulate a corporation’s actions and can at times hold them accountable for their environmental impact, CSR and corporate environmentalism goes beyond government requirements and is done on a voluntary basis and therefore governments cannot hold corporations accountable for these claims. What is the most effective way of holding corporations accountable for the environmental claims and commitments that they make in their business models? As corporations adopt new CSR plans

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2 A survey conducted by in DATE TerraChoice determined that approximately 95% of corporations were participating in some degree of greenwashing (TerraChoice, 2010).
and make environmental commitments, many have also adopted self-monitoring and regulating programs that will ensure that they are reaching their newly set goals and benchmarks. Beginning in the 1970s and the 1980s, economic liberalization was occurring throughout the globe. During this time, the push was to deregulate everything, giving way to market freedom and liberalization. As a result of the movement to deregulate, private governance and CSR became increasingly prevalent (Utting, 67). Although many environmental regulations still exist, corporations are now voluntarily setting their own environmental standards and regulations that go beyond the government mandates. Corporations have also become increasingly involved in monitoring their environmental performance and environmental impact. Given the evidence that many corporations use deceptive techniques and various degrees of “greenwashing”, can corporations be trusted to monitor themselves and to hold themselves accountable for the voluntary commitments that they have made?

Corporate self-regulation has at times been criticized, as it is easy for corporations to alter the public’s perception of corporate behavior and impact if there is no outside party that is assisting in the monitoring practices. One specific problem of corporate self-regulation is that many corporations have released environmental reports with very little substance. Corporations who partake in this are often accused of solely releasing these reports in an attempt to convince the public that they care about these environmental issues; however, the corporation is not in fact implementing any substantial changes. This tactic has been cited as another form of greenwashing (Utting, 69-70). One example of corporate misinformation is in the recent Volkswagen scandal. Volkswagen was responsible for monitoring the emission levels of its cars, however, it managed to cheat emissions tests in order to comply with its emissions standards. Prior to getting caught, Volkswagen advertised its cars that were using clean diesel and that were
beneficial for the environment (Davenport and Hakim, 1). This example once again demonstrates the deceptive techniques that corporations are capable of, and suggests the need for other methods of holding corporations accountable for their CSR commitments.

Within this chapter, I will explore different methods for holding corporations accountable for their CSR claims and I will evaluate which methods have been the most effective. The methods that I will explore are: NGO-corporate partnerships, certification schemes, and consumer power. I will examine the benefits of each method of corporate accountability as well as the potential places where these methods of accountability fall short. I will be analyzing how each method can affect or improve corporate behavior, as well as what aspects of corporate behavior it fails to improve. I will also be looking at the potential impact that these methods have on the environmental movement and whether corporate-NGO partnerships are furthering the movement or de-radicalizing the environmental movement. I will assess several successful cases or benefits of the different methods of corporate accountability in order to assess the strengths and will then assess the weaknesses of each method of corporate accountability.

**Non-Governmental Organizations**

A new phenomenon that has developed over the last three decades is that environmental NGOs are now forming relationships or partnerships with corporations. Beginning in the 1990s, these corporate-NGO partnerships and alliances became far more prevalent and even some of the most radical environmental NGOs that were notorious for criticizing the environmental practices of big business started forming alliances with these same businesses (Hari, 1). Corporations have begun to seek out these partnerships with NGOs as a way to help them achieve their environmental goals or as a way to promote a more environmentally friendly image to the public. Additionally, NGOs have validated these relationships by claiming that they are helping to
achieve effective change in the corporate world and are also furthering their own environmental goals (MacDonald, 98).

One of the most notable environmental NGOs that has been at the frontline of NGO-corporate relationships, is the Environmental Defense Fund (EDF). In 1990, EDF broke the barrier between the corporate world and the non-profit sector when it formed a partnership with McDonald’s. EDF received a large amount of criticism for this partnership; however, the EDF justified it by claiming that this new alliance was the most effective way to implement change within the corporate world. EDF worked with McDonalds to improve the packaging and containers used within the stores, so that more of the materials were recyclable. The EDF classified this partnership as a huge success and subsequently went on to form partnerships with several other notable corporations, including: Wal-Mart, Starbucks, CAT, Ocean Spray, at&t, and Dupont (EDF + Business, 2016). This new NGO-corporate partnership initiated by EDF paved the way for these partnerships to become increasingly prevalent.

Dauvergne and Lister argue that NGOS are often motivated to form partnerships with corporations, because they found that they could make more effective change happen quicker than they could through working with government (Eco-Business, 32). These partnerships are redefining the interactions between NGOs and corporations, as the two entities were previously considered to fall on opposite ends of the spectrum in regards to social and environmental issues (Damlamian, 9). For example, many environmental NGOs such as The World Wildlife Fund, Conservation International, and The Nature Conservancy used to publically shame and fight against big oil and gas companies, such as Shell, BP, and Exxon. However, these environmental NGOs have now formed partnerships with these companies and are working with these corporations to improve the environmental practices of the oil and gas companies. Through these
NGO partnerships, corporations have managed to improve their public image and environmental reputations although they are making minimal changes to their business operations. The environmental NGOs are also benefiting from these partnerships by receiving sizable donations and grants from the oil and gas companies (MacDonald, 108-109).

On one hand, these partnerships can be viewed as potentially effective and also necessary, because corporations are some of the biggest polluters and therefore changing corporate practices will have some of the biggest results. Proponents of these corporate-NGO relationships argue that corporations are here to stay and therefore it is more practical to work with them rather than trying to fight against them. Several of the largest corporations make more in profits that the GDP of a number of countries in the world. If Wal-Mart were a country, it would have the twenty-fifth largest economy in the world based on its revenues (Trivett, 1). As a result, corporations possess a large amount of power, influence, and resources within the world arena.

In their role as investors, polluters, innovators, experts, manufacturers, lobbyists, and employers, corporations are central players in environmental issues. The recognition by governments and NGOs that large firms are not just polluters, but also possess the organizational, technological, and financial resources to address environmental problems, has stimulated consideration of ways to harness and direct these resources toward desirable goals (Jones and Levy, 1).

Due to the large presence of corporations in the world arena as well as the large amount of resources that corporation possess, it is unrealistic to try to counter the actions or protest the behaviors of corporations. Dauvergne and Lister argue that at times, it can be more effective for environmental NGOs to attempt to work with these corporations in order to further their goals (Eco-Business 20-21). These partnerships are viewed as an effective way to change corporate practices from the inside. Dauvergne and Lebaron suggest that NGOs will be compelled to partner with corporations, because corporations will respond far more positively to collaborative efforts on the parts of NGOs, rather than public shaming (Dauvergne and Lebaron, 53).
NGO-Corporate partnerships are now extremely common and in fact most corporations are now collaborating with NGOs in some way. There are many different types of corporate-NGO partnerships that have formed and these types of partnerships influence the effectiveness of the environmental NGO on a corporation’s behavior. Rodinelli and London discuss how some NGOs work with corporations at “an arm’s length”, meaning corporations often establish a partnership through donations or by volunteering for an NGO, but the NGO has very little influence over the corporation. Other partnerships are more interactive if an NGO actually certifies a corporation’s practices or helps a corporation to achieve a certain goal or an environmental project. Rodinelli and London classify these two types of partnerships as beneficial to both NGOs and corporations, but do not classify them as extremely effective. Rondinelli and London categorize some NGO-corporate partnerships as more intensive and effective when a corporation partners with an NGO to help them improve internal management and environmental practices. An example of this type of partnership is when the EDF and McDonald’s formed a task force in order to reduce waste and improve the recyclability of McDonald’s packaging. This partnership allowed an environmental NGO to create change from within the corporation and it also produced effective results (Rondinelli and London, 64-65).

