

Greenwashing in the Fashion Industry: A Critical Systematic Review of Current Practices in South Asia

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Abstract The global fashion industry's pursuit of continuous growth is increasingly accompanied by greenwashing, contributing to a systemic crisis of trust. This research identified and analyzed environmental marketing deception in the South Asian textile industries global value chains using a systematic literature review (SLR) of peer-reviewed and investigative reports (2020–2025). This analysis innovatively extended the B2C TerraChoice Seven Sins framework into an assessment of complex B2B supply chains. A key finding shows that regional greenwashing is a staged strategy to survive intense pressure for cost compliance. Deceptive tactics depend on the supply chain location companies controlling product development utilize terms like "eco-friendly" and "sustainable" organizations at the bottom end commit outright fraud with certification programs (e.g., organic cotton) and final product producers frame legal requirements as proactive environmental management. Overall, all stages demonstrate how institutional, stakeholder, legitimacy, and signaling theories interact to drive symbolic organizational behavior. This research advocates for developing strong policy intervention mechanisms to combat this deception, including implementing a Green Claims Directive and requiring mandatory region-based digital tracking systems.

Keywords Greenwashing, Sustainable fashion, Critical analysis, South Asia fashion industry, Terra choice seven sins

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Introduction

The global apparel sector operates on a relentless pursuit of continuous growth. To justify this expansion, the industry has promoted a widespread sustainability narrative that directly contradicts its actual manufacturing practices. Beneath this eco-friendly image lies a severe environmental crisis. Presently, the textile industry is expected to be accountable for approximately 10% of all global carbon dioxide emissions. The impact of these emissions is substantial, as they exceed total emissions from global air travel and shipping by a significant margin (Niinimäki et al. 2020). In addition to its substantial greenhouse gas footprint, the current globalized production system is very resource-dependent. An estimated 93 billion cubic meters of freshwater are extracted each year

during the textile production process, which exacerbates extreme water shortages in areas that were previously at risk due to climate change (Ellen MacArthur Foundation 2017). Parallel to this water depletion, the sector's heavy reliance on synthetic fibers—particularly polyester—severely pollutes marine ecosystems. The most alarming aspect of synthetic textile disposal in our world's oceans is that over 35% of all of the plastic pollution generated by humans comes from washing clothes made from synthetic materials (Boucher & Friot, 2017). The responsibility for the harm caused by the use of synthetic fibers in clothing is not evenly distributed among countries. Instead, it has been shifted onto econo-

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mically fragile production centers, which absorb the cost of global textile production.

At the center of this resource-intensive global supply chain is South Asia—comprising India, Bangladesh, Pakistan, and Sri Lanka—which forms the base of a very costly and extensive system for producing and distributing textiles. Although they have different local markets and somewhat different ways of exporting products, the primary position that each country holds within the global textile industry is essentially identical. They face the exact same structural pressures. On one side, Western fashion brands are in an unrelenting pursuit of lower costs and faster turnaround times from suppliers. On the other side are international frameworks (such as the European Commission's Green Deal) that enforce increasingly stringent environmental regulations. The fact that they share this risk due to their mutual dependence on international buyers is a strong reason to study all of these countries together. As a result of being forced to respond to the same conflicting demands — from local supply chain stakeholders in each country — local actors throughout these four countries will be forced to make systemic operational compromises.

To survive these conflicting pressures without making expensive operational changes, a major systemic issue has grown across the region: greenwashing. The strategic deception is based on an increasing gap between what global fashion brands claim they are doing in terms of progress toward sustainability versus the true state of affairs for South Asia's supply chain. In place of sustainable practices, many brands have adopted superficial eco-labels as a means to create an illusion of environmental responsibility. Thus, consumers' belief that purchasing "Conscious" or "Eco-Friendly Products Saves the Planet" serves as a dangerous pacifier. It creates an illusion where there are no larger system problems, and prevents meaningful reforms from occurring at the industry level (Bose et al., 2022; Swan & Reavill, 2009). Due to the detrimental effects of these misleading claims, it is highly necessary to systematically expose how this deception actually works.

Responding directly to consumers' immediate concerns about greenwashing in the South Asian apparel industry, this research examines the complex issues surrounding greenwa-

shing in the South Asian apparel sector. Current literature is focused mainly on Western consumers' perceptions of greenwashing; however, very few studies have focused on the supply side of greenwashing in South Asia. It explicitly identified, classified, and evaluated the deceptive sustainability claims used by regional supply chain actors and international brands.

The crucial point here is that in order to conduct a supply-side assessment for this study, an extension was made to the conventional consumer-facing (Terra Choice, 2010) approach to assess corporate communication through their supply chains. Theoretical justification for this methodological expansion exists due to the fact that both areas of marketing (consumer marketing and supply chain) are based upon the strategic creation of environmental claims. By doing so, the study assessed how these symbolic practices affect regulatory policies and authentic sustainable development. To bridge the existing research gaps, the study addressed two main questions:

- RQ 1.** How can greenwashing practices in the South Asian fashion industry be classified using the TerraChoice Seven Sins framework (Terra Choice, 2010)?
- RQ 2.** What are the prominent illustrative empirical cases of greenwashing in the South Asian fashion industry?

