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GREENWASHING: A BY-PRODUCT OF INDIA'S FRAGILE CSR POLICIES

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ABSTRACT

Over the past decade, Corporate Social Responsibility (hereinafter referred to as CSR) has emerged as one of the top priorities for corporations. In order to integrate environmental protection with economic development, CSR trends have heavily favoured ecological preservation projects. The Schedule VII of the Companies Act, 2013 encourages companies to develop projects and allocate funding for ecological preservation, agroforestry among other environmental sustainability undertakings. To further encourage and regulate such undertakings, Charter on Corporate Responsibility for Environmental Protection (CREP) was implemented.

However, the applicability of both the aforementioned regulations is vague and lenient. The legislations lay down certain guidelines that corporations must adhere to while formulating their CSR plans but the real-life effectiveness and applicability fails the idea behind its inception. This was especially noted in the applicability of CREP, wherein the voluntary nature of the acts is its Achille's heel.

While India was once at the forefront at implementing efficacious CSR policies by prescribing mandatory CSR spending through enacting Section 135 of the Companies Act, the lack of stringent regulations specific to the changing times has left an irrecoverable damage to the environment. Owing to the ambiguous nature of the policies, recent environmental CSR projects are blatantly greenwashing consumers and stakeholders alike.

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Termed by New York environmentalist Jay Westervelt in 1986, greenwashing is a form of a deception to sway consumers to believe that the organisational policies of a corporation is ecologically sustainable. Over the last few years, various ecological CSR projects like "Revlon's Breast Cancer Fund" debacle and Asia Pulp and Paper's deforestation scandal have received criticism for the project's green-washing nature.

Through this manuscript, the authors take a microscopic look at India's CSR policies and its subsequent impact on the growth of greenwashing of the CSR projects by corporations. The manuscript places a special emphasis on the applicability of the Companies Act, 2013 and CREP on the steady increase in "green-washed" CSR projects. The immediate need for stringent, effective, and comprehensive legislation that is resultant in environmentally sustainable projects that aim to create a fine synergy between the economy and the bio-network, instead of fulfilling ulterior motives.

The dynamic nature of CSR demands operational legislation that is regularly amended to adapt to modern corporations and the ecosystem it exists in. This has been witnessed in European Union, Australia among other countries. Thus, the authors also analyse how India could devise more effective ecological CSR policies by keeping the aforementioned frameworks as model legislations.

These novel aspects of the manuscript have not been studied and analysed in the existing available literature. Further, the existing literature on the subject is primarily based in other countries, and the literature that focuses on India is extremely dated. Through this manuscript, the authors desire to bridge this gap.

KEYWORDS: Greenwashing, Corporate Social Responsibility (CSR), Sustainability, Corporate Governance, Corporation, Companies Act

INTRODUCTION

The only constant is change. This is especially true in the context of the business world. Customer preferences, evolving trends, and market needs are among the plethora of factors that lead to changes in products offered and have a direct impact on marketing. In a 2020 study conducted by Capgemini – "Consumer Products and Retail: How sustainability is fundamentally changing consumer preferences."[3] Depicted that social responsibility, inclusiveness, or environment has had a severe impact on how consumers purchase.

Due to this change in customer preference combined with growing expectations of CSR, greenwashing emerged as one of the biggest marketing trends in the business industry, both domestic and abroad. Coined in 1986 by Westerveld, greenwashing is the act of an organisation to make a false claim about the environmental benefits of their product or services, thereby making them seem "greener" to consumers.

Businesses have long ceased to adopt the "profit only" model of operations. They are encouraged and awarded to analyse their social impact as well. Adopting environment-friendly practices not only attracts eco-conscious consumers, it also fulfils their CSR requirements as well. Failure to comply with the CSR requirements and environmental policies can cause grave consequences for corporations. This is also a significant factor for organisations to indulge in greenwashing.

There are various factors that further motivate a firm to do so, for instance, the nature of the firm. A consumer product-based firm such as firms in the cosmetic industry or the textile industry have the ability to appease their consumers by emphasising on the environmental claims of the products that they produce. Lack of internal communication is also, surprisingly, a significant contributor towards greenwashing. This is because the team responsible for communicating the environmental policies of the team might not be in complete sync with other teams in the company. This can lead to the spreading of falsified information. The marketing team might look to create an ecological and green marketing campaign, but these ideologies might not align with the actual production process of the corporation.

While some companies do not get called out for this practice, in most cases, it leads to a damaged reputation and an alienated customer base. In 2008, EasyJet falsely claimed that the company's planes emitted around 22% less carbon dioxide in comparison to other planes on the route. The company was subject to much humiliation and disdain on an international level after the Advertising Standards Agency debunked the claim.[4]

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[3] KEES JACOBS ET.AL., Consumer Products And Retail: How Sustainability Is Fundamentally Changing Consumer Preferences, CAPGEMINI RESEARCH INSTITUTE ANALYSIS (July, 2020), available at: https://www.capgemini.com/wp-content/uploads/2020/07/20-06_9880_Sustainability-in-CPR_Final_Web-1.pdf.

[4] Collin Marrs, Easyjet Ad Guilty Of Misleading Green Claims, Campaign (July 8, 2008), available at: https://www.campaignlive.com/article/easyjet-ad-guilty-misleading-green-claims/828377.

While this served as an example to some corporates, the majority of the green sheen marketers continued to walk on their treacherous path. In the case of Italy's Oil Giant- Eni, greenwashing landed the company with a 5 Million Euro fine. This fine was in retaliation against Eni's advertisements which falsely claimed that the company's diesel was "green". This was the first-ever fine inflicted against greenwashing in Italy. Italy's Competition and Market Authority imposed the highest possible fine on ENI.[5]

This was considered to be an important example for other corporations in Italy as well as other parts of the world to not indulge in greenwashing. Another similar case was when a private citizen sued Nike for misrepresentation and greenwashing in the case of Kasky v. Nike, Inc.[6], where Nike claimed to be in compliance with local laws but was found to be in violation. Regulators around the globe hoped that it would serve as deterrence to other companies who greenwash and help curb this practice. Francesco Luongo, the president of the consumers' association - Movimento Difesa del Cittadino, opined, "Today's Authority decision represents the first important sanction for 'greenwashing' over misleading advertising messages about how green a product really is."[7]

While the fine against Eni was a step in the right direction, it has in no way deterred greenwashing. Despite being called out innumerable times by consumers and activists alike, giant corporations like H&M continue to adopt greenwashing as one of its marketing techniques to give a "greener" brand image.[8]

It is abundantly clear that a carefully curated brand image is not the only motivation for these corporations. An exceedingly significant factor remains the need to comply with various regulatory requirements, CSR being the largest compliance requirement. In India, CSR emerged as a resource to make corporations "social actors" rather than mere profit building entities. The policies that would regulate CSR was built to ensure that businesses utilise resources judiciously while also concerning themselves with environmental-social aspects. Through implementing the CSR requirements, businesses are also encouraged to utilise

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[5] Nico Muzi, ENI fined €5m for Deceiving Consumers Over Its 'Green' Diesel, Italian Watchdog Rules, Transport & Environment (Jan. 15, 2020, 1:13 PM), available at: https://www.transportenvironment.org/press/eni-fined-%E2%82%AC5m-deceiving-consumers-over-its-green%E2%80%99-diesel-italian-watchdog-rules.

