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CORPORATE GREENWASHING: THE REPUTATIONAL RISK AND LEGISLATIVE SOLUTIONS

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ABSTRACT

Public discourse on environmental responsibility and sustainability continues to pressure corporations, especially those portrayed as key contributors to environmental harm. Greenwashing is a strategy companies adopt to engage in symbolic communications with environmental issues without substantially addressing them. This paper comprehensively gives a glimpse into the concept of greenwashing and relates it throughout with the well-known Corporate Social Responsibility (CSR) phenomenon. It also raises awareness about corporate greenwashing among various stakeholders, and how CSR aesthetics helps in creating green or sustainable illusions of the companies. Finally, the effect of greenwashing on a corporate’s reputation or image has been discussed in the paper along with the legislative solutions grounded in comparative law for limiting the greenwashing behavior to protect the company’s reputation. The findings of the study revealed the dark side of CSR activities of companies which in turn harms the goodwill of the companies. There is a need for honest efforts from the companies’ side as well as a proper legislative framework for avoiding greenwashing. Companies' values and policies should focus on preventing false claims and must have a better monitoring and communication system to improve the reputation.

Keywords: Greenwashing, Corporate Social Responsibility (CSR), Corporate Reputation, corporate greenwashing, legal practices.

1. INTRODUCTION

The last few decades have seen a fast evolution of the concept and practical CSR operations in implementing sustainable development concepts. Green marketing, also known as sustainable marketing, has been used as a CSR technique to help a firm establish a green image and reputation (Szwajca, 2022; Bashir et al., 2016; Ko et al., 2013; Yousaf et al., 2021). CSR (Corporate Social Responsibility) is regarded as a technique for gaining a competitive advantage. Many businesses have begun to chart their development pathways and develop "business behaviors" that devote the majority of their efforts to the ecological aspect of their non-financial data reporting. Regrettably, non-financial data reporting necessitates high degrees of honesty in data preparation and analysis. The issue arises when businesses seek to create scenarios and chances to provide data that looks to be green but is not. This is known as the 'Greenwashing Phenomenon' (GP) (Orzeł et al., 2019; Kubiak, 2016). Companies' operations in this field, which are primarily geared at developing a green image and reputation for the corporation as a socially responsible organization, can sometimes lead to certain abuses, manipulations, and unethical acts known as greenwashing (Szwajca, 2022; Delmas & Burbano, 2011). Greenwashing is a significant issue in India, with many companies making false claims about their products' environmental benefits. Studies by the Centre for Science and Environment and the Advertising Standards Council of India have found that 79% of green claims in advertisements are misleading or exaggerated. A survey by YouGov found that 71% of Indian consumers had encountered greenwashing, and 60% were concerned about it (Shailja et al., 2023). Greenwashing efforts, in general, involve providing the public with altered, partially or entirely incorrect information regarding a company's usage of various ecologically and socially favourable activities (e.g., production of non-toxic products, use of green technologies, waste disposal, etc.). As a result, greenwashing is frequently referred to as the "evil side" of CSR (Szwajca, 2022; Aggarwal & Kadyan, 2014). Corporate greenwashing is a deceptive strategy in which companies alter public perceptions of environmental responsibility to attract customers. It entails false advertisements, symbolic environmental actions, and CSR aesthetics. This behavior affects stakeholders including investors, employees, and regulatory organizations. Investors may make financial decisions based on misleading sustainability initiatives, and employees may become alienated. Regulatory bodies may struggle to distinguish between true environmental concern and greenwashing, limiting accountability efforts. The cumulative effect of greenwashing erodes trust and undermines corporate sustainability goals, jeopardizing a company's brand and long-term existence. Therefore, the main objectives of the research are (a) To examine the CSR aesthetics for creating green illusions (b) To study the effect of greenwashing on corporate’s reputation (c) To identify the legal practices for reducing corporate greenwashing. By examining the CSR aesthetics for creating green illusions, the study delves into the consequences of deceptive claims and their impact on a company's reputation. It further suggests legal methods for reducing greenwashing, as well as recommendations for policymakers to enhance transparency and accountability, which will benefit both businesses and society.