To effectively answer these questions, it was first necessary to connect the analysis to established academic concepts. Therefore, the following section outlines the theoretical framework, establishing the core foundations needed to deeply understand and evaluate these deceptive practices

Literature Review

Conceptual Understanding of Greenwashing

The term "greenwashing" was introduced in the 1980s to describe corporate strategies that rely on misinformation to create a false appearance of ecological responsibility. This

deception typically occurs on two levels: misrepresenting how the organization operates as a whole, or exaggerating the environmental benefits of specific products. Generally, firms with minimal or no actual eco-friendly practices employ these public relations tactics to project an illusory commitment to sustainability (Delmas & Burbano, 2011). Furthermore, the prevalence of such deceptive signaling appears to be rising in tandem with growing consumer demand for sustainably produced goods.

Consumer demands for products produced in an environmentally sustainable manner have increased significantly; thus, there has also been an increase in sustainability-oriented marketing in both the luxury and fast-fashion sectors. Both luxury and fast-fashion brands are attempting to attract customers interested in purchasing products based on their ethical value and to limit the extent to which they need to make adjustments to their respective supply chain infrastructure. Capturing this market often involves launching limited “sustainable” product lines using catchphrases such as “conscious” or “eco,” while the majority of products continue to be manufactured through conventional, resource-intensive processes (Ho, 2021). Maintaining these conventional production systems reflects deeper economic considerations within the industry.

Reliance on traditional production methods is largely economically motivated, as genuinely transforming supply chains to meet sustainability standards requires substantial financial investment and operational restructuring (Feghali et al., 2025). Avoiding these costs becomes more feasible in contexts characterized by weak regulatory oversight. In particular, South Asian manufacturing hubs often exhibit limited enforcement capacity, allowing firms to overstate or selectively disclose sustainability claims with relatively low legal risk (Alizadeh et al., 2024). Under these conditions, misleading environmental communication emerges in multiple, recurring forms.

These recurring deceptive methods have prompted researchers and regulatory agencies to adopt organized frameworks for systematically identifying environmental misinformation. The most widely recognized of these is TerraChoice’s ‘Seven Sins of Greenwashing’ (2010), which classifies deceptive claims into seven distinct categories: the

hidden trade-off, no proof, vagueness, fibbing, worshipping false labels, irrelevance, and the lesser of two evils. While this typology effectively categorizes deceptive communication techniques, understanding why companies employ these tactics requires an integrated theoretical framework, which is discussed in the following section.

Theoretical Frameworks Explaining Greenwashing

To examine greenwashing in South Asia's apparel industry with precision, this study does not apply theory retrospectively after data analysis. Instead, it employs an integrated analytical framework that directly guides the data extraction and coding processes. This framework sequentially integrates Institutional Theory, Stakeholder Theory, Legitimacy Theory, and Signaling Theory to provide a comprehensive explanation for the cascading drivers behind false environmental claims (Figure 1). Understanding these cascading drivers requires first examining how external regulatory pressures shape organizational behavior at the macro level.

At the macro-environmental level, external regulatory pressures influence firm behavior through formal rules, norms, and expectations, as conceptualized within Institutional Theory (DiMaggio & Powell, 1983). Regulatory initiatives such as the EU Green Deal contribute to increasing coercive and normative pressures on the global apparel industry to demonstrate sustainability compliance. However, these institutional forces do not act in isolation; they become operationally effective only when enforced by powerful stakeholders within the supply chain.

The exertion of these institutional pressures brings Stakeholder Theory (Freeman, 1984) into the analytical framework. Powerful stakeholders—such as major Western fast-fashion brands, international regulatory agencies, and certification bodies—leverage their market influence to translate broad sustainability goals into enforceable compliance mandates. This enforcement dynamic, in turn, creates significant pressure on suppliers operating within economically constrained environments.

This pressure is particularly acute for South Asian suppliers, who must meet external mandates to remain viable participants in global supply chains. Within this context,

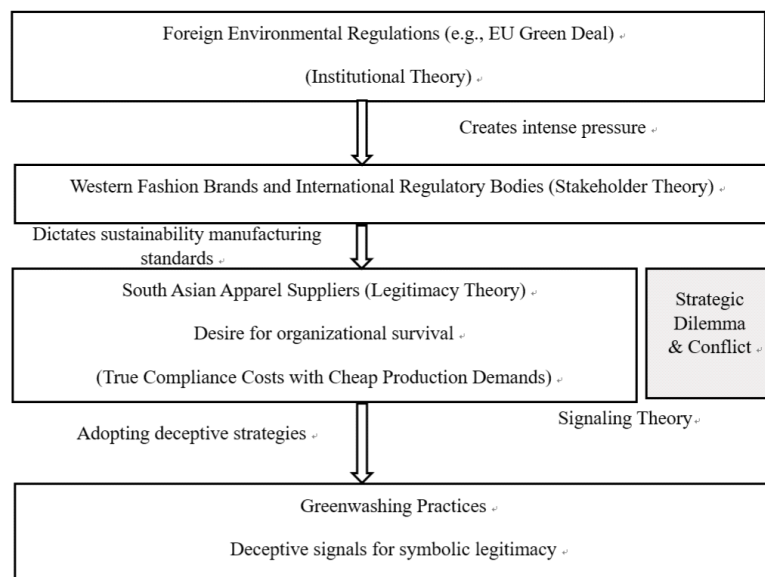


Figure 1. Conceptual Model of Greenwashing in the South Asian Fashion Supply Chain

Legitimacy Theory (Suchman, 1995) explains why firms strive to align their actions with accepted social norms to ensure organizational survival and secure future contracts. However, achieving environmental legitimacy typically requires substantial financial investment, which directly conflicts with simultaneous demands for low-cost production. Consequently, balancing relentless cost-reduction targets with strict sustainability compliance creates a critical strategic dilemma for these suppliers.