[6] Kasky v. Nike, Inc., 45 P.3d 243 (Cal. 2002).

[7] *Id.*

[8] Zara Ramaniah, H&M's Greenwashing: Short-Sighted and Unethical, BRANDINGMAG (Dec. 12, 2019), Available at: https://www.brandingmag.com/2019/12/12/hms-greenwashing-short-sighted-and-unethical/.

resources in such a manner that they can meet their current needs while simultaneously preserving these resources for future needs.

CSR is considered to be a measure for an organisation's social progress. However, the growth of CSR trends also brought forward a rise in maligning practices like greenwashing. "Misleading information provided by companies"[9] became a significant concern for regulators and consumers alike. Instead of working to develop and follow substantial policies that would actively work to elevate the state of the environment, companies are seen working hard to build a purely "green and responsible" image. In case of Association for Protection of Democratic Rights & Anr vs. The State of West Bengal & Ors[10]. The bench discouraged projects that "not only gives a greenwash to corporate projects that destroy forests and cause irreparable damage to environment, but also directly hurts communities by erecting new enclosures, and extending and deepening the process of rights denial."

The equivocal nature of the CSR policies in India further paves the way for brands to indulge in greenwashing without focusing their resources on introducing formidable and fervent environmental policies. The current study austerely analyses the evolution of Indian CSR policies while scrutinising their inadequacies. Further, it studies the impact of these ineffectual CSR policies on the intensification of greenwashing in India. Examining foreign models of effective policies, the current study examines the need for a comprehensive CSR policy in India.

CURRENT CSR POLICY: EVOLUTION & INADEQUACIES

While CSR has recently gained momentum among corporations and is the new buzzword, the origin of CSR in India can be date back to pre-independence. Industry giants like TATA have had a strong interest in social welfare from the day of its inception. Prior to the introduction of any CSR rules, Indian Oil had inculcated social development since 1964 by setting its objective as 'to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience."[11]

[9] William S. Laufer, Social Accountability and Corporate Greenwashing, 43 J. BUS. ETHICS 253, 254(2003).
[10] Association for Protection of Democratic Rights & Anr. vs. The State of West Bengal & Ors, WP 12788(W) of 2017.
[11] Kasim Fernandes, Indian Oil CSR is Making India Future-Ready, THE CSR JOURNAL, (July 28, 2020), Available at: https://thecsrjournal.in/indian-oil-csr-report-india-ps.

Similarly, the TATA Group has had a long history of extensive and robust CSR projects. TATA even has its own Sustainability group that manages various CSR projects of one of the top players in the Indian economy. Elaborating on their philosophy, they state, "Our CSR programmes aim to be relevant to local, national and global contexts, keep disadvantaged communities as the focus, be based on globally-agreed sustainable development principles and be implemented in partnership with group companies, governments, NGOs and other relevant stakeholders."[12]

Their CSR activities are paramount and incomparable to any other industry or Corporation in the industry. "The Tata culture of giving back" dates back to the inception of the company by Jamsedji Tata, the founder of the Conglomerate. Their varied activities include "health, primary education, skills training and entrepreneurship, livelihoods, women empowerment and strengthening services for those that need it the most."[13]

These veteran companies have laid the foundation for strong CSR policies to be built in the country. With the passage of years, the government and the corporate world slowly started to realise sustainable development must be integrated with economic growth. Thus, in the late 90s, CSR became prevalent as a means of philanthropy. This was not particularly fruitful as the corporates greatly restricted their acts of CSR to be one-time grants or donations of limited resources. This drastically reduced the efficacy of these activities, often rendering them inept.

The ineffectual manner of conducting CSR gave way to the introduction of written policies that would govern the way corporates would engage in social development activities that would focus on areas like education, health, increased immersion of stakeholders. In 2014, India emerged as one of the first countries to introduce a written legislation for the regulation of CSR. At the time of inception of the Companies Bill, the Ministry of Corporate Affairs anticipated more than INR 10,000 crore from private companies.[14]

The codification of the legislation brought forward the era of viewing CSR as a management concept rather than a philanthropical concept. The CSR policies in India are encompassed in the Schedule VII of the Companies Act, 2013 (hereinafter referred to as Act). According to Section 135 of the Act, any company that has a "net worth of Rs. 500 Crore or more, turnover

[12] TATA Sustainability Group, available at: https://www.tatasustainability.com/pdfs/Resources/Tata_CSR_Brochure.pdf,(last visited July 12, 2021).
[13] Id
[14] Reena Shyam, An Analysis Of Corporate Social Responsibility In India, 4 INT'L J. RES. GRANTHAALAYAH 56, 59(2019)

of Rs. 1000 crore or more, or net profit of Rs. 5 crore or more"[15] must engage in CSR activities. This also extends to any Foreign Company that operates in India and falls within the specified category. These CSR activities can fall under a plethora of thematic areas such as “hunger and poverty, education, health, gender equality and women empowerment, skills training, environment, social enterprise projects and promotion of rural and national sports.”[16]

Another unique feature of the CSR policies in India is the mandate to form CSR Committees for every corporation. This Committee should have at least 3 Directors, one of which is an Independent Director. This Committee actively works to formulate a CSR Policy which guides all the CSR activities that the company is going to undertake. The operations of this cell ensure that a transparent monitoring mechanism can be built by the Company for the effective implementation of CSR.

Despite the codification of the CSR statutes, the implementation leaves much to be desired. Though mandatory for all Corporates that fall under its purview, India's CSR policies are weak and fragmented. The inclusion of various thematic areas has further posed a barrier towards any accomplishments the policy might have had.