The research article is organized as follows: section 2 presents the conceptual background of corporate greenwashing. Section 3 provides a glimpse into the CSR aesthetics for creating green illusions. Section 4 deals with greenwashing and its impact on corporate reputation. Section 5 suggests various legal practices for reducing greenwashing. Section 6 comprises the discussions and implications derived from the study. Finally, we conclude with insights and pave the way for future research in section 7.

2. CONCEPTUAL BACKGROUND

2.1. Corporate Social responsibility (CSR)

Carroll (1979) argued that CSR is "the social responsibility of business comprises the economic, legal, ethical and discretionary expectations that society has on enterprises at a given time". Eventually, he created "The Pyramid of Corporate Social Responsibility," which incorporates all four components, including discretionary, which he later referred to as philanthropic in his research (Carroll, 1991, 1999). This pyramid has been frequently utilized and is one of the most well-known and quoted in the CSR literature. On the other hand, the order of Carroll's (1991) CSR layers illustrates how it manifests in developed nations. According to Visser (2008), the relative importance ascribed to each component varies by a developing country, with economic duties taking precedence over philanthropic, then legal, and ultimately ethical responsibilities.

The economic component argues that it is the responsibility of enterprises to deliver a return on investment to their owners and shareholders. At the same time, they employ people and manufacture goods and services that they sell for a profit (Visser, 2008; Punitha & Mohd Rasdi, 2013). "CSR ideas evolved after an awareness that there is a need for economic responsibility," according to (Ismail,2009; Punitha & Mohd Rasdi, 2013).

The second component is philanthropic, which simply refers to enhancing human welfare and spreading goodwill through humanitarian or voluntary projects (Carroll, 1991; Punitha & Mohd Rasdi, 2013). Schmidheiny (2006) has also emphasized that social issues are always given prominent media coverage in emerging countries. By participating in volunteer activities, the organization will be recognized as a socially responsible corporation that satisfies the expectations of the community and is chosen (Punitha & Mohd Rasdi, 2013; Jamali & Mirshak, 2007; Wood, 2010).

Figure 1. CSR pyramid for developing countries Adapted

Source: Adapted from Visser (2008), p. 489

The legal component implies that businesses must guarantee that their business methods are legitimate and that they are operating by the laws and regulations established by the government and other associated entities for the benefit of society (Carroll, 1991; Ismail, 2009; Mullerat & Brennan, 2005; Punitha & Mohd Rasdi, 2013).

The final component is ethics, which is defined as a component that goes beyond the established legislation. The ethical duties of a firm may include initiatives to preserve the environment for future generations, civil rights, and the adoption of moral principles or ideals acknowledged by society (Carroll, 1991). As a result, this provides a competitive advantage (Mahmood & Humphrey, 2013) for them to move forward by cultivating a positive image in society and increasing profits (Bondy, Moon & Matten, 2012; Punitha & Mohd Rasdi, 2013).

Governments and the general public around the world are paying more attention to environmental issues and calling on companies to actively engage in Corporate Social Responsibility (CSR), shifting away from the pursuit of solely economic interests and towards addressing broader social and environmental issues (Carroll & Shabana, 2010; Pérez et al., 2019; Lu, & Jamali, 2021). After the coronavirus 2019 breakdown, it has not only endangered the lives and health of people but also the global economy. It has aggravated the existing grand challenges (Jamali et al., 2021; Lu, & Jamali, 2021), which leads to a rise in the expectation of consumers towards corporate social responsibilities (He & Harris, 2020; Lu, & Jamali, 2021). The topic of greenwashing has gained more attention in the world of CSR research (Lu, &

Jamali, 2021). Greenwashing, defined as an abnormal and deceptive social responsibility behavior (Gatti et al., 2019; Lu, & Jamali, 2021), occurs when a company exhibits excessive whitewashing in environmental protection publicity, charitable donations, employee welfare, and other social responsibilities, and exaggerates or falsely discloses deceptive information about CSR implementation (Li et al., 2015; Lu, & Jamali, 2021). To some extent, greenwashing is seen as a type of negative CSR implementation that appears secure and comfortable but is disobedient and dishonest (Lu, & Jamali, 2021).