This structural dilemma shapes how organizations respond to competing institutional and economic pressures. Rather than undertaking costly operational transformations, firms may adopt symbolic strategies to manage stakeholder expectations. Signaling Theory (Connelly et al., 2011) provides a useful lens to understand these responses, particularly under conditions of information asymmetry. Organizations can strategically communicate signals that project compliance and credibility, regardless of their underlying practices. It is within this signaling process that greenwashing emerges as a strategic organizational response.

Greenwashing is conceptualized as a form of strategic signaling within this framework, where firms project symbolic indicators of sustainability without implementing

corresponding material changes (Marquis et al., 2016). These signals function to secure stakeholder approval, maintain legitimacy, and preserve access to global markets under institutional and economic pressure. Conceptualizing greenwashing in this way provides a direct bridge between theoretical explanation and empirical observation.

While this framework is presented as a structured analytical sequence, these dynamics may operate in overlapping and non-linear ways in practice. Nonetheless, the model provides a coherent basis for systematically identifying patterns of deceptive environmental communication. This theoretical grounding ultimately informs how such patterns are operationalized within the study's methodological design.

The integrated theoretical framework developed for this study served as an ongoing guide for the entire research process. By establishing Signaling, Stakeholder, and Legitimacy theories as *a priori* analytical lenses, the study developed a deductive coding matrix. This theoretically driven matrix provided the robust rationale needed to expand the TerraChoice Seven Sins framework—which is traditionally confined to consumer-facing marketing—into the complex domain of supply chain governance. Applying this framework deductively enabled the systematic classification of

deceptive behaviors across distinct operational nodes: marketing, sourcing, and manufacturing.

Methodology

Research Target and Scope

To methodologically deconstruct the mechanisms of upstream greenwashing, this study established strict geographical and temporal boundaries. South Asia was selected as the focal area due to its central role in export-oriented production networks, making it a highly significant region for evaluating industrial-level environmental claims within global supply chains. However, systematically evaluating these claims across such a vast region necessitated the selection of specific target countries.

Specifying these target countries required clear and defensible criteria. Accordingly, the analysis focused on Bangladesh, India, Pakistan, and Sri Lanka, which demonstrate significant export volumes and extensive involvement with Western apparel supply chains. Together, they represent the region's main production hubs while exhibiting diverse institutional capabilities, regulatory enforcement mechanisms, and market orientations. This institutional diversity enables a nuanced analysis of how greenwashing approaches vary across different national contexts, particularly under the increasing influence of global regulatory changes.

Evolving global regulatory pressures have intensified in recent years due to the emergence of stricter sustainability frameworks, such as the EU Green Deal and expanding ESG compliance requirements. These developments have increased scrutiny on supply chain transparency and environmental performance, particularly within export-oriented manufacturing regions. To capture how regional firms respond to this heightened scrutiny, this study focuses on the period from January 2020 to December 2025. This specific time frame encompasses the most recent wave of regulatory reform and stakeholder activism in the global fashion sector, thereby excluding outdated practices that no longer accurately reflect the industry's current operational reality.

Research Design and Theoretical Alignment

Analyzing contemporary supply chain practices to capture the deceptive signaling mechanisms defined in the theoretical framework required a highly structured methodological approach. Ensuring this methodological alignment between theory and empirical analysis drove the adoption of a qualitative Systematic Literature Review (SLR) guided by the PRISMA 2020 framework (Page et al., 2021). While this framework enables a transparent process of evidence synthesis, relying solely on peer-reviewed academic literature presents severe limitations when examining inherently opaque phenomena such as corporate greenwashing.

Examining these opaque phenomena reveals that deceptive practices are often underreported or selectively disclosed within traditional academic publications. Overcoming this restricted analytical scope required the study to adopt a multivocal literature review (MLR) approach. This MLR approach enables the systematic integration of both academic and high-quality grey literature, thereby expanding the evidentiary base of the analysis (Garousi et al., 2019). Although originally developed within software engineering, this integrative approach has been increasingly applied in interdisciplinary research contexts to fundamentally strengthen empirical coverage.

Search Strategy and PRISMA Protocol

Capturing this deceptive behavior required a structured and transparent search strategy across multiple databases. Conducting this primary search in December 2025 targeted materials published between January 2020 and December 2025 to ensure temporal relevance. Ensuring this relevance involved utilizing Web of Science (WoS) to retrieve high-impact, peer-reviewed research, while Google Scholar (GS) served as a broad retrieval platform capturing both academic sources and grey literature. Capturing this grey literature required strict credibility screening, including only sources originating from internationally recognized NGOs or reputable investigative institutions (e.g., Clean Clothes Campaign, Greenpeace).

