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**RESEARCH ARTICLE**

**IS IT REALLY GREEN? A CROSS-JURISDICTIONAL ANALYSIS OF GREEN CLAIMS IN INDIA AND INTERNATIONAL JURISPRUDENCE**

Sonia Maan

1. Assistant Professor, Vivekananda Institute of Professional Studies, Technical Campus, Delhi, India.

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**Abstract**

In the recent times, the concept of green claims has garnered enough attention in the sustainability market which has raised concern regarding false environment claims and deceptive sustainability claims. There are ongoing rising risks regarding green claims which are due to the semantically vague environmental terminology. The term greenwashing is a practice of advertising products or services as environment-friendly or claiming to be sustainable, but they are not in reality. These green claims affect the decision making of the consumers as they rely on linguistic cues and are often misled by these claims. Deceptive claims are not limited to the environmental impact rather it has a broader element of ESG performance metrics. Situating the discussion within the consumer in Transition, the paper foregrounds the role of digital interfaces—online marketplaces, social media influencers, algorithmic curation and personalized ads in shaping how consumers encounter and interpret sustainability claims. The paper makes an attempt to analyze the legal and regulatory framework in addressing the greenwashing claims in an increasingly date driven and digital marketplace in India and having jurisdictions like UK, USA, Australia and Singapore as comparative benchmarks. The paper addresses core questions of effect veness of legal framework in responding to green claims in the platfo m-mediated and online marketplace when compared with international counterparts and what gaps exists in the legal and regulatory framework and what best practices can be adopted in India from the international jurisdictions. The paper undertakes doctrinal analysis of the consumer protection framework along with advertising and environmental regulations in India and international jurisdictions.

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The paper presents enforcement challenges and argues that India has a framework and guidance on green claims, it lacks specialized, digital-aware guidance and proactive enforcement. The paper further proposes a framework specifically tailored to digital marketplace and online platforms with the aim of fostering genuinely sustainable, trustworthy future markets for consumers in transition. There is a need to have proper guiding policies, enforcement systems, public sensitization, and the need for international cooperation so as to ensure that better policies are

**Corresponding Author:-**Sonia Maan

**Address:-**Assistant Professor, Vivekananda Institute of Professional Studies, Technical Campus, Delhi, India.

crafted in the improvement of greenwashing regulations for the real enhancement of sustainability globally. Ultimately, the paper presents proposed recommendations for enhanced consumer protection laws and setting industry standards to promote transparency and accountability.

### **Introduction:-**

The environmental issues are increasing at an alarming rate grappling countries world over. In the contemporary sustainable market structure, the consumers are becoming aware of the environmental harms which in a way is impacting the purchasing decision of the consumers. The consumers are relying on linguistic cues and this increase in consciousness has encouraged the demand for sustainable green products and services, pushing the companies and the industries to focus more on their environment performance, not only at company level but also all throughout supply chain.<sup>1</sup>This has given rise to the concepts of Corporate Social Responsibility and Sustainable Development. According to Brundtland Report, Sustainable Development is a development which meets the needs of the present generation without compromising on the needs of future generations<sup>2</sup>, whereas CSR is a concept in which companies balance their social and economic development in their business operations. However, this shift towards sustainability has brought forth new trouble in the marketplace, which is greenwashing. Greenwashing thrives on linguistic vagueness. It is a concept where companies in order to capitalize on the sustainability trend, engage in exaggeration or fabricating claims about the sustainable or environment friendly benefits their products or services have in the market. This term was first coined by Jay Westerveld in the year 1986 in the essay titled as ‘The Greening of Corporate America’.<sup>3</sup>In the given essay, Westerveld has rebuked hotels for asking the guests to reuse their towels in order to save the environment, though the underlying purpose was to save cost on laundry. Westerveld confirms this as a case of greenwashing and that companies are making environmental claims to advertise their products without reducing environmental impact in reality. Since then, companies are rebranding their image as sustainable to remain relevant in the market.