2.2. Greenwashing

Greenwashing is the practice of "not walking the talk," which indicates that a company's sustainability claims are inconsistent with its real corporate activity (Pizzetti et al., 2019; Walker and Wan 2012). Greenwashing, by definition, means “disinformation disseminated by an organisation to project an environmentally responsible public image," where "disinformation" refers to intentionally deceptive material (Gacek, 2020; Ramus and Montiel (2005)

The term "greenwashing" was first used by Jay Westerveld to refer to the practice of supporting the reuse of towels to "save the environment" while upholding low environmental standards for other elements of the company's operations (Pizzetti et al., 2019; Laufer 2003, Pearson 2010; Seele and Gatti 2017). De Freitas Netto et al. (2020), indicated the two approaches to define greenwashing (i) greenwashing as selective disclosure and (ii) greenwashing as decoupling. Greenwashing as a selective disclosure approach is an “act of disseminating disinformation (Baum, 2012) that mislead the consumers regarding environmental performance (Tateishi) or positive communication about environmental performance (Delmas and Burbano, 2011). Greenwashing can take the form of a decoupling strategy when there is a discrepancy between "symbolic" and "substantive" corporate social actions (CSA); corporations who have a low CSR performance while communicating positively about their CSR performance (Walker and Wan, 2012)

TerraChoice’s (2007) “Sins of Greenwashing” is the earliest publication of this kind. In 2010, the authors updated their research and identified seven "sins of greenwashing," as seen in Table 1.

Table 1.: Sins of Greenwashing

Technique	Definition	Example
Hidden trade-off	focusing on a narrow set of desirable characteristics while ignoring more substantial negative effects	Paper from "sustainably harvested forests" disregards GHG emissions, energy, and other factors.
No Proof	Claims that lack supporting/verifiable evidence	Lists “post-consumer recycled content” with no verification
Vague	Claims that are framed so wide or broadly that they are misunderstood or rendered meaningless	"100% natural" might still be poisonous and isn't always "green."
Irrelevant	True claims that are irrelevant or ineffective to the consumer	"CFC-free" is no longer relevant because CFCs were prohibited many years ago.
Lesser of two evils	emphasizing the beneficial element of a product while ignoring the product's overall harmful influence on the environment	Organic cigarettes and more fuel-efficient Automobiles are not always "greener" options.
Fibbing/Lying	Creating misleading information about the ecological nature of a product	Numerous products falsely claim to be Energy Star certified.
False Labels	Using ecolabels that appear to be independent, third-party verifications but are either controlled by the corporation or come from questionable sources.	Utilizing in-house labels that resemble third-party certifications

Source. Adapted from TerraChoice (2010).

Note. GHG = greenhouse gas; CFC = chlorofluorocarbon.

According to the existing literature, greenwashing has several consequences for businesses. Greenwashing harms brand reputation and trust (Jahdi and Acikdilli 2009; Guo et al. 2018), raises stakeholder skepticism (Guo et al. 2018), sparks online debate against a company (Fernando et al. 2014), increases scrutiny by non-governmental organizations (Berrone et al. 2017), encourages brand avoidance (Rindell et al. 2013), and reduces environmental legitimacy (Berrone et al. 2017).