Environmental and sustainable development is a mere suggestion among the plethora of thematic areas presented to the Corporates. This vague policy raises two major concerns. Firstly, it leads to a very narrow focus on environmental protection, with a very controlled reserve influx. While the policies and the Judiciary encourage CSR expenditure for environmental protection, it is not reflected in the actual activities in most cases. The bench in *Kapila Hingorani vs. State Of Bihar*[17] termed sustainable development as the means to protect “corporate governance policies like greenwashing”

In some cases, the limited funds are not enough to carry any significant activity that would lead to a long-term solution. CSR has been started to be viewed as a mere compliance requirement rather than a means to a long-term sustainable solution.

The second problem that arises because of these vague policies is unfair practices like greenwashing. The CSR policy has been reduced to an old, written mandate instead of a dynamic policy that adapts to the evolving needs of the Indian business world. This leads to Corporates trying to find quick and easy solutions to comply with their CSR requirements.

[15] The Companies Act, 2013, § 135
[16] *Id.*
[17] Kapila Hingorani vs State Of Bihar, Writ Petition (civil) 488 of 2002

The need for compliance to regulations quickly and without spending much money has been one of the biggest factors for the rampant rising greenwashing. In India, the regulators mandate CSR and Corporate spending, but this policy does not have stringent regulations for environmental protection or require detailed disclosure of their environmental practices of each aspect of the business. This loophole enables many corporates to seem "green" and carry on the facade of greenwashing.

While discussing this scenario in the USA, Magali A. Delmas & Vanessa Cuerel Burbano's research revel that "Mandatory disclosure of environmental practices and third-party auditing of such information would make it more difficult for brown firms to get away with greenwashing, even if greenwashing practices themselves were not regulated, since consumers, investors, and NGOs would be able to compare a firm's communications with reliable information about the firm's environmental practices."[18]

This translates to India as well. While India does require corporates to be transparent with their environmental policies to an extent, the majority of environmentally exploitative activities are covered by the curtain called greenwashing. This is observed in a multitude of industries like hospitality, fast fashion, FMCG etc. The application of the ambiguous policy continues to depreciating environmental practices and the steady rise in greenwashing tactics.

THE SHORTCOMINGS OF CREP: AN INEFFICACIOUS ATTEMPT FOR CORPORATE RESPONSIBILITY REGULATION

With the progress of the economy and the business sector, environmental protection became an area of major concern. A synergy of industrial development with environmental growth was always a significant area of concern. However, the current legislation did little to bring forth any actual change in the way the industry operated. The compulsory CSR policy is not the only step the Indian Government has taken to preserve the environment.

Before the introduction of the CSR mandate, the government initiated a series of industry-specific interaction meetings to formulate the Charter on Corporate Responsibility for Environmental Protection (hereinafter referred to as CREP). Introduced in 2003, CREP identified 17 categories of industries that had the potential of high pollution. It outlined its

[18] Magali A. Delmas & Vanessa Cuerel Burbano, The Drivers of Greenwashing, 54 CALIFORNIA MGMT. REV 64, 70(2011)

purpose as "Commitment and voluntary initiatives of the industry for responsible care of the environment will help in building a partnership for pollution control."[19]

The Charter sought to set up eight task forces that would be comprised of experts and members from institutions and industry associations. CREP also introduced provisions for these task forces to meet regularly to monitor and to provide guidance to the industries for adopting necessary pollution abatement measures. The introduction of CREP sought to introduce stricter pollution checks and compliance measures.

The popularity of CREP as a sustainable solution stemmed from the fact that it proposed to be a partnership between all relevant stakeholders to work together to comply with more evolved environmental practices. This was a relatively new concept in India. The execution of CREP attempted to focus on the problem from the roots. For instance, CREP imposed the following plan of action for the Medical Industry, "Waste streams should be segregated into high COD waste toxic waste, low COD waste, inorganic waste, etc., for the purpose of providing appropriate treatment. High COD streams should be detoxified and treated in XTP or thermally destroyed in incinerator"[20]

This plan of action was received well by the general public and economic activists. It was detailed and categorically spelt out the requisite changes that were to be implemented.

Through the implementation of CREP, the government wanted to introduce a "roadmap" that would not only restrict the pollutants but would also actively work for the preservation of the environment. The proposal of CREP also brought forward the implementation of task forces by the Central Pollution Control Board (CPCB) that would monitor the compliance of various industries. It even compiled reports on the matter to submit to the Steering Committee that was responsible for CREP's implementation.

While a progressive and excellent piece of legislation in theory, the execution of the legislation was highly ineffective. Much like most of its predecessors and its Western Counterparts, the greatest weakness of the environmental policy was its voluntary nature. The policy acted as a set of norms for corporates to take as guidelines to implement in their daily functioning. No

[19] Cent. Pollution Control Bd. Ministry of Envtl. & Forests, Charter on Corporate Responsibility for Environmental Protection, INDIAN SUGAR MILLS ASSOCIATION (Mar. 2003), available at: https://www.indiansugar.com/PDFS/CREP-2003-FullText.pdf.

[20] *Id.*

provision in the statute made it legally binding. These were "mutually agreed on" terms and lacked any compliance regulations.

Thus, even if the reports of the task forces were diligent and detailed, the results of such reports did not lead to any impact building. Instead, a severe lack of authority was observed to implement the Charter, especially from the Steering Committee. Furthermore, the norms were also not to the standards set by other Global Policies.

The policy has also been subjected to too much criticism for not taking into account the actual damage that certain industries have on the environment. One such example is the Paper and Pulp Industry. More than "7000 billion gallons of highly coloured and toxic waste effluents mainly containing high molecular weight, modified and chlorinated lignins"[21] is being dumped in water bodies every year. These water bodies such as canals and rivers often flow into patches of land, ultimately making it barren. These pollutants also caused a mammoth sewage fungus in the river beds. The industry has also caused many irrecoverable effects on land, such as increasing soil salinity and destroying the texture of the soil.[22]

Despite this pernicious aftermath, CREP did not impose any strict limitations on the industry, especially facing extreme condemnation for the Adsorbable Organic Halides limit. This leniency was also mirrored in other industries, such as in the Cement Industry. The Policy reads, "Cement Plants located in critically polluted or urban areas (including 5 km distance outside urban boundary) will meet 100 mg/ Nm3 limit or particulate matter by December 2004 and continue working to reduce the emission of particulate matter to 50 mg/Nm3."[23]

The inexplicit nature of the Policy has proven to be its downfall constantly. In addition to this, the limit of 100 mg/NM3 also had the scope to be further restricted, with targetable achievable emission levels being 5-25 mg/Nm3.

