



## **Greenwashing as Environmental Fraud: Highlighting the Lack of Regulation and Law Enforcement in Indonesia**

**Romansyah Fitra Lebie<sup>1</sup>, Rio Riccha Br. Sihombing<sup>2</sup>**

<sup>1</sup>Faculty of Law, Gorontalo State University, Indonesia. Email: [fitolebi123@gmail.com](mailto:fitolebi123@gmail.com)

<sup>2</sup>Pattimura University, Indonesia. Email: [rioriccabrsihombing@gmail.com](mailto:rioriccabrsihombing@gmail.com)

**Abstract:** Greenwashing is a practice that is increasingly prevalent in Indonesia, along with increasing consumer awareness of environmental sustainability. This phenomenon occurs when companies claim that their products are environmentally friendly, but the claims are not supported by legitimate evidence or are merely a marketing strategy. This article aims to explore the greenwashing phenomenon in Indonesia, identify its impact on consumers and the environment, and analyze the lack of regulation and law enforcement governing sustainability claims. Based on descriptive qualitative research, it was found that greenwashing harms consumers financially and undermines their trust in legitimate sustainability claims. In addition, greenwashing also hinders progress in environmental protection efforts by diverting attention from more effective solutions and reducing the competitiveness of truly green products. The lack of clear regulations and adequate oversight by relevant agencies in Indonesia exacerbates this problem. Therefore, strengthening more specific regulations and stricter law enforcement are urgently needed to create a more transparent market and support true sustainability. This article recommends improved regulations, increased capacity of oversight agencies, and more severe sanctions to address greenwashing practices and support broader environmental protection.

**Keywords:** Greenwashing; Sustainability; Regulation; Supervision; Environmental Impact.

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## 1. Introduction

Greenwashing is a rapidly growing phenomenon, both globally and locally, including in Indonesia. In recent decades, public awareness of environmental sustainability issues has increased, especially among consumers who are more concerned about the impact of the products they consume<sup>1</sup>. Various issues such as climate change, ecosystem damage, pollution, and natural resource degradation have demanded more attention, both from society, government, and the private sector. This phenomenon occurs because more and more companies want to take advantage of the sustainability trend to reap profits without making real efforts to reduce the environmental impact of their products. In other words, greenwashing is a practice utilized by companies to profit from false claims of being environmentally friendly, without any real actions to back up those claims.<sup>2</sup>

Greenwashing first emerged in the late 1980s and has evolved since then along with the growing trend of sustainability and public attention to environmental issues<sup>3</sup>. However, with consumers increasingly choosing products based on sustainability claims, companies began to see an opportunity to capitalize on this market, which created opportunities for greenwashing practices. This has led to the rapid growth of companies advertising their products as environmentally friendly, despite the fact that they are no more environmentally friendly than similar products that do not claim sustainability.<sup>4</sup>

This phenomenon also reflects an imbalance in the market, where companies that genuinely strive to reduce their environmental impact and run sustainable business practices are often at a disadvantage compared to companies that simply make false claims to attract consumers<sup>5</sup>. Greenwashing can ultimately lead to confusion and distrust among consumers seeking to make more sustainable decisions, and this risks undermining global efforts to fight climate change and other environmental issues.<sup>6</sup>

In Indonesia, despite the growing awareness of environmental issues, greenwashing practices are rampant. Products labeled as environmentally friendly or sustainable are

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<sup>1</sup>Sebastião Vieira De Freitas Netto et al., "Concepts and Forms of Greenwashing: A Systematic Review," *Environmental Sciences Europe* 32, no. 1 (December 2020): 19

<sup>2</sup>Pengyu Chen and Abd Alwahed Dagestani, "Greenwashing Behavior and Firm Value - From the Perspective of Board Characteristics," *Corporate Social Responsibility and Environmental Management* 30, no. 5 (September 2023): 2330-43

<sup>3</sup>Marco Ghitti, Gianfranco Gianfrate, and Lorenza Palma, "The Agency of Greenwashing," *Journal of Management and Governance* 28, no. 3 (September 2024): 905-41

<sup>4</sup>Canio Forliano et al., "Mapping the Greenwashing Research Landscape: A Theoretical and Field Analysis," *Review of Managerial Science*, February 24, 2025

<sup>5</sup>Clinton Free, Stewart Jones, and Marie-Soleil Tremblay, "Greenwashing and Sustainability Assurance: A Review and Call for Future Research," *Journal of Accounting Literature*, 2024,