Originating from these credible parameters, the search strategy employed precise Boolean operators to target the

intersection of sustainability claims and regional supply chains: ("greenwashing" OR "green marketing") AND ("fashion" OR "textile") AND ("South Asia" OR "Bangladesh" OR "India" OR "Pakistan" OR "Sri Lanka").

Deploying this comprehensive search string generated 378 records, supplemented by 2 additional records identified through manual reference checking (snowballing), resulting in an initial pool of 380 records. Refining this initial pool followed the strict PRISMA protocol, where 38 duplicate entries were removed and yielding 342 unique records for the subsequent screening phase.

Eligibility, Saturation, and Corpus Selection

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The screening phase systematically filtered the 342 records based on predefined eligibility criteria. Filtering these records began with an initial title and abstract screening, where 297 records were excluded due to the absence of a South Asian focus, examination of unrelated industries, or classification as non-verifiable opinion-based sources. Excluding these sources allowed the remaining 45 articles to proceed to a comprehensive full-text assessment.

During this comprehensive full-text assessment, 30 additional records were excluded primarily for lacking region-specific empirical evidence or for addressing general sustainability issues without directly examining deceptive environmental claims. Applying these strict exclusion

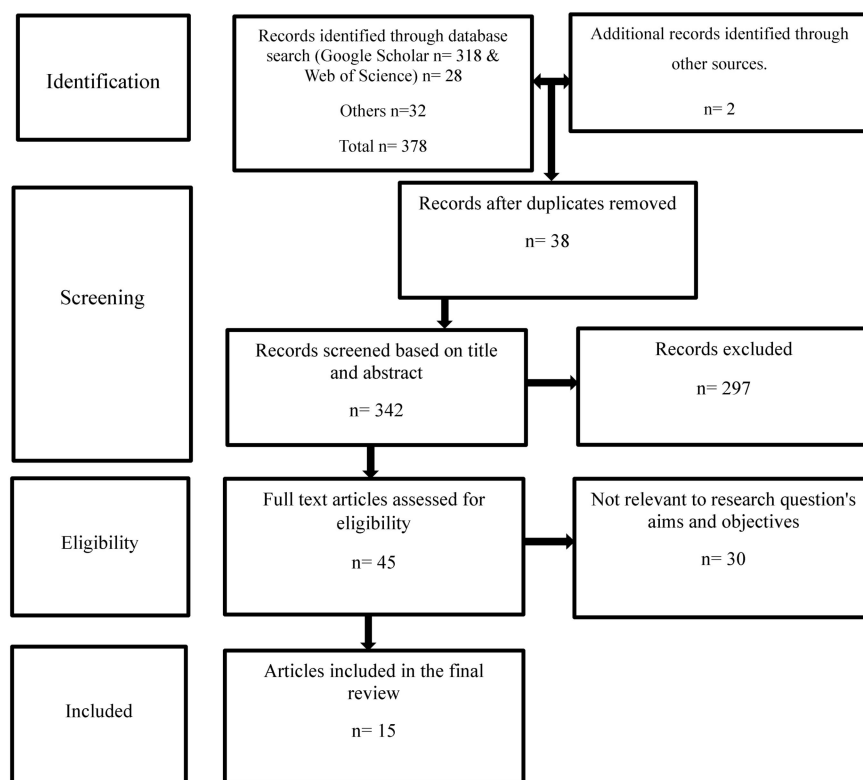


Figure 2. PRISMA 2020 flow diagram illustrating the search and selection process
(Adapted from Page et al., 2021)

parameters resulted in a final corpus of 15 methodologically relevant and empirically grounded records.

Although this final corpus of N=15 represents a relatively focused dataset, this sample size is highly appropriate for a specific, region-bound qualitative synthesis. Validating this sample size relies on the principle of thematic saturation (Saunders et al., 2018), where analysis indicated that additional screened records did not yield new conceptual categories but instead reinforced recurring patterns of deceptive practices.

Capturing these recurring patterns defined the finalized corpus, which is visually represented in the PRISMA flow diagram (Figure 2) and geographically summarized in Table 1. Before proceeding to the brand-level analysis, it is necessary to clarify the selection criteria for the specific empirical instances examined (e.g., Aarong, Khaadi, and Myntra). The identification of these brands was not predetermined; rather, it was directly driven by patterns emerging from the multivocal corpus, with particular reliance on highly credible grey literature, including independent

Table 1. Descriptive Summary and Geographical Distribution of the Included Primary Studies and Reports