Wal-Mart now collaborates with NGOs in most areas of its business in order to improve its supply chains and its business operations. Wal-Mart partnered with The Marine Stewardship Council and The World Wild Life Fund in order to improve the sustainability of its seafood products, the Organic Trade Association and Organic Exchange help improve the cotton products sold in Wal-Mart, and Green Electronics Councils helps Wal-Mart to sell more sustainable and less toxic electronics (Plambeck and Denend, 55-58). The Sierra Club and Clorox partnered together to create a new line of more sustainable household products, known as
Greenworks. However, after forming a partnership with Clorox, The Sierra Club’s Toxics Committee never conducted an analysis to determine Greenworks’ impact on the environment or even whether it was more environmentally friendly than Clorox’s other products (MacDonald, 76). The World Wild Life Fund (WWF) began working with Unilever to help it reduce the unsustainable depletion of the fish populations in its supply chain (Eco-Business, 20).

In 2010, WWF signed a three-year contract with Proctor&Gamble, which is the world’s largest company for consumer goods, in order to improve their sustainable practices, efficiency, and conservation efforts throughout their global supply chain. The Nature Conservancy is partnered with some of the worst environmental offenders, including: British Petroleum, Boeing, DuPont, Monsanto, Shell, and Wal-Mart. The Nature Conservancy defends these partnerships because they claim that they are working to improve the practices of these corporations in order to achieve environmental change. For example, they claim that they are working with British Petroleum in order to improve their oil exploration practices in the West as a way to make them more sustainable (Dauvergne and LeBaron, 38). Even Greenpeace, the environmental NGO that is notorious for being among the most radical and anti-big business, began forming partnerships with corporations, including: Unilever, Coca-Cola, and PepsiCo (Eco-Business, 20).

On one hand, NGO-corporate partnerships can result in a great deal of positive changes. NGOs who have partnered with corporations have the potential to strengthen a corporation’s CSR policies and corporate governance to align more directly to the goals of the NGO and of the community. Corporations have the resources, capital, power, and money to make effective changes. NGOs have the ability to direct some of this corporate power to achieve their own objectives (Damlamian, 7-8). NGOs typically have a lot of environmental knowledge, science, and expertise and therefore are able to help corporations set environmental goals and objectives
and can also help corporations to monitor their progress towards achieving these goals (Rondinelli and London, 63).

One example of a semi-successful NGO-corporate partnership is the collaboration that Conservation International formed with Starbucks. In the late 1990s, Conservation International began drawing attention to the large amount of biodiversity loss that was occurring from coffee production. In 1997, Conservation International and Starbucks began collaborating in order to improve Starbucks’ supply chain and the manner in which it was sourcing its coffee. Between 1999 and 2000, Starbucks and Conservation International created the “Conservation Principles for Coffee Production” that would help to improve Starbucks’ commitment to socially and environmentally responsible business ethics and practices.

Starbucks benefited greatly from the partnership with Conservation International, because it was able to utilize the large amount of information and expertise that the NGO had on sustainable and ethical ways to source coffee beans. Additionally, Conservation International benefited greatly from the partnership, because it was able to tap into a very large coffee market in the U.S. and implement its own goals to effectively improve Starbucks’ practices (Damlamian, 27-31). With Conservation International, Starbucks developed the C.A.F.E. standards (Coffee and Farmer Equity Practices) in 2004, which has served as the guidelines for Starbucks to maintain its commitment to ethically and sustainably sourced coffee (Aranda, 9).

On the other hand, however, some environmental activists and other NGOs who are abstaining from forming these partnerships have heavily criticized these new corporate-NGO relationships. Susan Beder argues that these new partnerships are reducing the effectiveness of environmental NGOs or that they are providing large corporations with more power and influence. It is a concern that corporations could be donating large sums of money or grants to
these environmental NGOs as a way to “buy them off” or to sway their opinion on certain issues (Beder, 278-279). Additionally, many activists are worried that these new partnership will decrease the effectiveness and the radicalness of environmental NGOs (Dauvergne and Lebaron, 4). Prior to the formation of corporate-NGO relationships, NGOs often actively participated in naming and shaming corporations for their environmental injustices. However, after NGOs have become more engaged in partnerships and alliances with corporations, may be more reluctant to publicly shame these corporations (Utting, 89).

The evolution of the tactics utilized by the EFD to hold corporations accountable demonstrates how corporate-NGO partnerships can alter the behavior of environmental NGOs. Prior to EDF’s partnership with McDonald’s, the EDF was notorious for being an environmental NGO that utilized the legal system as a way to hold corporations accountable for their environmental impacts and their environmental performances. For example, using the courts, the EDF sued corporations for using harmful pesticides that were harmful to the environment and the EDF also sued corporations if they failed to comply with the Clean Air Act or the Clean Water Act (Allitt, 42). During the late 1960s and 1970s, EDF’s unofficial motto was “sue the bastards” (Conniff, 1). However, after the EDF formed its first corporate alliance with McDonald’s in 1990, the tactics of the EDF changed. The EDF no longer sued corporations as a means to hold them accountable or to publicly shame them.

Now, EDF partners with corporations across many different sectors. Their goal is to hold corporations accountable by working with them, forming alliances, and changing corporate environmental practices from the inside (EDF+Business, 2016). Dauvergne and LeBaron express their concern that these corporate-NGO partnerships may have shifted the tactics that NGOs use in order to demand corporate accountability. If NGOs are no longer publicly shaming the
corporations who they are now collaborating with, it is possible that the public will be less aware of environmental injustices committed by corporations and will also be less involved in demanding corporate accountability (Dauvergne and LeBaron, 118). Additionally, these new partnerships have the potential to make environmental NGOs less effective. Starting in the 1990s, EDF began to proudly promote its partnership with the United Parcel Service and Federal Express, claiming to have dramatically improved the sustainability of the two industries. However, in 2007, a nonprofit group known as Climate Counts conducted a study that found these two industries to have the some of the most unsustainable practices of the entire shipping industry (MacDonald, 58). This example suggests that EDF’s partnerships might not be as effective as EDF claims.