But the question is, do consumers care about sustainability?<sup>4</sup>The joint study by Mckinsey and NeilsenIQ, reported that around 68% of the consumers would pay extra for sustainable packaging and around 70% US consumers like a more sustainable lifestyle. Greenwashing is a situation where a company gives the public a false perception about how its products are environmentally friendly than they really are. For instance, a firm may establish a brand that focuses on a small aspect of environmental protection on a certain manufactured good while at the same time releasing information that harms the environment in other areas or use famous unregulated terms such as ‘organic’ or ‘green’ with no specific guidelines on sustainable practices.<sup>5</sup>Since consumers are buying green products, emotions play a significant role in green marketing. The advertisers play with the consumers mind by making the advert design to influence the consumers. The concept of green market is mushrooming, with that the interplay of consumer protection and greenwashing is crucial as deceptive sustainable claims can erode the consumers trust in green market.<sup>6</sup>It seems, self-regulation by the companies won’t have any effect unless public opinion paired with government regulations put pressure on the firms to be considerate towards sustainability.<sup>7</sup>Ethical advertising keeps the consumers’ confidence in the products they buy and ensures that the relative businesses compete fairly. Green products are considered to be more environment friendly than the traditional products.<sup>8</sup>As it stands, if the laws that govern consumer protection are lax, then firms will continue to use green narratives to their benefits, using vague

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<sup>1</sup>Inês, A., A. Diniz & A.C. Moreira, A Review of Greenwashing and Supply Chain Management: Challenges Ahead, CLEANER ENVIRON. SYST. (2023).

<sup>2</sup>World Commission on Environment and Development, Our Common Future, U.N. Doc. A/42/427 (1987).

<sup>3</sup>K. Becker-Olsen & S. Potucek, Greenwashing, in Encyclopedia of Corporate Social Responsibility (S.O. Idowu et al. eds., 2013), [https://doi.org/10.1007/978-3-642-28036-8\\_104](https://doi.org/10.1007/978-3-642-28036-8_104).

<sup>4</sup>McKinsey & Co., Consumers Care About Sustainability—and Back It Up with Their Wallets (Feb. 6, 2023), <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumers-care-about-sustainability-and-back-it-up-with-their-wallets> (last visited Nov. 14, 2025).

<sup>5</sup>S.V.F. Netto et al., Concepts and Forms of Greenwashing: A Systematic Review, 32 ENVTL. SCIS. EUR. 1 (2020).

<sup>6</sup>Magali A. Delmas & Vanessa C. Burbano, The Drivers of Greenwashing, 54 CAL. MGMT. REV. 64 (2011), <https://doi.org/10.1525/cmr.2011.54.1.64>.

<sup>7</sup>D. Kolcava, Greenwashing and Public Demand for Government Regulation, J. PUB. POL’Y (2022).

<sup>8</sup>J. Matthes, A. Wonneberger & D. Schmuck, Consumers’ Green Involvement and the Persuasive Effects of Emotional Versus Functional Ads, 67 J. BUS. RES. 1885 (2014), <https://doi.org/10.1016/j.jbusres.2013.11.054>.

adjectives enabling greenwashing having lack of quantification, lack of temporal boundaries and lack of standardised benchmarks, ultimately jeopardizing consumer integrity and genuine environmentally friendly practices. Having robust framework enlightens the consumers to make better choices in a market wherein actual sustainability initiatives can be rewarded.<sup>9</sup>

For the purpose of this research, the greenwashing is understood in terms of misleading practices, representations, omissions in trade or commerce that concerns the environmental performance or broader impact of product or service or business activity. Within consumer law, greenwashing is a species of misleading advertisement or unfair trade practice, distinguished by the subject-matter of environmental claim. The term is also used in corporate jurisprudence, where brands, labels, reports, disclosures create an unjust impression of meeting environmental claims, regulatory standards, etc. Thus, greenwashing may not only violate consumer laws but can also affect the environmental laws. The paper primarily adopts the consumer-law perspective, while acknowledging these overlaps.

### **Consumer Perception, Linguistic Misalignment and Impact of Greenwashing on Consumers:-**

The environment friendly claims are significantly influencing the consumer's perception in the market. Products with labels such as 'Eco-friendly', 'organic' and 'fair trade' creates cognitive biases amplified by vague language. Greenwashing can have significant impact on the consumer's purchasing decisions, trust, or buying behavior. It is a calculated effort<sup>10</sup> and an intentional deceit.<sup>11</sup> The needs and perception of today's consumer in transition is different and can be analyzed with behavioral economics. Consumers prefer to choose environment friendly products in the market, but they exercise this rationality under information asymmetry. When we talk about environmental performance, it is difficult to verify the credibility, as it involves life cycle assessments, experts opinion etc. which consumers do not possess. Thus, with this kind of information asymmetry and faced with complexity, consumers depend on heuristics like labels, colors, buzzwords like green, organic, eco-friendly supplied by either social media influencers, e-commerce platforms or digital/non-digital advertisements. In this sense, the consumer in transition is not merely one whose values are changing, but one whose pro-sustainability preferences are systematically exploited through greenwashing.