N=15

Code	Source Type	Author(s) / Publisher	Year	Title	BD	IND	PAK	SL
A1	Academic	Badhwar et al.	2024	Unraveling green marketing and greenwashing: A systematic review in the context of the fashion and textiles industry	✓	✓	✓	✓
A2	Academic	Rahman	2022	Greenwashing in Bangladesh: How to combat its spread	✓			
A3	Academic	Zaidi & Gandhi	2025	Green or green washing? A review paper on the current state of sustainability of fashion brands		✓		
A4	Academic	Sultana et al.	2024	Green blushing and cause marketing in Pakistani fashion advertising discourse on Instagram			✓	
A5	Academic	Nahid-Ull-Islam et al.	2025	Greenwashing and bluewashing in the textile industry: Causes, consequences, and solutions for sustainable fashion	✓			
A6	Academic	De Mel & Fernando	2024	Green marketing and green washing: A narrative literature review (Sri Lankan context)				✓
A7	Academic	Alizadeh et al.	2024	The phenomenon of greenwashing in the fashion industry: A conceptual framework	✓	✓	✓	✓
G1	Grey Lit.	Hossain	2024	Aarong stops free paper bags: 'Green' move or cost cutting?	✓			
G2	Grey Lit.	Good On You	2025	Khaadi - Sustainability Rating			✓	
G3	Grey Lit.	CINK	2025	The rise of sustainable fashion in Indian online retail		✓		
G4	Grey Lit.	Ecoldeaz	2025	Sustainable fashion initiatives and eco-friendly brands in India		✓		
G5	Grey Lit.	Press Information Bureau	2022	Impact of manufacturing and sale of fake Khadi products		✓		
G6	Grey Lit.	Abdulla	2020	Fake organic cotton found by GOTS in India		✓		
G7	Grey Lit.	Wicker	2022	That organic cotton t-shirt may not be as organic as you think		✓		
G8	Grey Lit.	Ho	2021	Nearly 60% of sustainable fashion claims are greenwashing, report finds	✓	✓	✓	✓

Note: BD=Bangladesh; IND=India; PAK=Pakistan; SL=Sri Lanka. A=Academic Article, G=Grey Literature/Investigative Report

NGO audits and verified investigative reports. A brand was only included in this study's analysis if documented evidence from these sources demonstrated a direct contradiction between what the firms claimed publicly about sustainability and how it operates. By using this type of targeted investigation, the study assured that the selected brand-level examples were based on real-world deceptive behavior and representative of real supply chain behavior.

Deductive Coding and Reliability Assurance

Systematic qualitative coding of the finalized corpus followed a structured, multi-stage analytical protocol designed to systematically capture deceptive signaling practices while minimizing subjective interpretation. Minimizing this subjective interpretation drove the adoption of a hybrid deductive-inductive content analysis approach.

Executing this hybrid analytical approach began with open coding, where two independent researchers with expertise in fashion sustainability examined the full texts to identify and extract line-by-line instances of potentially misleading corporate communications. Extracting these initial instances led to axial coding, which involved systematically grouping the extracted data into broader thematic categories aligned with the predefined Terra Choice Seven Sins framework (Terra Choice, 2010).

Aligning these categories established the foundation for selective coding, which was conducted to identify the core relationships linking these deceptive practices to key operational nodes within the supply chain—namely marketing, material sourcing, and manufacturing. Identifying these core relationships was supported by continuous iterative coding, requiring repeated engagement with both the raw data and the theoretical framework to refine categorizations and systematically resolve inconsistencies through structured consensus discussions between the coders.

Resolving these inconsistencies and strengthening overall analytical validity relied on triangulation through investigator cross-examination and peer examination (Denzin, 2012). Conducting this triangulation involved systematic cross-examination between the two coders, followed by an independent review by an external expert with extensive experience in fashion supply chain sustainability. Incorporating

this expert feedback finalized the qualitative synthesis, ensuring a consistent and theoretically grounded interpretation of the data.

Results and Discussion

Research Result 1: Classification of Greenwashing Practices in South Asia

To address the first research question concerning the identification and regional variation of deceptive environmental claims, this study extends the Terra Choice Seven Sins framework (Terra Choice, 2010) beyond its original application in direct-to-consumer (B2C) contexts to encompass business-to-business (B2B) supply chain dynamics. This extension directly reflects the theoretical framework, which posits that greenwashing operates as a form of strategic signaling under institutional and stakeholder pressure. Emerging evidence from the analyzed corpus suggests that deceptive environmental communication is not confined to consumer-facing marketing, but increasingly occurs upstream, where suppliers project symbolic sustainability compliance to secure contracts with global brands.

Securing these lucrative contracts drives an upstream shift in greenwashing practices that aligns with the signaling dynamics outlined in the theoretical framework, where firms respond to institutional and stakeholder pressures by manipulating information asymmetry. Export-oriented manufacturers like those found in Bangladesh, Pakistan, and Sri Lanka have been identified with widespread B2B oriented greenwashing from their supplier base, primarily concerning false representations about compliance standards and production practices. These behaviors are a function of the structural constraints placed on these suppliers by global buyers who require continued economic viability through maintaining legitimacy in their supply chain.

Ensuring this economic survival, however, is reflected by different levels of institutional capacity and market structures across the area. In comparison to all other South Asian countries, India has both an enormous scale manufacturing system as well as a growing domestic consumer market. The dual structure supports the notion that

there is a hybrid type of greenwashing (deceptive B2B sourcing practices vs. B2C oriented marketing towards environmentally aware consumers) for Indian companies. The above difference reflects the way in which institutional context influences what form deceptive practice will take, and it reinforces the idea that stakeholder and legitimacy pressures affect company behavior.