After corporations began partnering with NGOs, the amount of corporate donations and corporate funding made out to the NGOs increased drastically. This corporate funding of NGOs has raised skepticism about corporate-NGO relationships and has also demonstrated the incredible amount of power that corporations hold over NGOs (Dauvergne and LeBaron, 116). In 2001 alone, corporations donated approximately $9 billion in both gifts and funding to nonprofits organizations (Rondinelli and London, 61). These donations and partnerships are allowing many corporations and businesses to utilize the logo of the nonprofit organization or NGO as a marketing tool to further its business endeavors. Subsequently, scholars such as Susan Beder have questioned the legitimacy of these partnerships and wonder if corporations are in a way “buying out” NGOs with donations, therefore negating the ability of NGOs to make effective change (Beder, 278-279).

In 2010, 11 percent of the World Wild Life Fund’s operating budget came from corporate donations (Dauvergne and LeBaron, 114). Hari claims that these corporate donations have
altered the practices of the World Wildlife Fund and have made the NGO far more likely to side with corporations rather than speaking out against them. For example, it was found that a large amount of IKEA furniture was made from the wood of endangered trees. Instead of shaming the corporation, WWF came to IKEA’s defense. Hari argues that WWF came out in support of IKEA due to the fact that IKEA is a large contributor to WWF’s operating budget. Additionally, the largest polluters are among the largest contributors to environmental NGOs. Exxon, BP, Chevron Corporations, and Shell Oil are all oil companies that have been heavily criticized for their detrimental environmental impacts. However, they are some of the biggest donors to environmental organizations (MacDonald, 98).

The Nature Conservancy awarded Shell Oil Company with a “conservation leadership award” the same year that Shell was publically criticized for the devastating impacts that its oil drilling had had in Nigeria. The Nature Conservancy’s “conservation leadership award” helped to boost Shell’s public image. That year, prior to receiving the award, Shell had donated hundreds of thousands of dollars to The Nature Conservancy, and after the award, Shell continued to donate more than $1 million to The Nature Conservancy in the following years (MacDonald, 86). Hari claims that shifts in the behavior of environmental NGOs is very common after they form monetary relationships with corporations and as a result, corporations are able to use NGOs as a new type of PR in order to improve their environmental images without altering their business operations very much (Hari, 2).

Between 2005 and 2013, EDF received $66 million in grants from the family that controls Wal-Mart, the Waltons. These payments are not being made directly from Wal-Mart and this therefore allows EDF to state that it is not receiving any donations from Wal-Mart (or from any other corporations). However, over the course of two years, the Waltons had funded one-
eighth of EDF’S budget ("EDF Sells Green Cred to Walmart, 1). It cannot be said with absolute certainty, but is seems as though this becomes a conflict of interest for EDF and could almost be viewed as though the Wal-Mart family is buying off EDF. EDF consistently conducts press releases that compliment Wal-Mart’s environmental initiatives and their progress towards becoming more sustainable ("EDF Sells Green Cred to Walmart”, 2). It is very possible that these praises and compliments are a result of the large sum of money that the Walton’s donate to EDF each year. However, evidence to support this claim is beyond the scope of this study.

In addition to partnering with EDF, Wal-Mart is also partnered with Conservation International, the Marine Stewardship Council, and Arizona State University’s Global Sustainability Institute. Interestingly enough, these three entities are also grantees of the Walton family. In 2005, The Walton Family Foundation gave $21 million to Conservation International, which at the time was approximately a quarter of Conservation International’s revenues that year (MacDonald, 15). Conservation International is another environmental organization that has routinely publicized Wal-Mart’s environmental progress and the ASU Global Sustainability Institute has promoted that Wal-Mart’s technique of calculating the environmental impact of their products as credible. Suspiciously, the Walton family began providing grants to the Marine Stewardship Council the same year that it also provided Wal-Mart with an eco-label for their seafood (“Wal-Mart Heirs Quietly Fund”, 2). The Walton family donated $38,648,952 to them for marine conservation and then in 2012, they donated an additional $23,683,286 for “other environmental grants” (Bacher, 1).

Overall, it appears as though the Walton family has a strong influence on the partnerships that Wal-Mart makes with other organizations and behind the scenes helps to assure Wal-Mart’s corporate dominance through grants and donations. Poret warns that because many NGOs have
become so reliant on corporate money and donations, they are at risk for becoming “captured” by corporations, meaning that corporations are the dominant force within the corporate-NGO partnership. Poret argues that when corporations become the dominant force in the partnership, it can greatly threaten the credibility and reputation of the NGO partnered with them, because the corporation’s acts of greenwashing, deception, or scandals are now linked to the NGO’s reputation (Poret, 13). Additionally, Poret cites that several NGOs who are responsible for setting certification standards have lowered certification standards after forming partnerships with corporations (Poret, 14).

An example of a corporation negotiating a lower certification standard is when Starbucks and Transfair negotiated a deal in 2000 that would lower the entry requirements for Starbucks to receive a Fair Trade logo. Previously, 5% of a company’s product had to align with fair trade terms in order for the company to receive the fair trade seal. However, Starbucks negotiated with Transfair and was able to receive the seal, although only 1% of its products complied with fair trade standards at the time (Jaffee, 274). This negotiation deal demonstrates the large amount of power and influence that corporations have over NGOs as a result of market powers. Jaffee classifies this lowering of the Fair Trade entry level as cooptation and dilution of standards on the part of Starbucks. When Starbucks received the Fair Trade seal, others believed that this was a form of both greenwashing and “fair-washing”. This lowered entry level for Starbucks was also seen as something that would change the entire global structure of fair trade certification (Jaffee, 274).

Even more blurred lines develop between NGOs and the private sector when corporations are actually permitted to serve on the board of environmental NGOs. For example, Anthony Bugmans, a board member of BP, also sits on the board of the WWF International (Dauvergne
Environmental NGOs permitting corporations to have a seat on their board is being a more widespread phenomenon. Sam Rawlings Walton, a member of the family who owns Wal-Mart was granted a spot on the EDF’s board after Wal-Mart and EDF formed a partnership and after EDF began promoting Wal-Mart’s accomplishments (EDF + Business, 2016). Orin Smith, the founder of Starbucks, and Rob Walton of the Walton family who is also Wal-Mart’s chairman, both serve on Conservation International’s board (MacDonald, 47). A cofounder of Conservation International who became unhappy with the NGO’s new corporate focus referred to the phenomenon as “the ‘Wal-Martization’ of conservation” (MacDonald, 54). These examples demonstrate how strongly intertwined the corporate sector is with the non-profit sector. Additionally, Dauvergne and Lebaron argue that corporations serving on the boards of environmental NGOs demonstrate the incredible amount of influence that the corporate world now holds over NGOs. They also argue that corporatization of the nonprofit sector is beginning to occur (Dauvergne and Lebaron, 38-39).

Certification Schemes

Certification schemes have become increasingly prevalent over the past few decades as a form of CSR. Certification schemes are a set of standards that vary across multiple different sectors, which a corporation voluntarily chooses to comply with. If an individual product complies with the standards of a specific certification standard, this product will typically receive an eco-label that will allow consumers to see that it has been certified. In 2012, over one-third of multinational corporations were participating in voluntary third-party certifications in regards to either environmental or social certification standards (Kitzmueller and Shimshack, 51).