2.3 Corporate greenwashing

According to Dahl (2010), the concept of corporate greenwashing "has achieved universal awareness and acceptability to define the practice of making unwarranted or overstated claims of sustainability or environmental friendliness in an attempt to win market dominance" since the mid-1980s. Walker and Wan's (2012) definition, consisted especially of the difference between a firm's symbolic and substantive action, as the firm whose symbolic and substantive actions are the same would not be considered under greenwashing. According to this definition, corporate greenwashing is a "strategic communication strategy used to conceal a firm's lack of efforts in participating in actual environmental performance." As per the research, Employee attitudes and job seekers' perspectives are influenced by greenwashing, since job searchers shun organizations that engage in greenwashing because they expect a potential employer to engage in substantive CSR (Donia &Tetrault Sirsly 2016; Pizzetti et al., 2019). According to Delmas and Cuerel Burbano (2011), greenwashing undermines investors' trust in environmentally beneficial enterprises. Indeed, greenwashing can have a detrimental impact on a company's stock exchange rating (Du 2015; Walker and Wan 2012; Wu and Shen 2013; Testa et al. 2018; Pizzetti et al., 2019). Little is known, however, about the procedures and causes that shape the investment variations that exist across different cases of greenwashing.

3. CSR AESTHETICS & GREEN ILLUSION

Corporate Social Responsibility (CSR) aesthetics and green illusions are deceptive strategies employed by businesses to look environmentally conscientious without making significant improvements. These methods prioritize profit over genuine environmental or social responsibility, resulting in pollution, exploitation, and inequality. True corporate responsibility necessitates clear activities, genuine commitment, and accountability for social and environmental consequences.

3.1 CSR Marketing

The modern company is an aesthetically pleasing phenomenon. An external persona is much more than elegant corporate buildings or boardrooms decked out in fine art; it manifests itself through business logos, websites, colorful publicity materials, and pervasive product promotion (Richardson, 2019). Aesthetics not only encourages consumption, which pollutes the environment, but firms also employ aesthetic aspects to "reassure" consumers of their environmental ideals to maintain financial success. These visual impacts are employed not just to promote commerce in visibly environmentally-focused industries, such as eco-tourism (campelo et. al, 2011), but also to provide credibility to claims about company activities disguised as "zero emissions," "carbon neutral," or "sustainable." Dishonest corporate communications can instill public trust, especially in the absence of governmental monitoring to prevent misleading assertions.

Logos are yet another powerful aesthetic indication of corporate eco-friendliness. In response to criticism of its environmental practices, British Petroleum launched a massive rebranding effort in 2000, which included a new logo of a green-and-yellow sunflower, officially symbolizing the sun god of ancient Greece, as well as a name change to BP with the tagline "Beyond Petroleum." Yet, this is the same firm that was later held accountable for the 2010 Deepwater Horizon oil leak and for which fossil fuel sales continue to account for the great majority of its earnings. McDonald's experimented with actually greenwashing its logo in 2009, switching the red backdrop of its renowned golden arches for a soothing green shade (Richardson, 2019).

Business websites are especially useful for communicating more complicated narratives regarding a company's environmental credentials. The Ford car manufacturer's website features rotating photos of their vehicles, most of which are set against scenic backdrops such as rough landscapes and, of course, without traffic or pollution. Businesses appear to be more concerned with the aesthetics of CSR than with providing real, tangible information for stakeholders to critique their efforts. Customers are bombarded with business aesthetics, from websites and television ads to the presentation of stores and their merchandise. This is not to say that firms do not provide alternative sources of information regarding their sustainability strategies and environmental implications, but technical reports demand far more attention from customers. Aesthetic techniques matter precisely because of their ability to viscerally connect and attract individuals in an information-saturated society.

3.2 CSR Practices and Disclosures

While CSR communication and marketing are aesthetic, many people mistakenly believe that the underlying CSR practices reflect only technical expertise and managerial prowess, such as cost-benefit analysis, technological innovation, executive leadership, and skilled stakeholder negotiations. CSR has numerous dimensions that can be illuminated by an artistic lens.