A behavioral-economics lens thus underscores why traditional assumptions of fully informed, rational choice are untenable, and why consumer-protection law must address both misleading content and the technological structures that shape how sustainability information is perceived and used. Further, consumer these-days are pro-active and there are many cases of consumer responses to greenwashing, a typical example is the McDonald fast-food chain whose decision to replace straws with the paper types occurred in 2019.<sup>12</sup> While this was portrayed as an environmentally sensitive exercise, it was shocking that the new straws were not recyclable as was the case with the plastic versions. Recently, in September 2024, McDonald's was again in news for greenwashing claims. It launched 'multi-millet' bun claiming to be real food in collaboration with Central Food Technological Research Institute and promoted by Chef Sanjeev Kapoor who carries the image of creating healthy recipes. NAPI (India), (Nutrition Advocacy in Public Interest) think tank group, rebuked this initiative as it raises ethical concerns. McDonald is based on a model of promoting junk food and this idea of multi-millet bun (healthy real food) is just a greenwash to improve company's image. NAPI countered that despite adding millets in the bun, the burger remains an unhealthy option to eat in comparison to whole foods.<sup>13</sup>

<sup>9</sup>M.D.T. de Jong, G. Huluba & A.D. Beldad, Different Shades of Greenwashing: Consumers' Reactions to Environmental Lies, Half-Lies, and Organizations Taking Credit for Following Legal Obligations, J. BUS. & TECH. COMM. (2019), <https://doi.org/10.1177/1050651919874105>.

<sup>10</sup>L. Mitchell & W. Ramey, Look How Green I Am! An Individual-Level Explanation for Greenwashing, 12 J. APPLIED BUS. & ECON. 40 (2011), <https://ssrn.com/abstract=2409956>.

<sup>11</sup>G. Nyilasy, H. Gangadharbatla & A. Paladino, Perceived Greenwashing: The Interactive Effects of Green Advertising and Corporate Environmental Performance on Consumer Reactions, 125 J. BUS. ETHICS 693 (2014), <https://doi.org/10.1007/s10551-013-1944-3>.

<sup>12</sup>McDonald's Paper Straws Cannot Be Recycled, BBC NEWS (Aug. 9, 2019), <https://www.bbc.com/news/business-49234054> (last visited Nov. 14, 2025).

<sup>13</sup>Sumit Jha, Why Is NAPI Accusing McDonald's of Greenwashing, Condemning CSIR-CFTRI Collaboration?, THE SOUTH FIRST (Sept. 8, 2024), <https://thesouthfirst.com/health/why-is-napi-accusing-mcdonalds-of-greenwashing-condemning-csircftricolaboration/#:~:text=NAPI%20alleges%20greenwashing&text=In%20its%20statement%2C%20NAPI%20also,a%20false%20sense%20of%20healthiness> (last visited Nov. 14, 2025).

H&M and Decathlon were also involved in a greenwashing. Similarly, Starbucks also received backlash with their concept of the “straw-less lid”, which was aimed at cutting down on the use of plastic.<sup>14</sup> Coca-Cola, a company occasionally characterized as environmentally friendly, was once taken to court by the Earth Island Institute for green-washing.<sup>15</sup>

However, the greenwashing doesn't just limit itself to physical contours, with the proliferation of digital markets, consumers have encountered different ways of selecting sustainable products, through online advertisements, social media presence, algorithm and automated decision and user app interfaces. E-commerce platforms are becoming the first choice for consumers to purchase goods and services, and large platforms often create a separate sections on their webpage stating ‘sustainable items’, green living’ etc, and allowing sellers on their platforms to tag organic, natural, eco-friendly products. There are filters and badges to show ‘sustainable products’ that in a way support the narratives on greenwashing. E-commerce platforms or online marketplaces are not really separating the wheat from the chaff, because they are relying on the self-declaration of the sellers. A small manufacture or reseller, may promote their product as ‘green’ without robust evidence, like certification etc just to take unjust enrichment. Given the fact that there is a supply chain, a product can be termed as sustainable, merely because packaging of the product was recycled, leaving the production process highly polluted. Further, rankings and search results play an important aspect in driving the reach for the sustainable products through paid promotions. The platform's commercial interests thus interact with green narratives in ways that are rarely transparent to users, further distorting the informational environment.