Certification schemes emerged as a form of non-state governance while market liberalization and deregulation was growing. These certification schemes were seen as a way to
hold corporations accountable for environmental and social standards and were also used as a way to monitor corporate environmental behavior (Gulbrandsen, 99). In addition to being a form of non-state governance, certification schemes are also conducted on a voluntary basis, which gives the corporation more leeway and initiative. One of the most positive aspects associated with environmental certification schemes is that many corporations experience market pressures to adopt them. Many corporations have adopted certification schemes as a result of pressures from stakeholders, consumers, NGOs, and unions. NGOs often act as third-party organizations that certify corporations and monitor their actions to ensure that they are complying with the certification standards (Graeme, 97-98). Typically, certification schemes work to improve the sustainability of individual products rather than addressing corporate behavior as a whole.

Certification schemes, such as International Accountability Standards (IAS) or the International Standard Organization (ISO) can also arise to fill gaps in transnational governance and enforcement. The ISO was developed in 1946 and is an international non-governmental organization that is a method of international governance (Murphy and Yates, xiii). The purpose of the ISO is to draw together experts from countries around the world in order to develop voluntary, market-based consensus standards that help to address global issues, such as climate change, human health, water usage, etc. The ISO has created over 17,000 international standards that work to improve the quality, environmental impact, health impact, and accessibility of both products and of corporate behavior (Murphy and Yates, 3).

Because there is not a central government that can create transnational environmental regulations, it makes it very difficult to implement and to enforce global environmental laws. Subsequently, certification schemes arise as a voluntary initiative that are often adopted through market pressures and can act as a method for transnational environmental standards (Utting, 25).
This is especially effective, because corporations are some of the largest environmental polluters. If consumer and market pressures demand these certification schemes, it will force more and more corporations to uptake these certification and environmental regulation programs into their conduct of business (Murphy and Yates, 5).

The Forestry Stewardship Council, a forestry certification scheme, is an excellent example of how certification schemes can fill gaps governance gaps and how market pressures can create larger demands for certified products. In order to combat many of the unsustainable practices contributing to deforestation, forestry-certification schemes were developed in the 1980s (FAO, 2011). Forestry certification schemes were developed in order to combat high rates of deforestation and unsustainable forestry, in ways that state governments were failing to do (NRDC, 2015). The rates of deforestation have slightly decreased since the 1990s (FAO, 2011) and far more corporations and wood suppliers are preferentially purchasing certified wood. A few years after FSC was developed, Home Depot and Lowes, two of the major corporations that supply wood products in the U.S., committed to ensuring that a majority of their wood products were FSC certified. After making this commitment, Home Depot now sources 94% of its wood for North American forests and only .15% of its wood from the Amazon basin where major biodiversity threats stem from and Home Depot sells more FSC-certified products than any other North American retailer (Fisher et al others, 8). As a result, FSC certifications became more prevalent and 49 million acres of forests worldwide became certified. (Donahue and Nye, 154).

Over time, the demand for wood products that were harvested in a just and sustainable way has increased drastically. Dauvergne and Lister determined that like organic food, people would be willing to pay more money in order to purchase FSC-certified or sustainable wood products. Corporations decided to capitalize on the increased willingness to pay for sustainably
harvested wood and began to employ more forestry certification schemes in their stores. The Home Depot is one of the most notable corporations in the U.S. that preferentially supplies FSC-certified wood products (“Shopping Our Way to Less Deforestation”, 136). Forestry certification schemes were able to hold corporations accountable for their forestry practices and the way in which they were sourcing their wood. Although these certification schemes are done on a voluntary basis, the market has practically made it a requirement for corporations to certify their wood products; otherwise corporations would not be nearly as competitive as fellow corporations who are choosing to certify their wood products. Home Depot was one of the first corporations to respond to the demands of activists for more sustainable and ethical wood products. After Home Depot began selling certified wood products, several of the other major sellers of wood products followed suit, including: Lowe's, Wal-Mart, Staples, IKEA, and Random House (Prospects and Limits of Eco-Consumerism, 136). This demonstrates how certification schemes can practically become another form of regulations for corporations, not simply a voluntary initiative to improve a corporation’s image.

Although certain certification schemes have proven to be very effective, several problems have also arisen from them. One of the main problems associated with certification schemes is that due to their growing prevalence, more and more certification schemes for the same sector have been created. For example, within the forestry sector, there are 21 international and national forestry certification schemes (Fisher et al others, 15). As a result, several of the certification schemes are not as effective as other types and do not help to improve the environmental impact or the ethicality of the products that they are certifying. These ineffective certification schemes and eco-labels are practically another form of greenwashing.
Within the forestry industry, there are certification schemes that have been classified as being far less effective than other certifications schemes at improving the sustainability and ethicality of wood products and forestry management. The Forestry Stewardship Council (FSC) is known for being a very effective form of forestry certification, however, after several years, several other major certification schemes developed, including: The Sustainable Forestry Initiative (SFI), and the Programme for the Endorsement of Forest Certification (PEFC). These certification schemes are far less effective and actually provide corporations with an eco-certification even if their wood was sourced in an unsustainable that used harmful chemicals or violated indigenous rights (Collier, 8). Many corporations within the United States are choosing to become certified by the other certification programs other than the FSC. These certification schemes have easier standards for corporations to meet and allow corporations to improve their public image while hardly changing their business practices (UNEP, 2016).

Fisher et al. argue that the multitude of different certification schemes and the various eco-labels can confuse consumers and can also weaken the credibility of certification schemes. Additionally, consumers are often not informed about the standards that a product has to achieve in order to become certified. As a result, simply putting an eco-label on a product is not sufficient for most consumers and the consumers will be less likely to pay higher price premiums for these certified products. Fisher et al. emphasize the importance of transparency in regards to certification schemes and the importance of putting information regarding the certification on a product rather than just the label. As a result, consumers will be able to make more informed decisions, they will be less likely to be confused by the variety of certification schemes. Additionally, if consumers are more informed, they will typically have a higher willingness to pay for certified products (Fisher et al others, 10-11). Certification schemes could be improved
by developing a common international standard rather than having a multitude of different
certification schemes (Fisher et al others, 15-16).

Although ISO certifications are becoming increasingly prevalent, the feasibility of only
having one universal certification for each sector is very minimal. As a result, certification
schemes need to be more transparent in order to limit consumer confusion and so that consumers
can make more informed decisions. Releasing all of the information regarding certification
schemes to consumers might lead to more consumer confusion. A possible solution is to employ
NGOs to rank certification schemes based on their effectiveness. This will provide consumers
with an easy way to make more informed decisions.