Initially, the evolution of CSR is a response to the increased sensory reactivity to environmental and social hardship. This is because corporate narcissism is most destructive to a company's brand when it is dramatic, such as in a massive oil spill like the Deepwater Horizon disaster in 2010. Some businesses are hesitant to report their environmental practices because they are afraid of generating or amplifying awareness of such ecological pain (Boebert & Blossam, 2016)

3.3 Current landscape

While India promotes environmental consciousness, the corporate world is hardly free of greenwashing. Companies frequently utilize eco-imagery on the packaging, even though their products contain hazardous ingredients. Misleading statements about biodegradability and recyclability are widespread. Even certifications can be misused with businesses claiming eco-labels that do not accurately reflect their environmental impact. This lack of transparency provides a deceptive appearance of sustainability, leaving consumers and investors confused about a company's true environmental commitment. The following are some of the reports that show the greenwashing activities:

- According to a survey conducted by the Centre for Science and Environment (CSE) in 2020, many cleaning products offered in India contain dangerous chemicals, while being advertised as eco-friendly and environmentally safe (CSE Annual Report, 2021).
- Verdantix surveyed 200 Indian enterprises and discovered that just 25% had produced complete sustainability reports and 15% had set targets for reducing carbon emissions (Shailja et al., 2023).
- According to a Consumer VOICE survey, approximately 40% of products labelled as "green" or "eco-friendly" in India lacked certification to support their claims.
- In 2019, the Centre for Responsible Business published a report revealing that many Indian companies were making misleading or exaggerated sustainability claims.
- A study by Accenture found that while 78% of consumers agreed that firms should be environmentally responsible, only 50% believed that companies were doing so (Shailja et al., 2023).

4. GREENWASHING & CORPORATE REPUTATION

For many years, both management theorists and practitioners have regarded reputation as one of the company's most precious resources. A good reputation provides a long-term competitive advantage, improves economic and financial performance, and increases the company's market value (Flatt & Kowalczyk, 2008; Brønn & Brønn, 2015; Schwaiger & Rathel, 2014; Vig et al., 2017; Esenyel, 2020; Szwajca, 2022). The increasing importance and popularity of CSR have a significant impact on establishing a positive reputation (Fombrun, 2005; Melo & Garrido-Morgado, 2012; Famiyeh et al., 2016; ontait-Petkeviien, 2015; Aksak et al., 2016, Szwajca, 2022). Social interaction is also vital for reputation protection and recovery after a crisis (Minor & Morgan, 2011; Kim & Woo, 2019, Szwajca, 2022). Fombrun & van Riel (1997) mentioned that fundamental principles like honesty and credibility, which foster stakeholder trust, serve as the foundation for reputation.

Many studies suggest that greenwashing has a negative impact on a company's reputation (Szwajca, 2022; Nyilasy et al., 2014; Lim et al., 2013; de Jong et al., 2018). Greenwashing has several detrimental repercussions for a company's image and reputation. first of all, it has a detrimental influence on one of the important stakeholder groups - consumers, namely: deteriorates brand perceptions and attitudes (Parguel et al., 2011; Nyilasy et al., 2014; Szwajca, 2022), creates negative "word of mouth" (Chen et al., 2014; Zhang et al., 2018; Szwajca, 2022), lowers loyalty to the firm and the brand (More, 2019), stifles purchase intentions (Akturan, 2018; Aji & Sutikno, 2015; Nguyen et al., 2019; Zhang et al., 2018; Szwajca, 2022), decreases confidence in the company (Chen & Chang, 2013; Szwajca, 2022).