When we talk about social media influence, it adds another layer of complexity. Though disclosure requirements are put in place by the ASCI for the influencers, still, personal narratives are set for the brands, where a product is shown as ‘green’ by the popular influencer, the consumers would be curious to try that product even though, in rhetorical terms, it is presented as a genuine sustainable product. Yet these posts are frequently sponsored or otherwise commercially motivated, and the sustainability claims embedded within them may be thinly substantiated or entirely derivative of brand messaging. Even when sponsorship is acknowledged, the underlying environmental assertions may go unexamined because influencers rarely have the expertise or resources to verify life-cycle impacts, and brands have incentives to supply pre-packaged green narratives.

Algorithmic personalisation sets false green narratives too, targeting those consumers who promote sustainable activism, are a lucrative segment for brands, creating an echo chamber of green narratives. algorithmic optimisation prioritises engagement, not accuracy. The emergence of generative AI and automated content-creation tools adds another dimension to digital greenwashing. Manufactures, brands or sellers can easily use AI to generate green posts, product description, images, emphasising on their green themes. Without restrictions, they are capable of pushing a false green product, without embedding the nuance or caveats required for accurate claims. At scale, this capability means that thousands of product listings or ads can be automatically infused with soft environmental language, making green narratives omnipresent yet thin. Likewise, AI chatbots and virtual bots raises new concerns. A question asked by a consumer on an e-commerce platform to suggest eco-friendly product, a bot simply can answer based on biased datasets or unevidenced green products. Unless robust guardrails are in place, the bot could confidently recommend products whose environmental claims are overstated or unsubstantiated, effectively automating greenwashing under the guise of neutral advice.

Taken together, green claims can pose a significant risk to the economy and the challenge for the regulators and policymakers is to develop legal framework that can address platform-design, data driven targeting, and automated content generation that increase the acts of greenwashing in digital era. The below section takes us to the legal and regulatory framework governing greenwashing.

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<sup>14</sup>Jiya John Parayil, Greenwashing Unveiled: A Global and Indian Perspective on Deceptive Environmental Practices, 6 J. FOR REATTACH THERAPY & DEV. DIVERSITIES 1771 (2023), <https://doi.org/10.53555/jrtdd.v6i10s.2318>.

<sup>15</sup>F. Bernini & F. La Rosa, Research in the Greenwashing Field: Concepts, Theories, and Potential Impacts on Economic and Social Value, J. MGMT. & GOVERNANCE (2023).

### **Regulatory Framework For Combating Greenwashing:- India:-**

India until recently did not have a dedicated law regarding green claims, however, it is the Consumer Protection Act 2019 which is a well-rounded enigma aimed at protecting the consumers and checking the authenticity of business claims of being environment friendly. The Consumer Protection Act 2019 controls misleading advertisements and unfair trade practices, which is the genus of greenwashing. This Act laid the foundation of the Central Consumer Protection Authority (CCPA) for the promotion, protection, and enforcement of consumer rights under section 10 of the Act. The CCPA, amongst its key provisions, directs itself towards the banning of the misrepresentation of advertisements, of which environmental claims form part of. The CCPA in its power has issued Guidelines for 'Prevention and Regulation of Greenwashing and Misleading Environmental Claims' in January 2024.<sup>16</sup> The Guidelines have provided clear definitions of greenwashing and environmental claims. These guidelines are applicable to all environmental claims and to manufacturers, service providers, or traders whose products or services are the subject of advertisement or applies to advertising agency or endorser whose services are availed for such advertisement of goods, products, or services. Clause 2(f) defines greenwashing as "Greenwashing" means- (i) any deceptive or misleading practice, which includes concealing, omitting, or hiding relevant information, by exaggerating, making vague, false, or unsubstantiated environmental claims. (ii) use of misleading words, symbols, or imagery, placing emphasis on positive environmental aspects while downplaying or concealing harmful attributes. but shall not include (i) use of obvious hyperboles, puffery, or (ii) the use of generic colour schemes or pictures; either not amounting to any deceptive or misleading practice, or (iii) a company mission statement that is not specific to any product or service To Illustrate: A Company in its Mission Statement makes a statement that "its growth will be based on sustainability principles". For the purpose of these guidelines this will not be treated as an environmental claim. However, if the Company further adds to the above-stated statement "and all its products are manufactured in sustainable manner", then such an environmental claim will be examined for greenwashing."