The idea of self-regulation by the Corporates as presented by the Charter, has only worked against it. For instance, the Dye Industry, one of the 17 industries CREP sought to regulate, is continuing to grow tremendously in India. Local to Gujarat, the Leheriya design, also known as the "Tie-Dye" pattern, has always been marketed as a natural dye textile. However, research reveals that the "dyeing industry is responsible for high amounts of lead emissions as well as

[21] Pratibha Singh et.al, Effect of Toxic Pollutants from Pulp & Paper Mill on Water and Soil Quality and its Remediation, 12 Int'l J. of LAKES AND RIVERS 1, 8 (2019)

[22] S. Sundari & P. Kanakarani, The Effect Of Pulp Unit Effluent On Agriculture, 17 J. of Indus. Pollution control (2001)

[23] Delmas & Burbano, *Supra*, 13.

PM10 and PM2.5 emissions" in Gujarat.[24] This is a classic example of Greenwashing. Consumers are duped into buying the Leheriya designs for their natural dyes and being affiliated with the "green movement."

CREP has proven to be highly ineffectual in controlling the 17 identified industries, let alone regulate the Indian Market as a whole. These equivocal policies coupled with a weak monitoring system have led to a rapid rise in greenwashing. With a lack of stringent policies holding corporations accountable, it becomes almost effortless for corporations to engage in unethical practices like greenwashing. CREP was introduced as an effective answer to regulating the major polluting industries, but its implementation has rendered it to be "toothless", as accurately described by an environmental blog.[25]

THE IMPACT OF GRADUAL UPSURGE OF GREENWASHING: ASSESSING THE ROLE OF CSR POLICIES

The advancement of the domestic economy has brought forth a surfeit of benefits. One of the most significant changes in the economy was consumer changing habits. Consumers started to be more ecologically conscious and demanded green products. To align their brand image to be "green" and fit into the mould of an eco-conscious brand, corporations started to resort to greenwashing.

Assessing the impact of greenwashing can be complex. This is because the majority of the impact is socio-psychological. A greenwashed brand has a more adverse impact on the consumer's mind and confidence than on the economy. This makes the adverse impact challenging to quantify.

For instance, the colour of the logo of General Motors (GM) was switched from blue to green to portray a "gas-friendly to gas-free" image. Interestingly enough, the Motor giant has been notoriously observed to be among the top 10 most polluting car manufacturers in the world. More so, the only electric car of the range was "Chevrolet Volt" The green logo gave out the

[24] Neelam Jain et.al, Impacts of Harmful Emissions Nearby Chemical based Industries in Gujarat on Environment with Major Focus on Human Health and Methods to Scale down its Impacts A Review, 5 Int'l J. Engineering Res. & Tech. 1, 4 (2016).

[25] Radhika Krishnan, CREP: A Review, Down To Earth (May, 15, 2005), available at: https://www.downtoearth.org.in/blog/crep-a-review-9538.

message that the entire range of cars was electric. Thus, investing in a GM car would mean investing in a better future. This consumer manipulation is a classic case of greenwashing.[26]

Another instance was when Chevron's "We Agree" campaign was revealed for the sham it was. Their campaign focused on their ideologies on the key energy issues and their quick response on the subject. While the company "tooted its green horn", they were dealing with a lawsuit regarding their involvement in ruining the Amazon Rainforest. The plaintiffs demanded remedies for, "environmental remediation, excess cancer deaths, impacts on indigenous cultures, and unjust enrichment"[27]

Complying with CSR policies has a two-fold benefit. Firstly, it assists in evading any interference from the regulatory bodies. This helps the business to operate independently while keeping its goodwill in the market. A few of the environmental CSR activities and projects are mere attempts to comply with the mandate without any substantial expenditure.

Secondly, it invites enormous customer support and approval. The way consumers operate and make purchasing decisions has radically changed. Environmentally friendly practices invite positive consumer attention. Camera Company Canon introduced "Green Environment Together" as part of their CSR project in which "Canon India plants a tree on the purchase of every laser copier / multi-function Device (MFD) on behalf of its direct customers."[28] This initiative highly appealed to consumers, thereby boosting their sales.

There is absolutely no doubt that CSR has its benefits, and the spending has substantially increased after passing the CSR policy in India. It was recorded that there was a rise in charitable spending from INR 3.67 billion to around INR 25 billion[29] within a span of one year in 2014. However, while theoretically good on paper, there are various loopholes in the policy since its inception. "A survey by accountancy firm KPMG found that 52 of the country's largest 100 companies failed to spend the required 2% in 2014."[30]

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[26] Priyanka Aggarwal & Aarti Kadyan, Greenwashing: The Darker Side Of CSR, 4 Indian J. Of Applied Res. 61, 62 (2014)

[27] Miriam A. Cherry, The Law and Economics of Corporate Social Responsibility and Greenwashing, Davis Bus. L.J. 281 (2013).

[28] Canon India's 'Green Environment Together' CSR initiative plants 20,000 trees in 2 years, The CSR Journal (June 2, 2021)available at: https://thecsrjournal.in/canon-csr-green-environment-together-trees-20000/.

[29] Oliver Balch, Indian law requires companies to give 2% of profits to charity. Is it working?, The Guardian (Apr. 5, 2016) available at: https://www.theguardian.com/sustainable-business/2016/apr/05/india-csr-law-requires-companies-profits-to-charity-is-it-working.

[30] *Id.*

A significant aspect of a sustainable policy does not only mean that it has immediate environmental benefits but it also must be sourced ethically, produced with labourers being treated and paid responsibly. Thus, a firm would still commit greenwashing if they advertise a product to be sustainable and ethically sourced but use unfair means to produce it.

This was seen in the case of Hindustan Unilever (HUL) in 2019-2020, when it strongly advocated for sustainability and gradually marketed itself as a sustainable brand. Most of its CSR policies were also targeted towards it. The brand was also seen to work hard to end animal testing for their products. However, in a sad turn of events, research revealed that HUL continued to operate in countries that mandated animal testing, thus immediately tampering with their pristine image.