Consumers

One method of corporate accountability is to utilize the purchasing power of consumers
and their ability to influence market pressures and demands. The thought behind consumer
power is that when consumers purchase a product or shop at one store instead of another, they
are exercising a vote and are subsequently influencing the market. Therefore, in regards to
holding corporations accountable for environmental practices, consumers could choose to not
purchase a product or to not shop at a certain store due to the environmental impact of these
stores or products. Boycotting a store or a product allows consumers to make their voices and
demands heard through market pressures. The question however, is how effective is this method
of corporate accountability? How much power and influence do consumers actually have when it
comes to influencing corporate behavior? Consumer purchasing power is a highly debated topic.
Scholars such as O’Rourke argue that consumers have the ability to influence corporate behavior
with their purchases and their demands while scholars such as David Vogel argue that consumers
actually have very little influence in the grand scheme of things.
On the one hand, O’Rourke argues that consumers are more likely to buy ethical products if they feel that their purchasing of a product that will actually make a difference. For example, if NGOs have promoted the environmental benefits of a product, consumers will be more likely to purchase this product. O’Rourke therefore argues that NGOs must provide consumers with the tools to make ethical purchasing decisions. He also believes that NGOs can expose greenwashing and can help consumers to not fall into the trap of greenwashing. O'Rourke also discusses many initiatives and organizations that have been developed in order to assist consumers at making ethical and sustainable purchases, such as: Greenopia, ShopWell, Climate Counts, Better World Shopper, Ethiscore, BuyGreen, and GoodGuide (O’Rourke, 24). These organizations have created websites and apps that rank the social and environmental impacts of different products, and corporations.

The apps allow consumers to make informed purchasing decisions and they provide consumers with the ability to compare and contrast the impacts of different products and different corporations (O’Rourke, 25). These ethical shopping initiatives demonstrate that a large number of consumers truly do want to make an impact and do want to shop in a way that makes a difference for the better. A survey conducted in 2003 found that over half of the U.S. public bases their purchasing decisions on a company’s social reputation, which included a company’s environmental performance, its human right practices, and its treatment of its workers (Kitzmueller and Shimshack, 52). However, the question becomes: how much of an impact can consumers truly make? How much do consumers influence the market or how much does the market influence consumers?

According to O’Rourke, consumers do in fact have the ability to make a difference when it comes to issues like climate change, pollution, and loss of biodiversity. O’Rourke argues that
through boycotts, petitions, and purchasing power, consumers have the ability to change corporate behavior and to hold corporations accountable. O’Rourke supports this argument by providing a case study of a consumer run petition against Apple that led to corporate change. When consumers learned that Apple was a large contributor of toxic electronic waste, e-waste, and that Apple’s workers in China were experiencing poor working conditions and a large number of health concerns as a result of toxins, consumers launched a petition (O’Rourke, 4). The petition collected over 250,000 signatures on Change.org. As a result, Apple was forced to respond to consumer demands and implemented programs to improve working conditions and to increase minimum wage for its workers. O’Rourke argues that this case study demonstrates the power that consumers have to demand corporate accountability and that consumers can fill traditional state or intergovernmental regulatory roles (O’Rourke, 7).

O’Rourke also argues that in addition to campaigns and petitions, consumers have the ability to vote with their dollars and that choosing to buy one product over another because it has a smaller carbon footprint or choosing to support one corporation over another because one corporation has a better environmental track record will make a big difference in the long run. It is O’Rourke’s belief that purchasing power has the ability to transform a corporation’s environmental behavior. If consumers vote with their dollars for the more environmentally friendly option, eventually the entire market will begin to evolve to reflect this better and more environmental option. For example, between 2005 and 2009, organic food sales rose by over 10% each year as consumers became more educated about the health and environmental benefits of organic food. This increased consumption of organic food created a shift within the food market. Between 1992 and 2008, the number of acres of U.S. farmland dedicated to growing organic food increased from 935,450 acres to 4,815,959 acres. Additionally, in 1994, there were
only 1,755 farmers’ markets in the U.S.; by 2010, there were 6,132 farmers’ markets (O’Rourke, 13). Whole Foods also capitalized on this demand for organic food. In 1991, sales from Whole Foods totaled $90 million across 10 stores, in 2010, Whole Foods made $9 billion across 300 stores. These market shifts are very reflective of consumer demands and consumer purchases (O’Rourke, 14).

Lyon and Maxwell also believe that consumers who are preferably purchasing environmentally friendly products can cause a shift in the market. In fact, Lyon and Maxwell argue that corporations will capitalize upon consumers who prefer environmentally friendly options, as these consumers typically have a higher willingness to pay for ethical and sustainable products; subsequently, corporations are able to make a larger profit (Lyon and Maxwell, 6). There are many examples of shifts in the market towards more sustainable options. In 1990, consumers put a lot of pressure on McDonald’s to do away with its Styrofoam “clamshell” hamburger boxes, claiming that this packing was environmentally damaging and unsustainable. The president of McDonald’s at the time, Edward Rensi, claimed that the packaging was “environmentally sound”, but because many consumers did not feel that way, McDonald’s decided to comply with consumer demands and make the appropriate changes. Soon after, McDonald’s formed an alliance with the Environmental Defense Fund to begin implementing more recyclable material into its packaging and also switched its Styrofoam boxes to paper wrapping. This switch of packaging material was a direct example of how consumers can instigate change and how environmental groups and corporations can collaborate to bring about these demands (Holusha, 4).

One of the largest examples of consumer power occurred in the 1990s and early 2000s against Nike. At the time, it was discovered that most of Nike’s products were produced in
sweatshops that exploited laborers and exposed workers to extremely poor conditions. After the public learned of this information, an extremely large consumer campaign was launched and a boycott against all Nike products was organized. Nike responded to the boycott and international campaign by making efforts to monitor working conditions, they created a CSR platform to ensure that they were focusing more on their environmental and social impacts, and they worked to improve working conditions and raise minimum wage within their factories. Nike also brought on a third-party certifier to monitor its efforts and to conduct audits. (Nike, 69). This example is an extremely powerful demonstration of how consumers can hold corporations accountable for their actions and impacts through market pressures and consumer demands (Birch, 2). In more recent news, McDonald’s has also responded to consumer demands for the eggs used by McDonald’s to be cage free. In September 2015, McDonald’s announced that it would begin purchasing more cage-free eggs and would begin the transition to phasing out caged-eggs completely (Storm, 1). This is a shift that would not have occurred without consumer demands.

On the other hand of the debate, scholars such as Vogel, and Dauvergne and Lister argue that this method of corporate accountability relies on consumers having a great deal of information on products and corporate behavior readily available, which is not always the case. O’Rourke addresses this problem, but believes that with a collective effort, it is possible to make all of the necessary information available to consumers. Consumers’ willingness to pay for more environmentally friendly products is highly dependent on the consumer’s knowledge of environmental issues and also requires them to care about these issues and the information available about the product or the eco-label of the product (Fisher et al others, 9). O’Rourke argues that in order to make this information available, governments should be creating policies
that require corporations to be more transparent and policies that require corporations to track
and release information regarding their supply chains.