The clause 5 and clause 6 of the guidelines provide for substantiating of green claims. It states that all advertisements making environmental claims by writing 'organic, pure, sustainable, eco-friendly, eco-consciousness, clean, green, good for the planet, minimal impact, carbon-neutral, cruelty-free, natural, regenerative etc., shall do so with accurate, adequate and accessible qualifiers and substantiation of these claims with adequate disclosures. These claims are to be supported by verifiable evidence based on third party certification or independent investigations.<sup>17</sup> However, the guidelines do not take into consideration digital market risks such as e-commerce platform curated sustainable categorization, influencer promotions of so called sustainable products, or the AI generated content or automated decisions. While the CCPA has issued notices and orders in relation to misleading health and performance claims, there is little systematic action targeting environmental or ESG-related misrepresentations, and no publicized "sweeps" of online green claims. The net effect is that, although the CCPA Guidelines provide an important doctrinal hook against greenwashing, they have not yet evolved into a robust, specialized framework for policing sustainability claims in India's increasingly digital marketplace.

The guidelines or the consumer protection law does not specifically talk about third party verification of claims or eco-labelling. In India, we can see a patchwork of labelling, one for every sector, namely eco-mark scheme (largely moribund in practice), for organic certifications and logos under agricultural and food regulation, energy-efficiency labels for appliances, and a proliferation of private or quasi-private seals used by individual firms or industry bodies. Textually, having a credible third party certification can eliminate information asymmetry to an extent. In practice, the lack of a widely recognized, standardized national eco-label for general consumer products creates a fertile environment for confusion and opportunism. From a regulatory standpoint, the absence of a clear hierarchy between official and private labels complicates the assessment of whether references to "certified" or "approved" products are misleading.

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<sup>16</sup>Guidelines for 'Prevention and Regulation of Greenwashing and Misleading Environmental Claims' ADVERT. STANDARDS COUNCIL INDIA (ASCI) (Jan. 18, 2024), <https://www.ascionline.in/wp-content/uploads/2024/01/Guidelines-for-Advertisements-Making-Environmental-Green-Claims.pdf> (last visited Nov. 14, 2025).

<sup>17</sup>Guidelines for Prevention and Regulation of Greenwashing and Misleading Environmental Claims, Press Info. Bureau (Oct. 15, 2024), <https://pib.gov.in/PressReleasePage.aspx?PRID=2064963> (last visited Dec. 22, 2025).

These factors mean that India's regulatory under-specification of eco-labelling contributes to greenwashing risks. Consumers cannot easily distinguish trustworthy from cosmetic labels, regulators lack a clear benchmark against which to evaluate certification-based claims and firms face no unified, nationally recognized standard to aspire to. A more coherent eco-labelling policy – either by revitalizing Eco Mark with modern criteria and enforcement, or by establishing a framework for accrediting private labels – would therefore be a critical complement to any dedicated green-claims regime under consumer-protection law. In Furtherance, ASCI (self-regulated body) has issued 'Guidelines for Advertisements for making environmental/green claims' in support of above guidelines. These Guidelines prescribe a list of green claims and ways to address them. Understandably, there is another highly relevant piece of legislation known as the Bureau of Indian Standards which equally has a significant role in strengthening the correctness of the environmental claims of the goods and services through their regulation and certification procedures.<sup>18</sup> Apart from this, the Consumer Protection (E-Commerce) Rules, 2020 mandates that e-commerce entities must display accurate information about each product on the website. These marketplace entities are responsible for not displaying any content that is misleading or causes unfair trade practice. Though, in the rules, greenwashing is not prohibited but putting across 'green', 'organic' unverified, is itself misleading.

