

## Stakeholder Perceptions of Greenwashing in Corporate Social Responsibility

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**Abstract :** The global push toward mitigating climate change has led to the adoption of sustainability practices across various industries, with the food sector receiving particular attention due to its significant contribution to greenhouse gas emissions. Among these initiatives, carbon labels on consumer products have emerged as a promising tool to influence behaviors toward sustainable choices. Communicating sustainability involves a dimension of environmental corporate social responsibility (CSR) that refers to organizations voluntarily integrating responsible practices into their operations, focusing on economic, ethical, and environmental sustainability. Effective CSR enhances stakeholder trust, legitimacy, and reputation, but misalignment between environmental commitments and actual practices can lead to perceptions of greenwashing, resulting in skepticism and reputational harm. This study experimentally tests the effects of carbon labels on perceptions of greenwashing and overall brand evaluations. Environmental labeling, as part of CSR, serves as a signaling tool to demonstrate a company's commitment to sustainability and influence consumer behavior toward eco-conscious choices. Recent studies highlight that increasing the specificity of information in CSR can reduce perceptions of greenwashing. Grounded in Signaling Theory and Legitimacy Theory, this study manipulated information specificity on carbon labels, from low to high across four conditions, in a between-subjects experiment with 400 participants from the state of New York. ANCOVAs were conducted to compare the effects of specificity on greenwashing ( $F(1, 396)=41.85, p<.001$ ) and brand evaluations ( $F(1, 396)=30.31, p<.001$ ), while controlling for pre-existing knowledge of the climate term used in the experiment. It was found that labels with detailed descriptions of the climate initiative were perceived as less misleading and the brand was perceived more positively. To examine whether carbon awareness, or the ecological worldview of the participants, mediated the relationship between information specificity and perceptions of greenwashing and brand evaluations, two mediation analyses were conducted using bootstrapping with 5000 simulations. While the result for the average causal mediation effect on greenwashing was just above traditional thresholds of significance ( $p=.06$ ), the second mediation that examined the effect of specificity on brand evaluations through carbon awareness was significant. This suggests that consumers with higher environmental awareness are more likely to respond positively to detailed carbon labels and supports the idea that providing specific, verifiable information about climate practices can help build trust and reduce skepticism among environmentally conscious consumers. In this study, labeling systems are proposed as mechanisms to enhance transparency, ensuring that stakeholders receive reliable information about products' environmental and ethical performance. Signaling Theory highlights the role of environmental labeling in signaling commitment to environmental responsibilities. Legitimacy Theory underscores the potential for CSR strategies to foster legitimacy. These frameworks inform implications to further explore the dual role of labeling as a signaling mechanism and a strategy for legitimacy maintenance. By addressing gaps in sustainability CSR and mitigating the risk of greenwashing, organizations can better align their sustainability initiatives with stakeholder expectations, fostering trust and driving meaningful environmental change

**Keywords :** corporate social responsibility, greenwashing, public relations, carbon labeling

**Conference Title :** ICCES 2025 : International Conference on Climate and Environmental Sciences

**Conference Location :** Tokyo, Japan

**Conference Dates :** February 24-25, 2025