Similarly, Deepwater Horizon had an excellent image with its "beyond profit" campaign by focusing on alternative energy sources. However, it was soon revealed that the company's green image was greenwashed as its risky extraction practices came to light. What followed was the horrific death of 11 workers and over a million gallons of oil being spilled into the gulf.[31]

The current Indian CSR policy has no provisions for dealing with this aspect of greenwashing. However, this comprises a major chunk of greenwashing. This can be for a multitude of reasons, the biggest being it's the road most travelled. In other words, it's the easy way out. Another significant aspect of this form of greenwashing is the inherent lack of knowledge about greenwashing among consumers.

While an average consumer might wish to support the ecological cause by purchasing a "green product", they might not be inclined to do ample research to find out the darkness behind their apparent green product. The above highlighted HUL case is the classic way of playing on consumer's emotions. A uniformed consumer might readily buy their product without realising the implications of the same.

Thus, it becomes abundantly clear that repeated cases of greenwashing have a negative impact on consumer attitudes and how they perceive a brand. When the consumers are introduced to the greenwashing tactics of these Corporates, they start to become sceptical and vary of all CSR activities and corporate communication. The result of this strange phenomenon is that consumers start believing firms that communicate economic motives over firms that

[31] Becky L. Jacobs & Brad Finney, Defining Sustainable Business - Beyond Greenwashing, 37 VA. ENVTL. L.J. 89 (2019).

communicate an economic motive for investment. This arises because, according to the consumer, the corporate is much likely to be spreading false information while undertaking a social initiative rather than an economic one. This response to CSR activities can be harmful to firms that are engaging in legitimate environmental protection activities.

Lack of consumer protection can be extremely demotivating to these corporates as well. Thus, there is a creation of "confusion about corporate CSR" and leads to consumers painting all corporates in the same colour and perceiving all their environmental policies to be fragmented and false. This has a very hard impact on firms that are legitimately "green", and have branded their ecological impact as their USP. For instance, beauty brands like Earth Rhythm or Juicy Chemistry have an aligned brand image that boasts of environmental protection and going green. All their practices and mottos are aimed at living up to their brand image. Thus, consumer scepticism, in this case, might prove harmful.

While most of the impacts of greenwashing are non-quantifiable, there are certain economic disadvantages as well. One major disadvantage is that consumers do not wish to purchase these green brands. Most of the new green brands stay true to their brand image, but consumer scepticism results in a low financial turnover. This negatively impacts corporate legitimacy, even when the communicated message is true.

The financial performance of a firm may also be deterred by greenwashing if it is detected. This is because firms might have to use their funds to divert attention from their greenwashing tactics, either by doing additional CSR activities or covering up the greenwashing by way of flashy PR antics. The modern consumer is observant enough to see through both these ploys. Thus, even the additional expenditure does not result in "fixing" the brand image.

On the surface, assessing the impact of greenwashing might be complex and an ordinary ethical dilemma. However, its after-effects are deep-rooted and prevalent in the society. The impact is not just observed in negative consumer behaviour but is mirrored in the domestic economy as well. Greenwashing deteriorates the environment while slowly chipping away at the domestic economy. The ambiguity of the CSR paradigm has had minimal effects on the rise of greenwashing. Consequentially, reports also show that the response to greenwashing has severely demotivated corporates from "going green" and taking excessive environmental protection initiatives. The lack of comprehensive CSR guidelines further alleviates this issue. While the mandatory dimensions of the Indian CSR policies provide a solid base to rectify greenwashing, the path ahead still looks rocky.

THE IMMINENT NEED FOR A REFORMED COMPREHENSIVE CSR POLICY

India's CSR Policy has received much acclaim around the world. As discussed before, it was one of the first countries to form a mandatory policy. While the 2% mandate has its benefits, some might argue that the "cons" outweigh the "pros" of the policy. With each passing day, India's economy is growing at a tremendous pace, with avenues for a "double digit growth"[32] in the fiscal year of 2021. This poses a serious question – When will India revisit its CSR policies?

With economic growth, the growth of greenwashing is rising steadily. There is an undeniable and permanent link between India's fragmented CSR policy and the horrifying growth in greenwashing. For consumer attitudes to evolve and for the promise of a "Green India", the CSR policies must also undergo a drastic change.

As highlighted before, one major area of concern pertaining to the Indian CSR policies is the ambiguous nature of the policy. Instead of mandating expenditure for environmental protection and preservation, the policy provides a multitude of thematic areas from which the Corporations can plan their CSR activities. While the option between these thematic areas does not directly impact the rise in greenwashing, it poses a grave threat to environmental CSR activities.

In addition to mere compliance, these firms are also on the lookout for flashy projects that will appease consumers. This leads them to search for permanent projects like building hospitals and schools under the thematic areas of medicine and education, respectively. Environment often comes as an afterthought. Firms try to inculcate environmental preservation through the way of additional activities that do not utilise a lot of funds. This is usually done by planting trees for every purchase or claims of using sustainable ingredients etc. More often than not, these claims are deemed to be false. For instance, Coca Cola declared that it is going to become "water-neutral". However, the soft drink market leader has a tarnished reputation for destroying India's water bodies. This indirectly results in greenwashing.

Thus, a new CSR policy that mandates a portion of profits to be devoted to environmental protection solely would be a strong deterrent to greenwashing. This portion shall be comprised

[32] Press Trust of India, Indian economy is poised for double-digit growth: Niti Aayog VC Rajiv Kumar, THE PRINT, (July, 11, 2021) available at: https://theprint.in/economy/indian-economy-is-poised-for-double-digit-growth-niti-aayog-vc-rajiv-kumar/693971/.

within the 2% of profits that the Corporations already give. This would bring a shift in the environmental CSR activities from the shadows to the light.

Furthermore, the current policy forms a portion of the Companies Act, 2013. There is no separate and unique policy to govern CSR in India. This absence is quite absurd, considering the sheer size of the Indian market and assessing its growth rate. At the same time, leaps and bounds ahead of other policies, the small section of the Companies Act do not have the requisite provisions to deal with the multi-faceted CSR industry in India. Thus, a new policy that studies and analyses the various aspects of the industry must be introduced.

Another area of concern is that there are neither preventive measures for untoward accidents nor a system of fines for the offenders. There is an inherent lack of acknowledgement of the rapidly rising greenwashing from the policy maker's side. A new policy that outlines and defines greenwashing as a punishable offence is the primary step the Indian legislators need to take. There is a big difference between falsely advertising a product and greenwashing. The latter is a part of the former but is much more varied.