**USA:-**

In the USA, the regulation of greenwashing is mostly handled by The Federal Trade Commission (FTC) through the Guides for the Use of Environmental Marketing Claims (Part 260). The FTC Green Guides list out any representation regarding the environmental preference of a product and/or service as a green claim and requires proof. At the state level, requirements supplement the measures established by the FTC, such as the California State has enhanced strict legislation against such deeds as fraud and greenwashing. For example, California's Environmental Marketing Claims Act demands that all environmental marketing claims must be backed by scientific evidence and by reliable information so that the consumers are not misled by inflated claims. In fact, California has brought in new law i.e Responsible Textile Recovery Act that requires producers of apparel, upholstery, etc., to reuse, repair and recycle in order to be more sustainable.<sup>19</sup> The State has also passed a Voluntary Carbon Market Disclosures Act (AB 1305) (VCMDA) in the Month of January 2024, the first of its kind in the USA to regulate the carbon market. The U.S Securities and Exchange Commission has long been the torchbearer of greenwashing claims. Since 2021, SEC has focused on prosecuting green claims actions and levying fines.<sup>20</sup>

**Singapore:-**

Singapore does not have a designated legislation for greenwashing but has put in place CPFTA (Consumer Protection Fair Trading Act) 2003 as the measures to deal with greenwashing. The CPFTA also has the aspect of protection to consumers against certain trade practices such as the provision of misleading information on environmental matters under section 4. The Singapore Environment Council (SEC), which defines the rules for the use of environmental claims provides for green labeling scheme known as SGLS, used to endorse products that conform to high levels of environmentalism. This certification assists consumers to distinguish between products that are genuinely being marketed as environmentally friendly, thus minimizing the probability of the market being flooded with products that are claiming to be 'green' when, in real sense, they are not.<sup>21</sup> The Singapore Code of Advertising Practice (SCAP) is a code that lays down standards for advertising. It does not have the force of law, but it lays down guidelines that advertisers shall not mislead consumers by any false or misrepresentation. Specifically, Chapter IV, Appendix L provides for environmental claims. Competition and Consumer Commission of Singapore

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<sup>18</sup>Ministry of Consumer Affairs, Food & Pub. Distribution, Govt. of India, <https://consumeraffairs.nic.in/> (last visited Mar. 24, 2026).

<sup>19</sup>California to Implement Innovative New Law on Textile Extended Producer Responsibility, ENV'T COAL. ON STANDARDS (ECOS) (Oct. 11, 2024), <https://www.ecos.org/news-and-updates/california-to-implement-innovative-new-law-on-textile-extended-producer-responsibility/>.

<sup>20</sup>Douglas Gillison & Michelle Price, U.S. SEC Cracks Down on Funds Greenwashing with New Investment Requirement, REUTERS (Sept. 20, 2023), <https://www.reuters.com/sustainability/us-sec-poised-ban-deceptive-esg-growth-fund-labels-2023-09-20/> (last visited Nov. 14, 2024).

<sup>21</sup>Aitchison, A. (2024, January 23). EU Greenwashing Law is Warning To US Companies To Be Diligent In Environmental Claims. Forbes. <https://www.forbes.com/sites/jonmcgowan/2024/01/23/eu-greenwashing-law-is-warning-to-us-companies-to-be-diligent-in-environmental-claims/> (last visited Nov. 14, 2024).

has issued a Guide on Quality- Related Claims to help businesses advertise accurately and not fall victim to unintentional false claim or unfair trade practice.<sup>22</sup>

**UK:-**

In the consumer market of the United Kingdom, the protection against greenwashing is mainly the responsibility of the Competition and Markets Authority and the Advertising Standards Authority. The CMA has laid out specific rules that companies have to follow regarding the types of statements that can be made to the public regarding the environment. In the month of September 2021, to navigate a pathway for companies to comply with consumer protection laws when making environment friendly claims, CMA released Green Claims Code, which flows from the UK Consumer Protection Law. This Code applies to all businesses who are making environment friendly claims and breaching the Code would prove to be damaging for the business especially with the ongoing stringent new act The Digital Market, Competition, Consumer Act (DMCC) 2024. Another agency that is actively doing its job in combating greenwashing is the FCA (Financial Conduct Authority) who is regulating the financial service sector in the UK and helps protect the interest of consumers and promotes competition. FCA adopted new anti-greenwashing rules along with supplemental guidance in May 2024 requiring the financial service businesses to ensure that all the sustainable claims they make are truthful, clear, accurate and not misleading consumers.<sup>23</sup>

