



## SCHOOL OF BUSINESS RESEARCH SEMINAR SERIES

### Trust Me, I'm Going Green: Greenwashing Through Mergers and Acquisitions

**DATE:** Friday 16 June 2023

**TIME:** 11:00am – 12 noon

**MEETING DETAILS:** Learning Studio 78, Level 7, 1PSQ  
& Zoom Online (Meeting ID: 836 7980 3600,  
Password: 703828)

**RSVP:** COB, Thursday 15 June 2023

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**PRESENTER:**

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#### **ABSTRACT:**

Greenwashing is the practice of a firm providing stakeholders with misleading information about the environmental impact of its operations, products, or services. Merger and acquisition (M&A) deals offer an opportunity for a greenwashing firm to further cloak its greenwashing or embark on a genuine green transformation (“going green”). We study M&A deals and find that acquirers with higher levels of greenwashing acquire targets with higher relative ESG ratings but that the deals are associated with lower announcement-period returns. This result suggests that investors perceive the deal as evidence of further greenwashing rather than a green transformation. However, further analysis indicates that for longer post-deal windows, the acquirer’s level of greenwashing decreases. Together, these findings imply that, despite the market’s initial scepticism of the deal, there is evidence that acquirers eventually transform their business practices to “go green”.

#### **BIOGRAPHY:**

Duy Nguyen is a PhD candidate at the University of Technology (UTS) Business School. Interested in corporate and sustainable finance, Duy investigates whether corporate restructuring could help firms improve their sustainability practices in his thesis. Duy has just completed his stage three assessment and plans to submit the thesis by August 2023. Duy is now on the job market.