<sup>6</sup>Raynold Sebastian Hasiholan Gultom and Muthia Sakti, "Praktik Greenwashing: Perlindungan Hukum Dan Tanggung Jawab Korporasi Ditinjau Dari Hukum Indonesia," *Jurnal Interpretasi Hukum* 4, no. 3 (2023): 626-41.

gaining popularity, and many companies are competing to meet these market demands with various claims that cannot be justified. Sectors such as organic food, cosmetics, clothing and electronic products are often targeted by greenwashing practices<sup>7</sup>. Companies engaging in this practice rely on a green image to attract consumers who are increasingly concerned with sustainability issues, but unfortunately, such claims are often not supported by legitimate evidence or are not transparent.<sup>8</sup>

In addition, consumer ignorance about sustainability standards and certifications also exacerbates this situation. In Indonesia, many consumers do not have sufficient knowledge on how to assess whether a product's sustainability claims are true or just a marketing strategy. In fact, if consumers had better knowledge about sustainability claims and legitimate certifications, they would be better able to avoid greenwashing products.<sup>9</sup>

Greenwashing can undermine global efforts to address climate change and other environmental issues. When companies focus on marketing green claims without any real effort to improve their production processes, it distracts from truly effective solutions and reduces the competitiveness of truly green products. In addition, people who feel deceived by these false claims will be increasingly skeptical of sustainability claims in the future, which could ultimately lower people's awareness of the importance of sustainability itself.<sup>10</sup>

Indonesia, as a developing economy that relies heavily on natural resources, faces major challenges in natural resource management and environmental protection. Sectors such as agriculture, forestry and fisheries in Indonesia are major contributors to the country's economy, but often operate with environmentally unfriendly practices<sup>11</sup>. In this context, the application of sustainability principles is essential, both to protect the environment and to create a better future for generations to come.

However, the lack of clear regulations regarding greenwashing in Indonesia is a major problem that makes this phenomenon flourish without adequate supervision. Some existing regulations do cover consumer protection and environmental management, but

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<sup>7</sup>Alifia Jasmine, "Tinjauan Yuridis Tindakan Greenwashing Oleh Lembaga Perbankan Di Indonesia Berdasarkan Prinsip Esg Dan Hukum Nasional," *Jurnal Darma Agung* 32, no. 5 (2024): 394-404.

<sup>8</sup>N. A. Lestari, "Perlindungan Hukum Bagi Investor Green Bond Terhadap Risiko Greenwashing," *Skripsi, Kementerian Riset Teknologi Dan Pendidikan Tinggi Universitas Brawijaya Fakultas Hukum Malang*, 2019,

<sup>9</sup>Tetyana Pimonenko et al., "Green Brand of Companies and Greenwashing under Sustainable Development Goals," *Sustainability* 12, no. 4 (2020): 1679.

<sup>10</sup>Marta Pizzetti, Lucia Gatti, and Peter Seele, "Firms Talk, Suppliers Walk: Analyzing the Locus of Greenwashing in the Blame Game and Introducing 'Vicarious Greenwashing,'" *Journal of Business Ethics* 170, no. 1 (April 2021): 21-38

<sup>11</sup>Robin M. Rotman, Chloe J. Gossett, and Hope D. Goldman, "Greenwashing No More," *Administrative Law Review* 72, no. 3 (2020): 417-43.

these regulations are not specific enough to address the issue of unsupportable environmental claims or greenwashing directly<sup>12</sup>. Oversight conducted by agencies such as the Food and Drug Administration (BPOM) or the Ministry of Environment and Forestry (KLHK) is still very limited and does not include oversight of sustainability claims as a whole.<sup>13</sup>

Without clear regulations and strict law enforcement, the greenwashing phenomenon in Indonesia will not be stopped. Therefore, it is crucial to identify the main causes of this greenwashing practice and find solutions that can be implemented to overcome the problem. This article aims to explore more about greenwashing in Indonesia, analyze the factors that cause it, and provide recommendations related to strengthening regulations and more effective law enforcement.

## 2. Methods

This research uses a descriptive qualitative approach to explore the phenomenon of greenwashing in Indonesia, with a focus on analyzing greenwashing cases, their impact on corporate reputation and consumer perceptions, as well as the effectiveness of regulations and law enforcement related to sustainability claims.<sup>14</sup>. The methods used include case studies to identify the companies involved, interviews with legal experts, environmental activists, and consumer protection agencies to understand challenges in law enforcement, as well as analysis of existing regulations and policies, including the role of BPOM and KLHK. In addition, this research also reviewed literature related to greenwashing and sustainability to provide a more comprehensive view.