**Australia:-**

Australia addresses greenwashing primarily through the Australian Consumer Law (ACL) and, in financial markets, through securities regulation. Under the ACL (Schedule 2 to the Competition and Consumer Act 2010),<sup>24</sup> section 18 prohibits misleading or deceptive conduct in trade or commerce, while sections 29–33 prohibit false or misleading representations about, inter alia, quality, composition, benefits, performance, sponsorship or approval. These provisions apply fully to environmental and ESG-related claims, regardless of medium. For financial products and listed entities, the Corporations Act 2001 and ASIC-administered rules capture misleading sustainability-related disclosures and fund labelling. Enforcement is driven mainly by the Australian Competition and Consumer Commission (ACCC) and the Australian Securities and Investments Commission (ASIC). The ACCC has designated environmental and sustainability claims as an enforcement priority and has conducted large-scale “internet sweeps”<sup>25</sup> of business websites and social-media accounts in sectors like fashion, cosmetics, food and energy to detect potentially misleading green claims.<sup>26</sup> It has issued guidance on environmental and sustainability claims, emphasising accuracy, specificity, avoidance of vague terms like “eco-friendly”, clear disclosure of limitations, and robust, verifiable evidence—principles explicitly applied to online content.<sup>27</sup> In practice, the ACCC targets claims such as “sustainable” ranges without clear criteria, “100% recyclable” or “biodegradable” where technically doubtful, and unqualified “carbon neutral” or “zero emissions” assertions reliant on offsets. Enforcement tools include administrative undertakings, corrective statements, infringement notices and civil proceedings. ASIC focuses on greenwashing in ESG-branded funds and green bonds, using guidance (e.g. INFO 271) and enforcement to police inconsistencies between marketing and underlying portfolios<sup>28</sup>. While Australia has no separate “digital greenwashing” statute, the ACL applies to digital interfaces. Environmental symbols, “sustainable” badges and

<sup>22</sup>CCCS, Guide on Quality- Related Claims, (2025, October 06) <https://www.ccs.gov.sg/consumer-protection/legislation-and-guidelines/guide-on-quality-related-claims/> (last visited Dec.11, 2025).

<sup>23</sup>Chris-Warren Smith, Carl A. Valenstein & Michelle Page, Forging a United Front: UK Regulators Take Steps to Combat Greenwashing (Mar. 4, 2024), <https://www.morganlewis.com/pubs/2024/03/forging-a-united-front-uk-regulators-take-steps-to-combat-greenwashing> (last visited Dec. 12, 2025).

<sup>24</sup>Competition and Consumer Act 2010 (Cth) sch 2, s 18 (Austl.) (Australian Consumer Law).

<sup>25</sup>Australian Competition & Consumer Comm’n, Greenwashing by Businesses in Australia: Report on an ACCC Internet Sweep (Mar. 2023), <https://www.accc.gov.au/publications/greenwashing-by-businesses-in-australia-report-on-an-accc-internet-sweep> (last visited March 21, 2026).

<sup>26</sup>Australian Competition & Consumer Comm’n, ACCC Compliance and Enforcement Policy and Priorities 2023–24, at 8–9 (Mar. 2023), <https://www.accc.gov.au/system/files/Compliance%20and%20enforcement%20policy%20and%20priorities%202023-24.pdf> (last visited March 21, 2026).

<sup>27</sup>ACCC, Making environmental claims, a Guide for Business (Dec. 2023), <https://www.accc.gov.au/system/files/greenwashing-guidelines.pdf> (last visited March 21, 2026).

<sup>28</sup>Austl. Sec. & Invs. Comm’n, INFO 271: How to Avoid Greenwashing When Offering or Promoting Sustainability-Related Products (June 2022), <https://asic.gov.au/regulatory-resources/financial-services/how-to-avoid-greenwashing-when-offering-or-promoting-sustainability-related-products> (last visited March 21, 2026).

filters on e-commerce platforms, sustainability claims in app listings, and influencer or social-media advertising are all treated as representations under the ACL. Platforms can be liable where they actively curate or label products in ways that mislead about environmental benefits, and both brands and influencers are responsible for sponsored “green” content. Thus, digital design and targeting are increasingly within the practical reach of Australia’s greenwashing enforcement framework.