According to Seele and Gatti (2017), skepticism and mistrust of stakeholders also happen when a company's claims about its pro-social initiatives are accurate but there is no evidence to support allegations of greenwashing. The detrimental impacts of "greenwashing" are also shown in the financial performance of companies (Walker & Wan, 2012; Du, 2015; Szwajca, 2022). Businesses place a greater emphasis on marketing and publicizing their CSR initiatives than on the initiatives themselves, which are not that many (Jozef et al., 2019; Szwajca, 2022). Greenwashing may have short-term, superficial benefits for the firm by promoting a green image, but in the long run, it has negative consequences, fosters skepticism among stakeholders, and creates a risk to the organization's green reputation. Some of the famous examples of greenwashing in India are:

- Hindustan Unilever Limited (HUL): Hindustan Unilever Limited (HUL) has been accused of greenwashing in India for its personal care and home care brands, including Dove, Lifebuoy, Surf Excel, and Rin. Critics argue that HUL makes misleading claims about environmental and social impacts and uses unsustainable practices in its supply chain. The company's use of palm oil, linked to deforestation and human rights abuses in Southeast Asia, has also been criticized. HUL's "Clean India" campaign, which promotes cleaning products for public hygiene and sanitation, has been criticized for failing to address the root causes of poor sanitation in India.

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- Adani Power: Adani Power, a subsidiary of the Adani Group, has been accused of greenwashing by falsely claiming its Mundra power plant in Gujarat is compliant with environmental regulations. In 2013, the National Green Tribunal ordered a fine of Rs. 100 crores for causing damage to the environment and public health. An Indian Express investigation found Adani Power had violated environmental norms at the plant, including dumping fly ash.
- Patanjali Ayurved Products: Patanjali Ayurved Limited, a popular Indian FMCG company claims that its products are "natural" and "herbal", and has been banned by the Food Safety and Standards Authority of India (FSSAI) after a 2016 inspection found several of their products to contain harmful chemicals like lead, mercury, and arsenic.

5. LEGAL PERSPECTIVE FOR REDUCING GREENWASHING

There is no official legal definition of "greenwashing" in comparative law, nor are there shared doctrinal aspects that legally define it (Cherry, 2014). In most circumstances, the offender is subject to legal penalties for deceptive marketing and the unauthorized use of quality and standard labelling. Many governmental and non-governmental organizations are active in the regulation of green marketing message emissions:

- **The Green Guide:** The Green Guides were first published in 1992 and have since been updated in 1996, 1998, and 2012. The United States Federal Trade Commission (FTC) established The Green Guide in 1998 to eliminate "the fraud potential" associated with green marketing (Lukinović & Jovanović, 2019). They guide in three areas: 1) fundamental principles that apply to all environmental marketing claims; 2) how consumers are likely to understand specific claims and how marketers should prove these claims; and 3) how marketers can qualify their claims to prevent misleading customers.
- **Environmental Claims Guide:** The Environmental Claims: A Guide for Industry and Marketers was produced in 2008 by the Canadian Standards Association (CSA) in collaboration with the Canadian Competition Bureau (Lukinović & Jovanović, 2019). This guide offers guidelines for preventing greenwashing. The Competition Bureau archived Environmental Claims: A Guide for Industry and Advertisers on November 4, 2021, stating the following: "The Guide may not represent current Bureau rules or procedures, nor does it take into account new requirements or changing environmental concerns".
- **The Green Claim Code:** The Green Claims Code was published by the U.K. Department of Environment, Food, and Rural Affairs (DEFRA) (Stojiljković, 2015) Green claims, sometimes referred to as environmental claims or eco-friendly claims, are assertions that a brand, product, service, or company benefits the environment or is less damaging to it. Businesses must adhere to consumer protection laws while making green claims.
- **ISO 14044:** The International Standard Organization developed the ISO 14021 standard, which was later withdrawn and replaced by the ISO 14044:2006 standard, a voluntary standard that oversees environmental management, evaluates the life cycle, and establishes the norms and regulations of usage (Lukinović & Jovanović, 2019)**.**

There are currently no specific regulations in India to address greenwashing under trademark or environmental laws. In some comparative advertising cases, Indian courts have ruled that the producers must make legitimate claims in their advertisements and not mislead the consumer. The Advertising Standards Council of India (ASCI), an independent organization responsible for self-regulation in advertising by its members and guaranteeing consumer protection, mandates commercials to adhere to its Code for Self-Regulation. So, according to regulation, advertisements must be legal, decent, honest, and accurate, as well as neither hazardous nor damaging, while maintaining fairness in competition.