Greenwashing is not simply limited to falsely communicating an “ecological” measure adopted by the firm. It is falsely communicating information to consumers about the brand to alter the perception of the brand image in the consumer’s mind. Thus, a definition that is applicable to the Indian economic scenario must be adopted by the Indian legislature.

In addition to this, there is a lack of incentive and retribution system in the Indian CSR policy. These policies list out the duties of the corporations. The current CSR policy provides for corporations to conduct activities with a CSR expenditure of 2% of their profits. This leads to some firms planning their activities in such a way that they do not spend a penny more than the mandated amount. This arises due to a lack of incentives provided by the CSR Policy.

These incentives could be either in the form of financial incentives, grants or favourable government schemes or a recognizant incentive by providing distinguishing credit to large or unique CSR projects.

Similar to the lack of incentives, there is a lack of a system of penalties. The only penalty provided by the Indian CSR Policy is the penalty for non-compliance to CSR. The legislation reads, "The company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees, and every officer of such company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both."[33]

While this penalty is effective in one way, the fear-mongering that this penalty brings often leads firms to haphazardly plan their activities in the fear of having to pay this fine. This panic and disquietude also lead to a rise in greenwashing. The penalty system must account for offences such as greenwashing and not just dis-compliance to the CSR policies. In a revolutionary move, France has introduced a penalty system for greenwashing in France which would lead the offending party to pay up to 80% of the expenditure of the false promotional campaign.

This is a severe deterrent to offenders of greenwashing. This kind of penalty system should be introduced in India as well. The Indian CSR policies fail to assess the needs of the Indian business environment and recognise greenwashing as a serious threat. There is a severe lack of modernisation in the policy that can handle the ever-growing and evolving Indian CSR industry. The introduction of a new CSR policy with the aforementioned guiding principles is India's most effective answer to curb the effects of greenwashing.

EU'S CSR POLICY: AN INSPIRED MODEL FOR INDIA

At the heart of the research for CSR lies the question of what responsibility does a corporation hold towards society. In the 1970s, Milton Freidman made the argument that the corporation only holds the responsibility of increasing its profits[34]. Popularised in the early and late 90s, profit maximisation has always been seen as the primary objective of Corporates. However, with the passage of time, this theory began to evolve.

Davies argues that CSR should be a culmination of 'consideration of issues beyond the narrow economic, technical, and legal requirements of the firm.'[35] The International Instruments regulating CSR took the view that the corporations hold more responsibility than just increasing their profits.

[33] The Companies Act, 2013, § 135.

[34] Milton Freidman, A Friedman doctrine-- The Social Responsibility Of Business Is to Increase Its Profits, NY Times (Sept. 14, 1970), available at: https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html.

[35] Keith David, The Case for and against Business Assumption of Social Responsibilities, 16 Acad. of Mgmt. J. 312, 312-322 (1973).

OECD, ILO and the UN are some examples of organisations that have come up with guidelines for CSR at an international level. The UN Guiding Principles on Business and Human Rights were proposed by John Ruggie, a UN Special Representative on Business & Human Rights, and was endorsed by the UN Human Rights Council in June, 2011. OECD has provided the OECD Guidelines for Multinational Enterprises.

Various companies in India comply with and aspire to execute their CSR activities to meet these international standards set by these organisations.

These Guidelines are not legally non-binding but act as recommendations for Responsible Business Conduct by the governments of 49 adhering countries to the enterprises operating in or from those countries. ILO MNE declaration was another instrument that was adopted to encourage a positive contribution by MNE to economic and social progress. These instruments were meant to codify the expectations from the enterprises in the form of soft laws.[36]

Even though these guidelines and principles were established by reputable International Organisations, they were soft laws which mean that they are not legally binding. However, these guidelines have some strong and comprehensive policies that are severely lacking from India's CSR policies. There arises an imminent need for a new comprehensive CSR policy that finds its guiding principles from the International policies laid down but should be mandatory in nature.

The CSR policies implemented by the EU have been inspired by the above-mentioned guidelines. In addition, the EU has also played a vital role in endorsing a higher level of protection so as to ensure the effectiveness of the CSR policies. Public authorities are responsible for encouraging and supporting the companies to run their business responsibly. They are in charge of creating voluntary policy measures and complementary regulation wherever necessary. EU has taken various steps to modify its CSR policies for effective implementation and to curb practices like greenwashing.

The EU's policy is built on the 2011 renewed strategy for CSR, which was meant to mould CSR to that of the Global approach. The 2011 soft law document focused on improving the "visibility of CSE and disseminating good practices through integration of CSR into education,

[36] OCED, Promoting Sustainable Global Supply Chains: International Standards, Due Diligence And Grievance Mechanisms, OCED (Feb. 17, 2017), available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst./documents/publication/wcms_559146.pdf

training and research."[37] The CSR policy covered the years from 2011 to 2014. The 2011 strategy relied on the enterprises voluntarily meeting their social responsibility[38], this view was later dismissed through the adoption of the Directive 2014/95/EU (Non-Financial Reporting Directive, NFRD). The commission called for both horizontal and sector-specific measures which would promote self and co-regulation; this showed the need for complementary regulation, which led to the adoption of Directive 2014/95/EU along with certain other sector-specific measures.

According to the Directive 2014/95/EU, certain large companies are required to disclose the manner in which the company operates and manages social and environmental challenges. The disclosure would help the stakeholders, including policymakers and consumers, evaluate the performance of the company and encourage them to be more socially responsible.

The NFRD requires public interest companies that employ more than 500 personnel to publish information regarding "environmental matters, social matters and treatment of employees, respect for human rights, anti-corruption & bribery and diversity on company boards"[39]. As of 2021, this definition covers over 11,700 companies and groups all over Europe which include listed companies, banks, insurance companies and other companies which are given the status of public-interest entities by the national authorities[40]. In 2016 European Union shifted their view from CSR to RBC or Responsible Business Conduct[41].

The European Consensus in June 2017 adopted the "5 Ps" as mentioned by the UN in its 2030 Agenda. It was mentioned in the consensus that "it promoted the integration of CSR in work with the private sector, including both employers' and workers' organisations, to ensure responsible, sustainable and effective approaches."[42]

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37 Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions A Renewed EU Strategy 2011-14 For Corporate Social Responsibility, at 4, COM(2011)681 final(Oct. 25, 2011)

38 *Id.*

39 Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups Text with EEA relevance, 2014 O.J. (L 330)1, 6.

40 Commission Proposal For a Directive Of The European Parliament And Of The Council As Regards Corporate Sustainability Reporting, COM(2021)189 final (Apr. 21, 2021).