O’Rourke also suggests that governments should regulate greenwashing and deceptive
tricks utilized by corporations in order to limit the misguidance that consumers experience when
trying to make informed and ethical purchases (O’Rourke, 31). Essentially, O’Rourke is
suggesting a collective effort between governments, NGOs, and companies in order to make
information more available and in order to reduce greenwashing and market deception.
O’Rourke then argues that consumers will be empowered by the available information and will
vote with their dollar to make the market more environmentally friendly, socially beneficial, and
sustainable (O’Rourke, 32).

Scholar David Vogel is very skeptical of the power of “green consumption” and about
consumers’ ability to hold corporations accountable or to influence corporate behavior. Vogel
attributes to his skepticism to the fact that many consumers claim to be concerned with the
ethical and sustainable qualifications of the products that they are buying or the behavior of the
corporations that they are buying from, however their purchasing behavior does not reflect with
this environmental and ethical concern. Vogel argues that there is a major gap between what
consumers say that they will do, versus what they actually do. Vogel states that only 10-12% of
American consumers attempt to buy more environmentally friendly products, although 65% of
consumers answered that they would pay more in order to purchase environmentally friendly
products (Vogel, 47-48). Vogel attributes this gap to several factors. First, many consumers do
not go out of their way to educate themselves amount the environmental impact or the ethicality
of the products that they are buying or of the corporations that they are buying from. Secondly,
corporations and certification standards are not very transparent, and therefore consumers do not
have the tools to make educated purchasing decisions. Thirdly, many consumers do not feel that it is their responsibility to improve their environmental impact and instead believe that this responsibility should fall on corporations. In 2002, a survey indicated that almost half of American consumers believed that it was a corporation's responsibility to improve its environmental performance, not their own. Lastly, Vogel argues that humans are creatures of habit and have established brand trust. As a result, consumers will typically continue to purchase the same products that they always have, making them less likely to switch to a product that is more environmentally friendly (Vogel, 48-49).

Dauvergne and LeBaron warn that making consumers responsible for ethical consumption shifts the burden and responsibility of making environmentally conscious decisions away from corporations and puts this obligation onto the consumers. While individual decisions and consumption patterns are extremely important, Dauvergne and LeBaron emphasize that corporations should be the main instigators of change and environmental improvement (Dauvergne and LeBaron, 11). The role of the consumer is also extremely limited based on the level of transparency on the part of the corporation. If corporations are not extremely forthcoming or transparent with their environment performances and impacts, then it is extremely difficult for consumers to make educated and accurate decisions and assessments of corporations or products. Additionally, in order to be an educated consumer, it requires individuals to do fairly extensive research as a means to ensure that they are not being misdirected by greenwashing.

**Conclusions: Comparisons of Methods of Accountability**

The findings from this chapter indicate that some form of accountability is necessary to hold corporations responsible for meeting their voluntary environmental goals and also to hold
corporations accountable for any negative environmental impacts that they might be causing. However, the findings also indicate that there is not one correct or more effective way to hold corporations accountable. The general findings from this chapter indicated that all three methods of corporate accountability were partially effective and that each method could individually address different areas of corporate behavior. The findings suggested that certification schemes were better served to improve the environmental impact and the ethical qualifications of individual products, corporate-NGO partnerships primarily focused on improving the practices and the sustainability of the corporation as a whole, and consumers had the ability to influence both components.

NGOs who have formed partnerships with corporations typically strive to change the practices and behaviors of the entire corporation. The findings within this chapter suggested that corporate-NGO partnerships have a lot of potential, but there are also several areas where they fall short or where these partnerships could even be a detriment to the environmental movement and corporate accountability. On one hand, when NGOs are partnering with corporations rather than fighting against them, there is a potential to improve corporate practices from within and for NGOs to utilize a corporation’s vast resources to make effective change (Eco-Business, 21). However, on the other hand, despite the positive aspects of corporate-NGO partnerships, this accountability method can actually reduce an environmental NGO’s ability to publically shame or criticize a corporation’s environmental behavior for fear of threatening a partnership (Dauvergne and LeBaron, 30). This is demonstrated by the EDF’s drastic reductions in lawsuits against corporations after it began partnering with them.

Certification schemes are typically an effective way to improve the sustainability and environmental management of products. Third-party certifiers can work with corporations to
improve their products and their supply chains and can also monitor corporations and supply chains in order to hold corporations accountable. However, the emergence of multiple different types of certification schemes dilutes the effectiveness, the trustworthiness, and the accountability of certification schemes. Additionally, multiple different certification schemes can confuse consumers and can make them less likely to make informed purchasing decisions. Overall, certification schemes could be a very effective form of corporate accountability if a common standard for each sector was developed rather than having multiple certification schemes in each sector or if more transparency was required of the existing certification schemes.

Lastly, consumers have the ability to hold corporations accountable both for the environmental impact individual products as well as corporate behavior as a whole. Consumers are able to vote for a product through their purchases and therefore have some influence on the nature of the market. If consumers purchase one household-cleaning product because it is better for the environment than other cleaning products, these decisions influence the market. If enough consumers have a willingness to pay and a demand for more environmentally friendly products, this will influence the market and will create a higher demand for more environmentally friendly products. Suppliers and producers will then be forced to comply with the demands in order to remain competitive within the market (O’Rourke, 14). This model however depends on a large number of ethical consumers within the market that are choosing to shop responsibly and purchase environmentally friendly products over products that are worse for the environment.

Consumers can also promote corporate accountability and can alter consumer behavior through boycotts and protests. Consumers boycotting Nike products forced Nike to change its corporate practices and behavior in order to comply with consumer demands (Birch, 2). This is a
powerful example of consumers holding a corporation accountable for its poor social and environmental practices. The findings in this chapter indicate that consumers do have a large role in impacting corporate behavior and corporate accountability. However, this form of accountability is reliant on consumers being informed and also on corporations being transparent. If corporations are not transparent, if they are engaging in greenwashing, or if consumers do not do their own research, consumers will not have the tools or the ability to hold corporations accountable for their environmental performances.
Chapter 6: Evaluation of Findings: It All Comes Down to Accountability

The findings throughout this study have demonstrated that there are some areas where corporate environmentalism has created effective change that has helped to improve the environmental performance and the environmental impacts of corporations. However, there were also several cases where corporate environmentalism has fallen short and is not helping to change corporate behavior or to improve the environmental performance of corporations.

Additionally, the findings from this study indicate that there are several cases where corporations are promoting a false guise of environmentalism through greenwashing and deception tactics. As a result, these corporations are convincing consumers that they are more green than they actually are. This study also determined that several corporations who are partnered with environmental NGOs are influencing the behavior of environmental NGOs that they are partnered with, making environmental NGOs less likely to publically shame corporations for their poor environmental performances. In these cases, corporations are actually detracting from the environmental movement, because they are decreasing the effectiveness of environmental NGOs and they are misleading consumers, meaning that consumers no longer have the power to hold corporations accountable.