## 3. The Greenwashing Phenomenon in Indonesia

Greenwashing is a practice that capitalizes on consumers' growing awareness of environmental issues, especially in developing countries like Indonesia. On the one hand, this increased awareness creates new market opportunities for products that are considered more environmentally friendly<sup>15</sup>. On the other hand, it also opens a loophole for the practice of manipulation or false claims related to sustainability known as greenwashing. Basically, greenwashing occurs when a company or organization makes claims that do not correspond to reality about the environmental impact of their products or services. In many cases, these claims are made simply as a marketing strategy without

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<sup>12</sup>Célia Santos, Arnaldo Coelho, and Alzira Marques, "A Systematic Literature Review on Greenwashing and Its Relationship to Stakeholders: State of Art and Future Research Agenda," *Management Review Quarterly* 74, no. 3 (September 2024): 1397–1421

<sup>13</sup>Lestari, "Perlindungan Hukum Bagi Investor Green Bond Terhadap Risiko Greenwashing."

<sup>14</sup>Zainudin Ali, *Metode Penelitian Hukum* (Jakarta: Sinar Grafika, 2021).

<sup>15</sup>Budi Santoso and David ML Tobing, "Mengkriminalisasi Greenwashing: Menjawab Tantangan Perlindungan Konsumen Di Era Keberlanjutan: Criminalizing Greenwashing: Addressing Consumer Protection Challenges in the Era of Sustainability," *LITIGASI* 26, no. 1 (2025): 102–37.

any real effort to improve the production process or the environmental impact of the product.<sup>16</sup>

In Indonesia, the greenwashing phenomenon is becoming increasingly significant as demand for products that are considered more environmentally friendly grows. Some of the sectors affected by greenwashing in Indonesia include organic food products, cosmetics, electronic goods, and products that use recycled materials<sup>17</sup>. Demand for these products is increasing as consumers are more concerned with sustainability issues and environmental impact<sup>18</sup>. However, many of the companies capitalizing on this trend are not actually working to reduce the environmental impact of their operations, but are simply making unverified or non-existent claims. Claims such as "organic," "eco-friendly," or "sustainable" often have no clear basis and are not backed up with any verifiable evidence.<sup>19</sup>

This greenwashing phenomenon is particularly dangerous because it can deceive consumers who are increasingly aware of the importance of sustainability. They pay more for products that they believe have a lower environmental impact, but in reality, they are no better than other products that do not claim sustainability<sup>20</sup>. This creates unfairness for consumers and harms companies that genuinely strive to have environmentally friendly business practices. Greenwashing also undermines collective efforts to tackle climate change and wider environmental damage, as these false claims distract from concrete actions that can be taken to reduce negative impacts on the planet.<sup>21</sup>

One of the main forms of greenwashing in Indonesia is unproven "organic" claims, which are often found in food and cosmetic products. Many products are labeled "organic" or "natural," but these claims are often not backed up with official certification or proof of verification from recognized institutions. Legitimate organic certification is usually granted by institutions or regulatory bodies that have strict standards, such as USDA Organic in the United States or EU Organic in Europe. However, in Indonesia, products that claim to be organic often lack legitimate certification, and most of these claims are

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<sup>16</sup>Szerena Szabo and Jane Webster, "Perceived Greenwashing: The Effects of Green Marketing on Environmental and Product Perceptions," *Journal of Business Ethics* 171, no. 4 (July 2021): 719–39,

<sup>17</sup>Ida Ayu Saras Valendia and Mustika Sufiati Purwanegara, "Greenwash Online Marketing: Does Indonesian Gen-Z Still Have The Intention To Repurchase Green Products?," *Indonesian Journal of Business and Entrepreneurship (IJBE)* 8, no. 3 (2022): 397–397.

<sup>18</sup>Riccardo Torelli, Federica Balluchi, and Arianna Lazzini, "Greenwashing and Environmental Communication: Effects on Stakeholders' Perceptions," *Business Strategy and the Environment* 29, no. 2 (February 2020): 407–21

<sup>19</sup>Yue Wu, Kaifu Zhang, and Jinhong Xie, "Bad Greenwashing, Good Greenwashing: Corporate Social Responsibility and Information Transparency," *Management Science* 66, no. 7 (July 2020): 3095–3112,

<sup>20</sup>Dinar Yoga Baskoro Aji and Zainal Alim Adiwijaya, "Systematic Literature Review: Greenwashing and Its Impacts on Sustainability and Corporate Practices," *Jurnal Bisnis Mahasiswa* 5, no. 2 (2025): 536–48.