41 Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions Next Steps For a Sustainable European Future European Action For Sustainability, COM (2016) 739 final (Nov. 22, 2016).

42 European Commission, Commission Staff Working Document On Implementing The UN Guiding Principles On Business And Human Rights - State Of Play, European Union (July, 14, 2015) available at: https://ec.europa.eu/anti-trafficking/sites/default/files/swd_2015_144_f1_staff_working_paper_en_v2_p1_818385.pdf.

In June 2017, the European Commission published guidelines that would "help disclose environmental and social information."[43] However, these guidelines were non-binding, and the companies were free to use any guideline that would match their own characteristics. In 2019 the need to improve compliance along with the due diligence mentioned under the NFRD[44] led to further clarification on reporting climate-related information[45]. The companies were required to report on climate-related information also under the new guidelines.

This policy would translate well in India. The biggest strength of India's policy is its mandatory nature. However, most companies get away with not disclosing ample information about their climate policy which is one of the biggest factors for greenwashing.

The Taxonomy Regulation, which came into force on July 12, 2020, creates a categorisation method of environmentally sustainable economic activities. It has provided six economic objectives under Article 9. It has also set four conditions that an economic activity has to meet for it to be considered an environmentally sustainable activity as per Article 3 [46] of the Regulation. The first condition is that the activity must contribute to the environmental objectives of the regulation provided under Article 9 that is to be read in line with Article 10 to 16. The activity must not contradict other environmental objectives as under Article 9 when read in line with Article 17.

The last two conditions are that the minimum safeguards as provided under Article 18 and the technical screening criteria as set by the European Commission must be complied with. The commission has to create an actual list of the activities that are to be considered environmentally sustainable by defining the technical screening criteria for each of the six environmental objectives of the Taxonomy Regulation through delegated acts. Technical Screening Criteria are characteristics used to determine whether an activity contributes to mitigation or adaption for each environmental objective.

A proposal was adopted by the European Commission on 21st April 2021 called the Corporate Sustainability Reporting Directive (CSRD), which would revise the NFRD and be complementary to the Taxonomy Regulation. The CSRD would amend the existing reporting

[43] European Commission Press Release IP/17/1702, Commission takes further steps to enhance business transparency on social and environmental matters (June 26, 2017).
[44] European Commission, Commission Staff Working document - Corporate Social Responsibility, Responsible Business Conduct, and Business and Human Rights: Overview of Progress, EUROPEAN UNION (Mar. 20, 2019) available at: https://ec.europa.eu/docsroom/documents/34482/attachments/1/translations/en/renditions/native.
[45] 2019 O.J. (C 209) 1.
[46] Regulation 2020/852 of June 22, 2020, On The Establishment Of a Framework To Facilitate Sustainable Investment, And Amending Regulation (Eu) 2019/2088, 2020 O.J.(L 198)3(EU).

requirements. The proposal seeks to broaden the meaning of companies that are to comply with the NFRD to include all the listed companies. The proposal calls for the audit of the information that has been reported by the companies.

The proposal seeks to provide a more comprehensive reporting requirements and a clause that will require the companies to maintain the standard set by the EU. The EU's sustainability reporting standards are set to be adopted by October 2022. Along with CSRD, the Commission also approved in principle the first delegated act, EU Taxonomy Climate Delegated Act which sets out the criteria to determine whether an activity contributes to climate change adaption or mitigation and was formally adopted on 4th June 2021. They are to come into force after its publication in the official journal. Technical Screening Criteria for the other four environmental objectives are to be adopted through a second delegated act by 31st December 2021[47].

Sustainable Finance Disclosure Regulation is another legislation that has come into effect on March, 10 2021. It "lays down harmonised rules for financial market participants and financial advisers on transparency with regards to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products"[48]. This legislation was adopted to ensure financial services institutions make sustainability-reported disclosures. It applies to financial-market participants. "SFDR sets out rules on transparency and requires FMPs to disclose how they consider sustainability risks in their investment processes and products and how they deal with principal adverse impacts of their investment decisions on sustainability factors, "[49]

The Taxonomy Regulation and the CSRD was adopted in direct response to the rampant corporate greenwashing. On July 6th 2021, the EU adopted the EU Taxonomy Article 8 Disclosures Delegated Act, which is supplementary to the Taxonomy Regulation and to come into force after its publication in the official journal. The primary purpose of the delegated act was to create transparency and to stop greenwashing[50]. The Act defines in detail about the

[47] European Parliament, Taxonomy Regulation: Approved EU Taxonomy Climate Delegated Act under Art. 10(3) and 11(3) of the Taxonomy Regulation, EUROPEAN PARLIAMENT, (MAY 17, 2021) https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/648248/IPOL_BRI(2021)648248_EN.pdf (Accessed on 25th July 2021 at 6:30 a.m.).

[48] Council Regulation 2019/2088 of Dec. 9, 2019 O.J. (L 317) (EU)

[49] Rebecca Mace Balebs, SFDR - A Snapshot, KPMG, (Mar. 9, 2021), available at: https://assets.kpmg/content/dam/kpmg/ie/pdf/2021/03/ie-sustainable-finance-disclosure-reg-sfdr.pdf. (Accessed on 25th July 2021 at 6:43 a.m.)

[50] *Id.*

disclosure obligations under Article 8 of the Taxonomy Regulation; the rule calls for the companies to comply with the technical screening criteria by translating it into "quantitative economic indicators", which are to be disclosed to the public. This disclosure is to inform the public about the companies' path to sustainability by disclosing the Key Performance Indicators of their environmentally sustainable activities as defined under Article 3 of Taxonomy Regulation.

The EU has planned on creating an intricate system of rules with these three disclosure tools NFRD (CSRD after its adoption), Taxonomy Regulation and SFRD, to combat greenwashing. For an activity to be considered as an environmentally sustainable economic activity, the company has to ensure that it fulfils the objectives that are provided under Taxonomy Regulation. The Delegated Acts under the Taxonomy Regulation provides criteria to understand whether the activity contributes to these objectives. Article 8 delegated Act relied on the criteria under the Delegated Acts to instruct the companies to evaluate and report whether their activities align with EU Taxonomy. CSRD looks to provide a mandatory standard for sustainability reporting and audit of the information reported.

The adoption of a three-tier disclosure system would be exceptionally useful in India. There is a severe lack of a penalty system in the Indian scenario. While Indian laws do ask for a certain limit of disclosure from the firms, there could be a considerable increase in the transparency towards activities of firms, especially when it comes to environmental claims. Transparency can be the key when combatting greenwashing.