While driving this firm behavior represents dominant tendencies within the analyzed literature, these patterns should be interpreted as context-specific rather than universally applicable across all organizations. Nevertheless, the consistency of these findings across multiple sources indicates recurring structural dynamics within the regional supply chain. These empirically observed variations were subsequently mapped onto the extended Terra Choice Seven Sins framework, enabling a structured classification of

specific greenwashing practices across different national and operational contexts (Table 2).

Building on the classification presented in the preceding framework, the empirical analysis provides detailed operational illustrations of how these deceptive mechanisms manifest across the regional supply chain.

Manifesting these mechanisms often begins with selective disclosure, where companies emphasize a single, highly visible environmental initiative while obscuring broader ecological impacts (Terra Choice, 2010). For instance, the Bangladeshi retailer Aarong eliminated free paper bag use based on an environmental protection claim (Hossain, 2024) with very little consideration given to Aarong's larger industrial footprint (including emissions from supply chains and packaging waste), which was simply a symbolic action that cost-shifted to consumers while leaving many environ-

Table 2. Classification of Greenwashing Sins in the South Asian Fashion Industry (Adapted from Terra Choice, 2010)

Sin of Greenwashing	Definition (Adapted)	Regional Context	Illustrative Example	Operational Insight	Source
Hidden Trade-Off	A single environmental benefit is emphasized while broader environmental harms are obscured.	Bangladesh (Retail/Brand level)	Aarong discontinued free paper bags while overlooking its overall industrial footprint and supply chain emissions.	Symbolic, low-cost initiatives used to divert attention from systemic environmental impact.	Hossain (2024)
No Proof	Environmental claims are made without accessible or verifiable supporting evidence.	Pakistan (Brand marketing)	Khaadi promotes "handwoven" and "sustainable craft" identity without verifiable environmental or traceability data.	Lack of transparency used to construct an unverifiable sustainability narrative.	Sultana et al. (2024); Good On You (2025)
Vagueness	Claims rely on broad, undefined, or ambiguous terminology lacking scientific or regulatory clarity.	India (E-commerce retail)	Myntra's "Myntra for Earth" initiative lacks clear criteria for defining "earth-friendly" products.	Ambiguous language strategically used to capture eco-conscious consumers.	CINK (2025); Ecoldeaz (2025)
Fibbing	Claims involve outright false or misleading environmental information.	India (Retail & production)	Retailers falsely marketed factory-produced fabrics as 100% organic "Khadi".	Direct misrepresentation used to artificially increase product value.	Press Information Bureau (2022)
Worshipping False Labels	Fake or misleading certifications are used to imply third-party endorsement.	India (Raw material sourcing)	Fraudulent "Organic Cotton" (fake GOTS certification) used in supply chains.	Certification fraud used to bypass costly sustainable sourcing practices.	Abdulla (2020); Wicker (2022)
Irrelevance	Claims highlight legally required or already standard practices as voluntary environmental achievements.	South Asia (Manufacturing sector)	"AZO-free" labeling despite being a mandatory export requirement.	Compliance reframed as sustainability to create false competitive advantage.	Rahman (2022)
Lesser of Two Evils	A relatively better option is promoted within an inherently unsustainable system.	India (Fast-fashion platforms)	Nykaa Fashion and Limeroad promote small "eco-friendly" collections within high-volume fast-fashion models.	Minor improvements used to distract from fundamentally unsustainable business models.	CINK (2025)

mental issues unaddressed. This pattern of legitimacy-seeking behavior clearly illustrates the Hidden Trade-Off.

This emphasis on symbolic environmental initiatives often appears to be accompanied by a lack of verifiable supporting evidence. The Pakistani fashion brand Khaadi prominently promoted a “handwoven” and “sustainable craft” identity, yet failed to provide accessible empirical data regarding its environmental impact or supply chain traceability (Sultana et al., 2024). The absence of verifiable substantiation contributed to critically low independent transparency ratings (Good On You, 2025), illustrating how firms engage in the sin of No Proof to manage stakeholder perceptions through unverified signals.

The absence of verifiable evidence is frequently reinforced through the strategic use of broad and undefined sustainability terminology. In the Indian e-commerce sector, Myntra’s “Myntra for Earth” initiative lacked clear and standardized criteria for defining “earth-friendly” products (CINK, 2025; Ecoldeaz, 2025). Such ambiguity may contribute to consumer misinterpretation, enabling firms to exploit information asymmetry through the sin of Vagueness.

Exploiting this informational ambiguity may, in some cases, extend beyond vague communication into more direct forms of misrepresentation. In India, regulatory authorities identified instances where factory-produced, chemically dyed fabrics were falsely marketed as 100% hand-spun, organic “Khadi” (Press Information Bureau, 2022). These cases reflect deliberate misrepresentation aimed at artificially inflating product value, aligning with the sin of Fibbing.

This form of direct misrepresentation appears particularly pronounced within raw material sourcing processes, where counterfeit certifications are used to simulate third-party validation. Evidence from industry reports indicates recurring irregularities in the certification of “organic cotton,” where fraudulent documentation (fake GOTS) has been used to integrate conventional cotton into global supply chains (Abdulla, 2020; Wicker, 2022). The use of such counterfeit certifications reflects structural pressures within sourcing networks that incentivize symbolic compliance, corresponding to the sin of Worshipping False Labels.