<sup>21</sup>Zhi Yang et al., "Greenwashing Behaviours: Causes, Taxonomy and Consequences Based on a Systematic Literature Review," *Journal of Business Economics and Management* 21, no. 5 (2020): 1486–1507.

only used as a marketing strategy to attract environmentally-conscious consumers<sup>22</sup>. For example, food products claim to use organic ingredients when only a fraction of the ingredients are organically produced. In fact, some of these products are produced using harmful chemicals or processed by methods that harm the environment. Consumers who rely on these organic claims run the risk of buying products that are actually no more environmentally friendly than other products.

In addition, the unauthorized use of environmental labels and symbols is also a form of greenwashing that is widely found in Indonesia. Many products are labeled as "eco-friendly," "green," or "sustainable" without any clear basis or accountable standards. These labels are often attached without any legitimate certification or testing conducted by authorized institutions. For example, some products use the "eco-friendly" label even though there is no concrete evidence to show that the product is actually environmentally friendly. This causes confusion among consumers, who find it difficult to distinguish truly sustainable products from those that rely solely on false claims.<sup>23</sup>

Unverified carbon emission reduction claims are also a big problem in the context of greenwashing in Indonesia. Many companies claim that they have reduced their carbon footprint, but there is no clear evidence or verifiable data to support such claims. Such claims are often made to create an environmentally friendly corporate image without any substantial changes in their production processes.<sup>24</sup>. For example, a company may claim that they are reducing carbon emissions by replacing some old equipment or improving energy efficiency, but they do not verify these claims through independent audits or legitimate certifications<sup>25</sup>. Therefore, consumers who buy products with such claims may feel they have chosen an environmentally friendly product, when in reality the product is no better than similar products that do not claim sustainability.

These three forms of greenwashing, namely unproven "organic" claims, unauthorized use of environmental labels, and unverified carbon emission reduction claims, can deceive consumers and undermine their trust in legitimate sustainability claims. In addition, this greenwashing phenomenon hinders global and national efforts to address larger environmental issues, such as climate change and ecosystem destruction. When companies make false claims without a clear basis, they divert attention from genuinely

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<sup>22</sup>Magdalena Ziolo, Iwona Bąk, and Anna Spoz, "Literature Review of Greenwashing Research: State of the Art," *Corporate Social Responsibility and Environmental Management* 31, no. 6 (November 2024): 5343–56,

<sup>23</sup>Bunga Amallia, Alivia Meyrizka Utami, and S. Suparmono, "The Influence of Greenwashing on Green Purchase Behavior Using Expectations Confirmation Theory," *Wahana: Jurnal Ekonomi, Manajemen Dan Akuntansi* 28, no. 1 (2025): 59–74.

<sup>24</sup>Ni Putu Bayu Widhi Antari and Daniel Connell, "Tukad Bindu in Bali, Indonesia: Ecotourism or Greenwashing?," *International Journal of Tourism Cities* 7, no. 4 (2021): 1049–75.

<sup>25</sup>Fety Widiarti Aptasari, Ni Putu Ari Aryawati, and Muhammad Helmi Falah, "Identifikasi Greenwashing Atau Greenwishing Pada Perusahaan Retail Di Indonesia: Evaluasi Laporan Keberlanjutan," *Jurnal Kebijakan Pembangunan* 19, no. 2 (2024): 301–22.

environmentally friendly products, as well as hinder progress in creating more sustainable solutions.<sup>26</sup>

#### 4. Impact of Greenwashing on Consumers and the Environment

Greenwashing, while it may seem like a profitable marketing trick, actually has a huge negative impact on consumers. For consumers, the first and most obvious impact is financial. When consumers buy products with sustainability or eco-friendly claims, they often expect that the price they pay reflects more value for the planet - a product that has a positive impact on the environment, is healthier and safer to use.<sup>27</sup> However, in reality, they are often deceived by false claims that are not supported by adequate evidence. They may buy a more expensive product believing that it is more environmentally friendly, but in reality it is no different from other cheaper, more conventional products.<sup>28</sup>