When a company in the EU claims that an activity was undertaken under the scope of NFRD (CSRD after adoption), Article 8(1) stipulates that it is mandatory that the company reports as to what extent the activity qualifies as environmentally sustainable under the Taxonomy Regulation. Article 8 creates a link between NFRD and Taxonomy Regulation.

The issue of greenwashing has not been dealt with in the Indian legislation. The EU laws can be used as a basis by the Indian legislative for creating rules to mitigate greenwashing. India can follow suit and adopt national standards according to which the companies are to report their CSR activities so that the investors and other stakeholders are able to compare and contrast between the companies and make an informed decision. By implementing these measures, India can reduce greenwashing.

CONCLUSION & RECOMMENDATIONS

The most trusted and popular business mantra around the globe is – "Customer is King" This title of royalty ensures that the opinion and perception of the consumers matter the most to firms. After all, corporations work day and night to ideate, create, distribute, and market the perfect product in the market so as to effectively satisfy the needs of the consumers. Consumer attitudes and trends determine the demand of a particular product.

Thus, if consumer trends favour ecological products, corporations usually rush to imbibe certain ecological trends in their product or at least market them in a way that would appease the green audience. This has repeatedly led corporations to indulge in greenwashing. For instance, in USA, S.C. Johnson & Son, Inc. ("SCJ"), the manufacturer of Windex was sued for creating a "Greenlist" seal of approval for its products and falsely presenting it as a third-party seal of approval[51]

The lack of stringent CSR policies further enables this behaviour of corporations. Today, consumer, in addition to being king, has become aware. They are quick to spot greenwashing and immediately stop using such products and services.

In a recent study, it was concluded that "Consumers perceive usage of fluffy language' such as the use of words like 'eco- friendly', 'natural' as the most frequently used greenwashing communication tactic. It is followed by the use of 'scientific language', use of 'suggestive pictures' such as that of flowers blooming from an exhaust pipe or unnecessarily using the green background to falsely imply a green product or brand."[52]

This awareness and the ability to "call out" brands have placed the onus on the corporations to build thoughtful and original environmental CSR activities that do not toe the line of greenwashing. It is upon the organisations to put maximum effort to actually build programs that make a difference. A "green" brand is supposed to paint the image of a reliable firm that consumers can trust. So, greenwashing not only deters consumers from trusting the greenwashed bands but also makes them vary of other actual green brands.

In this regard, a policy can be the biggest changemaker. The current CSR policy, while leaps and bounds ahead of most countries, still does not manage to encompass and manage the Indian CSR industry. The policy is out-dated and does not serve the purpose for which it was built.

[51] Koh v. S.C. Johnson & Son, Inc., C-09-00927 RMW, 2010 WL 94265, (N.D. Cal Jan. 6, 2010).

[52] Manvi Khandelwa et.al., greenwashing: A Study on the Effects of Greenwashing on Consumer Perception and Trust Build-Up, 4 res. Rev. Int'l j. Multidisciplinary 607, 608 (2019).

The policy provides an extremely strong base. The concept of "mandating" CSR expenditure was revolutionary, even today. However, simply mandating a small portion of profits as CSR expenditure cannot serve the needs of the economy.

Thus, a complete change needs to be brought in the CSR regulations. This would not only optimise the CSR rules in India, encouraging corporations to do their social responsibility, but also curb the potential harm caused by greenwashing. Corporate Social Responsibility had gained traction at the turn of the century, calling for regulations for CSR not only at a national level but also at an international level. During the last two decades, CSR rose to prominence; however, it is still a new topic in respect to academic research. The scantiness of research also leads to a severe lack of awareness in what we consider greenwashing.

Consumers and corporations alike have a basic understanding of what comprises as greenwashing, but we have only uncovered the tip of the iceberg. There are a multitude of fraudulent activities that also comprise the offence of greenwashing. However, our lack of awareness results in consumers not being able to identify such malapropos activities and letting those remains undetected.

Therefore, it becomes extremely imminent to define greenwashing in the Indian context and make appropriate laws to deal with the same. Here, it becomes imperative to take a look at what greenwashing means in its entirety; there are various facets to the problem. Curbing greenwashing means bringing forth an honest and transparent method of communication from a corporation to its consumers. It also attempts at focusing on overall sustainability rather than concentrating on one sphere of environmental protection. Raising awareness for the same will enable the government to make a more comprehensive policy while also empowering consumers to raise their voices against green-sheened businesses.

While building a new policy is an excellent first step, the government has to take other steps as well. An important measure is the introduction of an Expert Committee that will look into the offence of greenwashing and assist in the formulation of the new policy. Through the publications of the Expert Committee, the government can ensure the proper dissemination of information for the general public.

It becomes exceedingly important that the composition of the Committee has an adequate representation of all the relevant stakeholders in the Industry. The composition of the committee must be paid great attention to. This is because while the interests of the corporations must be represented, priority should be given to revamping the CSR Guidelines for environmental protection and curbing greenwashing. A delicate balance must be achieved between protecting the interests of industrialists and upholding environmental preservation and consumer interests.

A portion of the onus is also on the consumers. While there is an increased awareness in the 21st century, it is also common for a consumer to step into a supermarket and purchase a product because of an "organic sticker" or opt for a "green" brand because of their new ad that advocates for a sustainable life. Advertisements and marketing have a profound psychological impact on the way consumers perceive brands and make buying decisions. By using greenwashing tactics, brands tend to manipulate their consumers and influence these decisions. Each choice that a consumer makes matters! So, it is also the responsibility of a consumer to research a brand and make subsequent informed decisions. An informed decision of a consumer can prove to be the most effective tool to combat greenwashing effectively. While Policy and Compliance Checks are an effective deterrent against greenwashing, there is no bigger dissuasion than a consumer's rejection. After all, the customer truly is the king!

To put a stop to greenwashing, India must revisit and analyse the primary objective for creating India's CSR policy. The policy was enacted to move from an era of companies prioritising profit-building and destroying resources in the process to an era where companies realise their social responsibility towards the ecosystem that they exist in. The current CSR policy does not reflect that. It does not contain provisions that would protect the ecosystem the CSR policies were built for.

India had paved the way for revolutionising CSR in 2013 by introducing the mandatory policy. How India has dealt with CSR has been lauded globally. It's time for India to rise up to the challenge again and pave the way to suppress greenwashing.

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