However, despite the areas where corporate environmentalism has fallen short, the reality is that corporations are not going to disappear. As a result, corporate environmentalism is necessary in order to improve the environmental performances of corporations. However, corporate environmentalism must be improved so that corporations are not simply using environmentalism as a business tool in order to improve their public image. The findings from this study suggest that the key to improve corporate environmentalism is to improve corporate accountability. Throughout this conclusion, I will explore the concept of accountability, for
corporations, environmental NGOs, and third-party certifiers in order to demonstrate how increased accountability can help to improve the impact that corporations are having on the environmental and on the environmental movement.

The findings from this study indicate that an increasing accountability for corporations, environmental NGOs, and certification schemes would also help to increase the effectiveness of corporate environmentalism. It is difficult to hold corporations accountable for their environmental claims and commitments, because CSR and corporate environmental initiatives are all done on a voluntary basis, therefore there is no legal action that can be taken against corporations that do not uphold their voluntary environmental claims. Additionally, many consumers are unaware of a large portion of a corporation’s environmental behaviors or a corporation’s progress towards achieving its voluntary environmental goals. Corporate environmentalism could be rendered ineffective if corporations are simply using corporate environmentalism as a business tool and are not actually living up to their voluntary claims and commitments, as several of the corporations within this study are doing.

The findings from this study indicate that several corporations are using environmentalism as a way to increase profits and to improve business profits even though they are hardly changing or improving their environmental practices. Greenwashing and deception were very prevalent in the cases that were investigated within this study, particularly with Wal-Mart, General Electric, and Starbucks. Given that this study has indicated that several large corporations are using deceptive tactics and greenwashing to improve their environmental image, it is important to remain skeptical of corporate environmental claims and initiatives. As a result, consumers should not believe corporate claims without an increase in corporate transparency. Increased transparency will allow consumers and environmental NGOs to gauge a corporation’s
environmental impacts and to measure the progress that corporations have made towards achieving their environmental goals.

My study indicated that accountability is key to improve corporate environmentalism and that increased levels of transparency are a way to ensure accountability. If corporations were legally required to be more transparent regarding their environmental performances, environmental impacts, and their progress on achieving their environmental goals and commitments, then consumers and environmental NGOs could be more informed and could more effectively hold corporations accountable for their environmental performances. Increased levels of transparency could drastically reduce instances of greenwashing, because consumers would be provided with more information regarding the environmental performances of a corporation. As a result, corporations would be less likely to participate in greenwashing or acts of deception that go unnoticed. Increasing corporate accountability and corporate transparency would also help to prevent corporations from detracting from the environmental movement by using greenwashing tactics or using environmental NGOs and certification schemes as a form of greenwashing.

In addition to increasing corporate accountability, environmental NGOs and third-party certifiers should also be held accountable for their mission statements, actions, and claims. This study suggests that blurred lines often exist with environmental NGO and corporate partnerships and that corporations have a great deal of influence over the behavior of environmental NGOs. This study indicated that shifts in the behavior of environmental NGOs have occurred since corporations began donating large sums of money to NGOs and since NGOs began permitting corporate members to serve on their boards. Although some of the partnerships examined in this study have created effective changes in corporate behavior, such as EDF changing McDonald’s
packaging material, other partnerships have resulted in environmental NGOs refraining from publically shaming corporations for the negative impacts that they are having on the environment. Or some environmental NGOs will even come to the defense of corporations when they are criticized for their poor environmental track records, such as The WWF coming to the defense of IKEA when IKEA was criticized for using wood from endangered forests (MacDonald, 98). Dauvergne and LeBaron refer to the change in environmental NGO behavior as the corporatization of activism, caused by the “slow violence of capitalism” that has caused activists and environmental NGOs to start working within the frame of capitalism and operating like a corporation (Dauvergne and LeBaron, 27). As a result, in addition to improving corporate accountability, NGO and third-party accountability and transparency need to be improved as well, in order to ensure that corporations are not using environmental NGOs or certification schemes as another form of greenwashing or public deception in an attempt to improve their environmental reputations.

As environmental NGOs have become increasingly involved with corporations, their behavior has drastically evolved from the once radical tactics and strategies that many environmental NGOs utilized in the 1970s. Scholars such as Dauvergne and LeBaron theorize that corporate partnerships and donations have made environmental NGOs less radical and less likely to participate in naming and shaming tactics (Dauvergne and LeBaron, 30). The findings from this study supported Dauvergne and LeBaron’s theory. In particular, the behavior and tactics of the Environmental Defense Fund and Conservation International become much less radical since both groups began partnering with corporations.

Although these corporate-NGO partnerships can create effective change from within a corporation, this study suggests that these partnerships can also de-radicalize environmental
NGOs, making them less likely to hold corporations accountable for their actions, and therefore deterring from the environmental movement. As a result, the public has the right to know the logistics and the agreements of corporate-NGO partnerships. Therefore, environmental-NGOs should be required to be more transparent so that the public can make more informed decisions about corporations and so that the public can also form more educated opinions about the behavior of environmental NGOs.

In order to increase transparency, environmental NGOs should be required to release the details of their partnerships with corporations. This would require an NGO to release a list of its corporate donors and also a more transparent list of their board members. For example, Sam Rawlings Walton, the grandson of Wal-Mart’s founder serves on the Board of Trustees of EDF. However, on EDF’s website, Walton is listed as a “boatman, philanthropist, and entrepreneur” (EDF “Our Board of Trustees, 2016); EDF fails to mention Walton’s affiliation to Wal-Mart. EDF also does not advertise their corporate donors on their website. Additionally, after forming a partnership with Wal-Mart, EDF has continuously claimed that they are not receiving any donations from Wal-Mart, but are failing to advertise that in just 2012 alone, EDF received $12,943,017 in grants and donations from the Walton family (Bacher, 2). These examples suggest that environmental NGOs are not being transparent regarding their relationships with corporations and therefore there is a need for greater NGO accountability. If NGO accountability is increased and corporate donations and NGO board members are more widely publicized, it will be more difficult for corporations to utilize NGOs as a business tool to improve their public image. This increased level of accountability will prevent environmental NGOs from becoming too corporatized or from being bought out by corporations. Additionally, increased levels of
NGO transparency will hold NGOs accountable for their original missions and goals to progress the environmental movement.

Increased levels of transparency and accountability could also help to improve certification schemes. Certification schemes are typically effective if they work to improve a corporations supply chain, increase sustainability, emphasize ethical sourcing, and reduce the overall environmental impact of a corporation or a product. However, as Fisher et al argue having too many certification schemes working to certify the same practices and products often leads to a reduction in the effectiveness of certification schemes and can even lead to corporations using the least-effective and least demanding certification schemes as a form of greenwashing (Fisher et al others, 15). Although working to develop a universal certification scheme standard for each sector would help to resolve this problem, these methods are fairly impractical given the number of certification schemes that are already in existence. Therefore, demanding more accountability from third-party certifiers and requiring more transparent certification schemes could also help to improve the effectiveness of certifications schemes.

