# Does Corporate Culture Influence Selective Disclosure? Evidence from Carbon Greenwashing


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**Abstract**

Firms are increasingly engaging in greenwashing by selectively disclosing environmental information to create a positive market perception of their environmental performance. By employing a domain-specific language model (FinBERT) to capture carbon greenwashing in 10-K filings, this study provides the first firm-level evidence on the role of corporate culture in mitigating carbon greenwashing. We find that the cultural value of integrity is the primary driver of this effect. This finding remains robust when employing a staggered difference-in-differences (DiD) analysis to address the endogeneity issue, as well as when implementing a series of sensitivity tests. Our channel analysis reveals that corporate culture deters carbon greenwashing by reducing information asymmetry and alleviating financial constraints. Further analysis indicates that the effect of corporate culture on carbon greenwashing is more pronounced among firms operating in industries with high exposure to climate change and those with stronger sustainability governance. Our study offers valuable insights into the role of corporate culture in combating greenwashing in the absence of mandatory disclosure requirements and enforcement.



***Keywords:*** Corporate Culture; Carbon Greenwashing; Information Asymmetry; Financial Constraints; Corporate Governance; Natural Language Processing

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