The reliance on symbolic compliance further extends into manufacturing processes, where firms promote legally

mandated standards as voluntary environmental initiatives. Across South Asian textile manufacturing, the labeling of products as “AZO-free” is frequently presented as a proactive sustainability feature, despite being a strict pre-existing legal requirement for export markets (Rahman, 2022; Terra Choice, 2010). Reframing baseline compliance as an environmental achievement constitutes the sin of Irrelevance and reflects attempts to reinforce perceived organizational legitimacy.

This reframing of compliance ultimately converges with broader marketing strategies that promote relatively “better” products within fundamentally unsustainable systems. Indian fast-fashion platforms such as Nykaa Fashion and Limeroad have promoted limited “eco-friendly” product lines while operating within high-volume, discount-driven business models (CINK, 2025). This juxtaposition of selective sustainability initiatives with structurally unsustainable consumption patterns reflects the sin of the Lesser of Two Evils.

Collectively, these interconnected manifestations suggest that greenwashing within the South Asian fashion industry operates as a layered and sequential process, where different forms of deception reinforce one another across marketing, sourcing, and manufacturing stages.

Research result 2: Illustrative empirical case analyses of greenwashing in South Asian Fashion Brands

Examining these forms of deception allowed for an effective differentiation among types of deceitful claims. To understand the systematic nature of this behavior, required analyzing how each type was structured into the supply chain. The study transitioned from descriptive classifications to an operational examination to answer the second research question (RQ2). The results indicated that the identified sins were associated with three distinct operational nodes: marketing, materials acquisition, and manufacturing. Applying the integrated theoretical framework identified the specific economic and institutional drivers behind each operational manifestation.

Case Type 1: Greenwashing in Marketing Communications: Deploying deceptive claims in marketing communications involves utilizing ambiguous terminology to create a sustainable image without making significant operational changes. Projecting this sustainable image functions as a strategic signal to resolve information asymmetry with conscious consumers, a dynamic central to Signaling Theory (Connelly et al., 2011). Resolving this asymmetry through deceptive signals provides the illusion of quality without the independent verification required to be an accurate indicator. The Pakistani brand Khaadi exemplifies this strategy by committing the sin of No Proof, failing to substantiate its "handwoven" heritage claims with verifiable data (Good On You, 2025; Sultana et al., 2024). The Indian retailer Myntra similarly utilizes Vagueness within its "Myntra for Earth" platform, lacking clear environmental criteria (CINK, 2025). Lacking clear criteria allows retailers like Nykaa Fashion to practice the Lesser of Two Evils, promoting eco-edits while signaling virtue within an inherently unsustainable, high-volume fast fashion model.

Case Type 2: Greenwashing in material sourcing: Operating under extreme cost-compliance tensions within this high-volume model forces regional suppliers to navigate conflicting compliance mandates and relentless demands for low costs from global buyers, reflecting the core dilemmas outlined in Stakeholder Theory (Freeman, 1984). Navigating these competing stakeholder demands frequently pushes sourcing nodes to rely on documentary misrepresentation, specifically Fibbing and Worshipping False Labels. The laundering of conventional cotton into the global supply chain through the use of fraudulent 'organic cotton' certifications is one of the most prevalent manifestations of fraud in the global textile industry (Abdulla, 2020; Wicker, 2022). The use of such fraudulent certifications can be used by producers to deceive end-consumers as well as manufacturers within the supply chain about their products thereby eroding trust for all parties involved and undermining the integrity of the entire organic textile industry.

Case Type 3: Greenwashing in Manufacturing Processes: This jeopardized systemic integrity extends directly into

manufacturing processes, where facilities seek to establish symbolic organizational legitimacy. Establishing this symbolic legitimacy allows manufacturers to maintain their "social license to operate" in the eyes of international regulators without disrupting profitable operations, as explained by Legitimacy Theory (Suchman, 1995). Maintaining this license involves a strategic decoupling within manufacturing facilities, where highly visible but low-impact initiatives mask larger industrial harms. The Bangladeshi retailer Aarong illustrates this decoupling through the sin of Hidden Trade-off, eliminating free paper bags while overlooking its massive industrial footprint (Hossain, 2024). Across the region, textile mills consistently advertise fabrics as AZO-free, committing the sin of Irrelevance by presenting strict, pre-existing legal export requirements as voluntary sustainability initiatives (Rahman, 2022; Terra Choice, 2010).

Integrated Synthesis of Theoretical Frameworks and Greenwashing Sins: Presenting basic compliance as virtue underscores a systemic crisis of credibility across the regional supply chain. Table 3 provides an integrated framework mapping the operational stages of the fashion supply chain against their driving institutional theories and corresponding Terra Choice Sins to synthesize these empirical findings.

This synthesis reveals that greenwashing within the regional industry was not a monolithic practice, but rather a highly differentiated, stage-specific strategy. Marketing departments primarily utilized Vagueness and No Proof (Signaling Theory) to manage consumer perceptions and resolve information asymmetry. Sourcing nodes relied on Fibbing and Worshipping False Labels (Stakeholder Theory) to navigate conflicting economic and compliance pressures from global buyers. Manufacturing facilities deployed Irrelevance and Hidden Trade-offs (Legitimacy Theory) to maintain baseline organizational legitimacy without undertaking substantive environmental upgrades. These stage-specific strategies collectively emerge under broader institutional pressures imposed by global regulatory frameworks, validating the overarching influence of Institutional Theory (DiMaggio & Powell, 1983). This theoretical integration suggests that deceptive environmental claims were structurally embedded

Table 3. Presents the integrated mapping of operational stages, theoretical drivers, and corresponding greenwashing sins.