For example, cosmetic products that claim to be free of harmful chemicals, but after further analysis, the products actually contain harmful chemicals such as parabens, sulfates, or phthalates that can cause damage to the skin or body<sup>29</sup>. The same applies to food products that claim to be organic, but are actually produced using conventional methods that damage the environment, using synthetic chemicals or pesticides that do not fit the definition of a true organic product. Consumers thus feel cheated and buy products that do not meet their expectations, ultimately leading to significant financial losses. Consumers pay more for products that turn out to be no better, neither for their health nor for the environment.<sup>30</sup>

In addition to financial losses, the impact of greenwashing on consumers also includes the erosion of trust in sustainability claims as a whole. When consumers feel deceived by false claims, they tend to become more skeptical of other sustainability claims. This loss of trust stems from the fact that the claims presented cannot be substantiated or verified, leading consumers to doubt the veracity of similar claims found on other products. When consumers are unable to distinguish between legitimate and illegitimate claims, it creates

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<sup>26</sup>Agustina Fitrianingrum and Selly Celsya, "Greenwashing, Does It Work Well for Indonesian Millennial Buyers?," in *International Conference on Management, Accounting, and Economy (ICMAE 2020)* (Atlantis Press, 2020), 157-62

<sup>27</sup>A. Garad et al., "Unveiling Greenwashing in Indonesia's Fintech Sector: Perspectives of Consumers and Industry Professionals," *J. Green Econ. Low-Carbon Dev* 3, no. 2 (2024): 56-68.

<sup>28</sup>Gultom and Sakti, "Praktik Greenwashing."

<sup>29</sup>Aura Ning Istanti and Inosentius Samsul, "Analysis of Greenwashing Policy in Providing Consumer Protection in Indonesia in View of Act Number 8 of 1999 Concerning Consumer Protection," *DE LEGA LATA: Jurnal Ilmu Hukum* 8, no. 1 (2023): 8-16.

<sup>30</sup>Paramita Prananingtyas and Retno Catur Wulan, "Regulation Urgency of the Misleading 'Greenwashing' Marketing Concept in Indonesia," in *IOP Conference Series: Earth and Environmental Science*, vol. 1270 (IOP Publishing, 2023), 012007

confusion and distrust towards industries that claim to be sustainable or environmentally friendly.

Furthermore, in the long run, the impact of greenwashing can lead to a decline in consumer interest in products that are truly environmentally friendly. When consumers feel that sustainability claims are just a front to boost sales without providing any real benefits to the environment, they may feel reluctant to buy products that claim to be environmentally friendly in the future<sup>31</sup>. This has the potential to undermine progress in sustainability efforts, as consumers who initially cared about environmental issues may lose interest and switch to cheaper products, even if they do not have the desired environmental qualities.

In addition to its obvious impact on consumers, greenwashing also has a major impact on the environment. This phenomenon stalls progress towards truly sustainable practices, as companies that rely on false claims without any real effort to reduce their environmental impact can continue to operate without substantive changes to their production processes. The biggest impact generated by greenwashing is the waste of resources that could be used for real sustainable solutions.

For example, companies that claim to reduce their carbon footprint without conducting accurate calculations or without changing their operational practices could potentially continue to produce significant amounts of pollution and carbon emissions. They may make small changes that do not cover their entire supply chain or production. While carbon emission reduction claims are marketed to create an environmentally friendly image, without any legitimate audits or independent measurements, they remain unaccountable and make no real contribution to global carbon emission reductions.<sup>32</sup>

Greenwashing also hinders the adoption and development of truly green technologies. Resources that could be spent on research and development (R&D) to create sustainable solutions-such as renewable energy technologies, more efficient production processes, or waste reduction-are often diverted to marketing and reinforcing unsubstantiated sustainability claims.<sup>33</sup>. For example, if companies spend more on marketing campaigns to prove that their products are environmentally friendly, rather than investing in green technology innovations or improving their production processes, this will hinder greater progress in dealing with climate change, ecosystem damage and other environmental issues.

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<sup>31</sup>Andri Faizal Priyanto and Agus Bandiyono, "The Impact of Greenwashing on Sustainability Investment and the Role of Social Audit in the Implementation of Social Responsibility," *JAE (JURNAL AKUNTANSI DAN EKONOMI)* 9, no. 3 (2024): 22-31.

<sup>32</sup>Ibid.

<sup>33</sup>Sena Pradipta, "Greenwashing as Public Policy Problems: Reflections from Indonesia," 2023,

The resources wasted on marketing these false claims also exacerbate the problem of pollution and environmental damage. When companies focus more on image than making real changes in their production processes, they do not reduce their environmental footprint, and in some cases, they may even produce more pollution and waste. As a result, while these companies make green claims, the reality is that they are not contributing to a real improvement in the environmental situation. This makes it difficult for businesses that are truly committed to reducing their impact, such as companies that invest in green technology or renewable energy, to compete as other companies use greenwashing to gain market advantage without implementing sustainable policies or innovations where they should.