6. DISCUSSIONS

The study highlights the negative effects of greenwashing on corporate social responsibility (CSR) and reputation. It highlights the use of deceptive information to acquire public favour and a positive image. Greenwashing undermines confidence and credibility, and it breeds skepticism about eco-friendly products. The research emphasizes the importance of ethical and transparent CSR initiatives. It advocates for global legal frameworks to combat greenwashing and maintain consumer trust. The study emphasizes the significance of implementing real sustainable strategies for long-term value creation.

6.1. Theoretical Implications

The present study makes a major contribution by highlighting the theoretical understanding of Corporate Social Responsibility (CSR) by shedding light on its darker dimensions. The study highlights the complexities of CSR practices by defining greenwashing as the dissemination of false information to promote a positive company image. It shows how deceptive CSR practices can create distrust, skepticism, and uncertainty among stakeholders, undermining traditional conceptions of corporate responsibility. Furthermore, the identification of different kinds of CSR aesthetics employed to perpetuate green illusions emphasizes the importance of a nuanced theoretical framework for understanding the diverse character of corporate sustainability activities. This study encourages future research into the relationship between CSR, company reputation, and customer views, providing vital insights into the ethical dilemmas and strategic implications that organizations face in navigating the sustainability landscape.

6.2. Managerial Implications

From a management perspective, the study emphasizes the need for corporations to implement real and transparent CSR initiatives to establish and sustain stakeholder trust. It emphasizes the negative impact of greenwashing on the company brand and the importance of aligning CSR programs with genuine organizational principles. Managers should prioritize integrity and honesty in their CSR communications, and avoid making false claims regarding environmental or social benefits. Companies should invest in effective monitoring and evaluation procedures to ensure adherence to ethical standards and regulatory requirements. Managers should also communicate with stakeholders to gather input and answer issues about CSR activities. Companies may reduce the risks of greenwashing and improve their reputation as good corporate citizens by promoting openness, accountability, and a real commitment to sustainability.

7. CONCLUSION, LIMITATION AND FUTURE RESEARCH

Greenwashing, often known as the dark side of CSR, is the transmission of incomplete, altered, or wholly false information to acquire the favour of stakeholders and develop a positive image. (Szwajca, 2022). The study highlights the issue of greenwashing in Corporate Social Responsibility (CSR) practices, highlighting its detrimental effects on stakeholder trust and sustainability perceptions. The prevalence of greenwashing undermines CSR initiatives, leading to mistrust and skepticism. The lack of specific regulations in India to curb greenwashing underscores the need for increased awareness and regulatory intervention to ensure transparency and accountability in corporate sustainability claims.

However, it is essential to acknowledge the limitations of this study. One key issue is a lack of empirical research on stakeholder awareness and reactions to greenwashing practices. While the study sheds light on the nature and implications of greenwashing, further empirical evidence is needed to validate these findings and better understand the real-world impact on stakeholder perceptions and behaviors.

Future research in this area could look into how green illusions or greenwashing tactics used by companies influence consumer purchasing intentions. Researchers can get significant insights into the effectiveness of CSR communication techniques and their impact on consumer decision-making by investigating customer perceptions and behaviors in response to greenwashing. Furthermore, future research might look into the effect of governmental interventions and industry norms in preventing greenwashing practices, particularly in countries like India where specific laws are lacking. More research in this area is critical for improving our understanding of greenwashing and influencing efforts to promote true corporate sustainability policies.

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