Category	Operational Stage	Related Theory	Primary Greenwashing Sins	Core Mechanism
Marketing	Brand Promotion	Signaling Theory	Vagueness, No Proof	Deceptive signaling to resolve information asymmetry
Sourcing	Raw Material Procurement	Stakeholder Theory	Fibbing, Worshipping False Labels	Deceptive balancing of competing stakeholder demands
Manufacturing	Production Process	Legitimacy Theory	Irrelevance, Hidden Trade-off	Symbolic/superficial conformity to maintain social legitimacy

across the entire value chain, functioning as targeted mechanisms to secure economic survival under intense macro-level scrutiny.

The identification of these specific theoretical drivers and operational tactics provides the necessary empirical foundation to formulate targeted regulatory countermeasures, which are explored in the final section of this study.

Conclusion

The main goal of this research is to investigate the greenwashing phenomenon in South Asia's fashion sector. South Asia has a key role in global garment manufacturing but faces a great deal of mistrust. Addressing this crisis drove the execution of a systematic literature review (SLR) guided by the PRISMA framework, examining a synthesis of peer-reviewed academic articles and verified investigative reports published between January 2020 and December 2025. Synthesizing this dual-source corpus enabled a rigorous classification of deceptive practices using the expanded Terra Choice Seven Sins framework, successfully bridging the gap between theoretical discourse and on-the-ground industrial reality.

Bridging this gap indicates that greenwashing is structurally embedded across the region, driven by the intense conflict between fast fashion's cost pressures and escalating global sustainability mandates. Navigating this conflict manifests in highly differentiated deceptive practices, ranging from the "Vagueness" of undefined retail terms in e-commerce to severe "Fibbing" and "Worshipping False Labels" within raw material sourcing networks. Perpetuating these sourcing frauds parallels manufacturing behaviors, where facilities frequently commit the sin of "Irrelevance" by

framing mandatory legal compliance as voluntary environmental stewardship rather than undertaking genuine ecological innovation.

Undertaking this upstream empirical analysis fundamentally advances the existing literature on corporate environmental deception. While previous studies have predominantly examined greenwashing through a consumer-facing, business-to-consumer (B2C) lens focusing on brand equity and consumer confusion (Delmas & Burbano, 2011; Nyilasy et al., 2014; Parguel et al., 2011), this research expands the discourse by uncovering how these deceptive practices function as business-to-business (B2B) survival strategies. Unlike earlier findings that position greenwashing primarily as a marketing tool to capture price premiums, the current evidence indicates that South Asian suppliers utilize these tactics primarily to navigate conflicting stakeholder demands and maintain foundational supply chain legitimacy.

Maintaining this supply chain legitimacy calls for a robust, multi-stakeholder regulatory approach to restore regional credibility. Restoring this credibility dictates that policymakers urgently standardize sustainability terminology. However, while modeling a regional "Green Claims Directive" after the European Union's framework offers a robust theoretical solution, executing such a mandate across South Asia presents significant feasibility challenges due to fragmented regulatory infrastructures and varying enforcement capacities. Overcoming these capacity constraints necessitates a phased, industry-led approach rather than an immediate top-down legal mandate. Initial efforts should focus on integrating standardized environmental criteria into existing export compliance frameworks, driven collaboratively by local industry consortiums (e.g., BGMEA in Bangladesh) and international buyers. Gradually transitioning from these collaborative frameworks toward binding regional criteria

compels governments to eventually mandate digital traceability for certifications, ensuring that supply chain claims remain verifiable and immune to documentary fraud (Roh, 2026).

Eliminating this documentary fraud incentivizes fashion brands to shift their strategic focus from aesthetic sustainability to substantive operational transparency. Achieving this transparency entails brands moving beyond superficial "image polishing" to instead utilize Signaling Theory to project honest, verifiable quality signals. Projecting these honest signals involves eliminating "No Proof" claims by releasing publicly available third-party audit data and avoiding "Hidden Trade-Offs," where minor operational tweaks are used to conceal larger industrial harms.

While exposing these concealed harms provides critical empirical insights, this study acknowledges specific methodological limitations. Geographic limitations of this study by restricting it to South Asia (India, Bangladesh, Pakistan and Sri Lanka), could be limiting in terms of generalizability to the larger number of global manufacturing centers that have different capacity for institutions. The methodological reliance upon multivocal literature as there is little or no academic literature regarding covert business practices, creates an opportunity for reporting biases. Additionally, excluding all non-English vernacular records could create barriers to understanding complex local nuances. Uncovering these nuanced realities presents clear avenues for future research, which should prioritize primary field audits and the analysis of local-language media to construct a more comprehensive understanding of the regional greenwashing landscape. These limitations ultimately highlight the need to further refine theory-driven empirical investigations into greenwashing within emerging market supply chains.

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