Making certification schemes more transparent and releasing more information regarding the standards to achieve each certification would allow consumers to make more informed decisions about certified products. However, releasing all of this information to consumers is likely to overwhelm and confuse consumers a problem that consumers are already experiencing with the multitude of certification schemes in existence (Fisher et al others, 10-11). To remedy this, environmental NGOs should play a larger role in certification schemes. For example, if third-party certifiers were more transparent about the requirements and standards to achieve each certification schemes, environmental NGOs could use this information to determine what certification schemes are the most effective and NGOs could therefore create a ranking system
based on this information. With a comprehensive ranking system of certification schemes for different sectors, consumers could make more informed decisions without being overwhelmed or confused by all of the information regarding certification schemes. Therefore, corporations who are choosing to certify their practices or their products with less rigorous or less effective certification schemes, such certifying forestry products with SFI instead of FSC, could be held accountable so that they are not using certification schemes as another form of greenwashing.

The International Standard Organization (ISO) could be a very effective way to create more universal and streamlined certification standards and could also help to improve corporate environmentalism, corporate accountability, and the monitoring of a corporation’s environmental performances. The ISO works to create international standards and internal monitoring systems, and also provides feedback as a third party to producers or corporations regarding their progress in upholding the standard. Currently ISO standard 14000 is designed to help organizations minimize their negative environmental impacts and to comply with environmental regulations. This standard is effective, but it does not cover all areas of corporate environmentalism. Recently, the ISO has developed ISO 26000, which is an international standard that specifically works to improve corporate social responsibility and emphasizes improvements in corporate environmental practices. Corporations who adopt this standard will be held to higher standards of transparency and will need to incorporate a larger focus on worker’s rights, human rights, and environmental rights into their business models. This standard has the potential to greatly improve corporate accountability, corporate social responsibility, and global environmental governance (Murphy and Yates, 83).

The findings from this study indicate that the role that consumers play in holding corporations accountable should not be underestimated. O’Rourke argues that consumers can
influence corporate behavior through purchasing power and market demands (O’Rourke, 7) and findings from cases in this study supported O’Rourke’s theory. Therefore, if greenwashing is minimized and if corporations, NGOs, and third-party certifiers became more transparent, consumers would have more information available to them regarding the environmental behavior of corporations, the details of corporate-NGO partnerships, and the effectiveness of certification schemes and eco-labels. With this information and transparency, consumers can make more informed purchasing decisions. Environmentally conscious consumers would have the ability to vote with their dollar or consumers could even boycott or abstain from shopping at stores with poor environmental track records. According to O’Rourke, these market pressures and consumer demands have the ability to change corporate behavior and to hold corporations accountable, as demonstrated by Apple and Nike changing their business practices in response to consumer demands and boycotts (O’Rourke, 4), or by grocery stores increasing their supply of organic products in compliance with consumer demands (O’Rourke, 13). Additionally, this study suggests that consumers do have a large impact on the behavior of corporations given the drastic increase in corporate environmentalism after environmentalism and sustainability became salient issues.

As long as environmentalism and sustainability remain salient issues, corporations will likely continue to undertake voluntary environmental initiatives and will include sustainability into their CSR platforms. As the Triple Bottom Line demonstrates, corporate environmentalism is not something that will simply improve a corporation’s public image but it can also provide a corporation with economic benefits and increased efficiency (Esty and Winston, 8). However, it is important to hold corporations accountable and to demand increased levels of transparency, so
that the sole focus of corporate environmentalism isn’t to make a larger profit off of acts of greenwashing or deception.

For the health of the environment and for the health of humanity, corporate environmentalism is a necessity to ensure that corporations are not overusing and depleting resources, expediting climate change, or developing in ways that will have a detrimental impact on the environment. As this paper has demonstrated, when corporations follow through with their environmental initiatives and are not engaging in greenwashing and deception, corporate environmentalism has the potential to improve corporate environmental behavior and to further the goals of the environmental movement. Corporations are able to improve the sustainability and ethicality of supply chains and products (Eco-Business, 13). Corporations can improve efficiency within stores by cutting down on energy consumption and natural resource consumption (DeSimone and Popoff, 3). Corporate environmentalism can lead to reductions in waste and toxins, in can decrease fossil fuel consumption, and it can lead to greater recycling efforts. Corporations can also collaborate with NGOs, third-party certifiers, and consumers in order to comply with market demands and to improve the sustainability of the corporation itself. All of these aspects of corporate environmentalism demonstrate the potentials of corporations to play a role in the environmental movement and to reduce their negative environmental impacts.

Corporations are such large entities that efforts to improve sustainability and to reduce environmental impact will make a much larger difference than individuals who are striving to make their own lives more sustainable. Additionally, when corporations participate in corporate environmentalism they can provide consumers with the tools to lead more sustainable lifestyles by selling more sustainable and ethical products or by building lower-impact stores for consumers to shop at. However, these benefits will only ensue when corporations actually
commit to following through with their environmental initiatives, rather than using corporate environmentalism as a form of greenwashing or a business tool to improve a corporation’s reputation. As this paper has demonstrated, there are many reasons to be skeptical of corporate environmentalism and there is a need to have stronger methods of corporate accountability. The findings in this paper imply that corporate environmentalism is by no means perfect, and some aspects of it can detract from the environmental movement, but corporate environmentalism is also a necessity to ensure that corporations are not having detrimental impacts on the environment.

Therefore, it is necessary to increase corporate accountability and corporate transparency to ensure that corporations are upholding their environmental claims and commitments and that corporate environmentalism is helping to progress the environmental movement and to reduce the impact that corporations have on the environment. If corporate environmentalism continues to improve, the reduction in negative environmental impacts could be enormous. In the end, it is the responsibility of corporations to make these changes that will lead to improvements in corporate environmentalism. However, consumers, NGOs, and third-party certifiers can all work to hold corporations accountable for their environmental performances and for their environmental commitments. It is necessary to ensure that negative aspects of corporate environmentalism, such as greenwashing or corporations buying out NGOs, do not detract from the environmental movement. Demanding more transparency of the corporate world, including: corporations’ business operations, corporate-NGO partnerships, and corporations’ involvement with certification schemes, will lead to more corporate accountability.

This study has demonstrated that corporate environmentalism is not black and white, or in this case, a corporation is not simply “green” or “not green”. Instead, there are areas where
corporate environmentalism has been successful at improving a corporation’s environmental impacts and has increased a corporation’s role in the environmental movement. However, there are also areas where corporate environmentalism is failing to change corporate behavior or improve corporations’ impacts on the environment. Additionally, there are aspects of corporate environmentalism that are currently detracting from the environmental movement. However, for as long as corporations exist, consumers, NGOs, third-party certifiers, and corporations all need to work together in order to hold each other accountable for their environmental behaviors and commitments. With increased levels of accountability for all entities, corporate environmentalism can be improved and consumers, NGOs, third-party certifiers, and corporations can all work together to reduce the negative environmental impacts and to progress the environmental movement.
Works Cited