## 5. Regulation and Law Enforcement in Indonesia

One of the main factors leading to the proliferation of greenwashing practices in Indonesia is the lack of clear regulations and effective law enforcement regarding sustainability claims. Although Indonesia has several laws governing consumer protection, such as the Consumer Protection Law (UUPK), these laws do not specifically regulate environmental claims or greenwashing. This leads to companies being able to easily issue unsupportable claims without being penalized.<sup>34</sup>

In Indonesia, oversight of sustainability claims by regulatory agencies such as the Food and Drug Administration (BPOM) or the Ministry of Environment and Forestry (MoEF) is limited. These agencies have the responsibility to oversee sustainability and environmental management claims, but their capacity to oversee and enforce these claims is minimal. Many products claim to be environmentally friendly, but without any evidence or legitimate testing. This shows that oversight of sustainability claims in Indonesia is still very weak and requires more significant strengthening.<sup>35</sup>

The lack of specific regulations regarding sustainability claims is one of the main reasons why greenwashing practices can flourish without adequate oversight<sup>36</sup>. Therefore, it is important to introduce clearer regulations that address sustainability claims and greenwashing in detail. These regulations should require any claims related to sustainability or environmental friendliness to be justified and supported by legitimate

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<sup>34</sup>Jasmine Raihana and Mustika Sufiati Purwanegara, "Exploring the Impact of Perceived Greenwashing on Repurchase Intention of Green Personal Body Care Products," *Indonesian Journal of Business and Entrepreneurship (IJBE)* 9, no. 1 (2023): 152-152.

<sup>35</sup> Alexandra Donna Louisa and Eristia Lidia Paramita, "Indonesians' Greenwashing Perception Towards Fast Fashion," *Asian Journal of Research in Business and Management* 5, no. 1 (2023): 75-80.

<sup>36</sup> Khoirun Nisa and Ersi Sisdianto, "Greenwashing in Environmental Accounting Perspective: A Qualitative Study of Corporate Sustainability Reporting Practices," *JOURNAL OF ECONOMICS, MANAGEMENT, BUSINESS AND ACCOUNTING* 2, no. 1 (2025): 653-68.

evidence, such as certifications from recognized institutions or tests conducted by independent third parties.

To address the issue of greenwashing in Indonesia, strengthened regulations and stricter law enforcement are needed. The current regulations are not specific and detailed enough in regulating sustainability claims. Therefore, it is imperative to introduce clearer and more detailed regulations regarding sustainability claims. These regulations should stipulate that any claims regarding sustainability or environmental friendliness must be justified with valid evidence and verified by authorized institutions.<sup>37</sup> .

Increasing the authority of regulatory agencies such as BPOM and MoEF is also urgently needed. These agencies should be given more resources and capacity to conduct oversight of sustainability claims in the market. More severe sanctions against companies found to be greenwashing will have a strong deterrent effect and encourage companies to be more transparent and responsible in making sustainability-related claims. In addition, supervisory agencies need to be provided with training and capacity building in terms of monitoring sustainability claims. By doing so, they can conduct more effective and timely oversight, and provide more accurate decisions in assessing sustainability claims circulating in the market. This stricter oversight will not only benefit consumers seeking truly sustainable products, but will also create a more transparent and fair market for companies committed to true sustainability.

With stricter regulations, more transparent oversight and tougher law enforcement, Indonesia can create a fairer market for consumers and responsible companies. Stricter regulations will help tackle greenwashing practices, which in turn will support broader and more sustainable environmental protection efforts.

## **6. Conclusion**

Greenwashing is a practice that harms both consumers and the environment, as unaccountable sustainability claims often deceive consumers and hinder real efforts to reduce environmental impacts. The lack of specific regulations and strict law enforcement in Indonesia exacerbates this phenomenon, allowing companies to issue false claims without meaningful consequences. Therefore, it is important to introduce clearer and more detailed regulations on sustainability claims, increase supervision by relevant agencies, and impose heavier sanctions on greenwashing practices, in order to create a more transparent market that supports true sustainability.

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<sup>37</sup> Louisa and Paramita, "Indonesians' Greenwashing Perception Towards Fast Fashion."

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