**EU:-**

Europe is one of the most progressive regions when it comes to regulating greenwashing due to the EU Green Deal and Unfair Commercial Practices Directive. The concept of the European Green Deal is to transform Europe into the world’s first climate-neutral continent by 2050 and introduce sustainability in all spheres. The Unfair Commercial Practices Directive also bans unfair and aggressive advertising, implying false environmental information. The EU Ecolabel is a label that is given to the recognizable products and services which have been proven to meet a high standard in regards to their environmental impact which in turn assist consumers to make the right decision to purchase sustainable products.<sup>29</sup>Other than this, there is Ecodesign for sustainable Products Regulation, July 2024 which is a move towards more environment friendly and sustainable goals.In the year 2023, European Commission put forward green claims directive which requires the companies to substantiate the sustainable claims they are making in the business.

**Below is the inserted table that shows the comparison among all the jurisdictions:-**

<b>Dimension</b>	<b>India</b>	<b>United Kingdom</b>	<b>United States</b>	<b>Australia</b>	<b>Singapore</b>
<b>Core consumer-law basis</b>	Consumer Protection Act 2019 (misleading advertisements; unfair trade practices)	Consumer Protection from Unfair Trading Regulations 2008 (as retained in UK law); other consumer statutes	Federal Trade Commission Act §5 (unfair or deceptive acts or practices); state UDAP laws	Australian Consumer Law (Schedule 2 to Competition and Consumer Act 2010)	Consumer Protection (Fair Trading) Act
<b>Primary enforcement authority (consumer side)</b>	Central Consumer Protection Authority (CCPA) + Consumer Commissions	Competition and Markets Authority (CMA); Trading Standards; Advertising Standards Authority (ASA – self-regulatory)	Federal Trade Commission (FTC) + state Attorneys-General	Australian Competition and Consumer Commission (ACCC)	Competition and Consumer Commission of Singapore (CCCS)
<b>Advertising/self-regulation</b>	ASCI Code (including any guidance on environmental claims) – non-binding but influential	ASA CAP/BCAP Codes; detailed environmental-claims rulings	National Advertising Division (NAD) self-regulation; industry codes	Ad Standards self-regulation, underpinned by ACL	Advertising Standards and industry codes (sector-specific)

<sup>29</sup>M.K. Pendse, V.S. Nerlekar & P. Darda, A Comprehensive Look at Greenwashing from 1996 to 2021: A Bibliometric Analysis, EMERALD INSIGHTS (2021).

<p><b>Specific guidance on environmental / green claims</b></p>	<p>The Guidelines for Prevention and Regulation of Greenwashing/ Misleading Environmental Claims, 2024, mostly self-regulatory; no detailed statutory green-claims code</p>	<p>CMA Green Claims Code (2021) with explicit, granular principles for environmental claims, incl. online</p>	<p>FTC “Green Guides” (under revision); detailed examples of acceptable/unacceptable claims</p>	<p>ACCC guidance on environmental and sustainability claims; ASIC guidance on ESG/green finance</p>	<p>Government /CCCS advisories on green marketing (limited but emerging); MAS guidelines on environmental risk management / ESG</p>
<p><b>Digital / platform obligations (general)</b></p>	<p>Consumer Protection (E-Commerce) Rules 2020: transparency of product info; no unfair trade practices by platforms</p>	<p>Emerging UK online regulation (e.g., Digital Markets/Online Safety Acts) interacts with consumer law; platforms expected to comply with CMA/ASA guidance</p>	<p>No single federal “platform liability” regime; Section 230 for content, but FTC can act against platforms’ own deceptive practices</p>	<p>ACL applies online; ACCC has taken actions against digital platforms in other consumer/competition contexts</p>	<p>CPFTA applies to online traders; CCCS can pursue unfair practices online</p>
<p><b>Digital-specific environmental / ESG enforcement practice</b></p>	<p>Very limited; no systematic sweeps of online green claims reported</p>	<p>CMA sectoral reviews (e.g., fashion), investigations and online claim reviews; ASA rulings on social-media/influencer green ads</p>	<p>FTC enforcement against online “eco” marketing and green-fund claims; SEC actions on ESG misstatements (investor-facing)</p>	<p>ACCC “internet sweeps” targeting greenwashing across websites and social media; ASIC actions on ESG funds</p>	<p>Early stage; MAS/CCCS focus on ESG/green finance and fair-trading, but limited reported greenwashing cases</p>
<p><b>Financial / ESG greenwashing tools</b></p>	<p>SEBI circulars on ESG mutual funds, BRSR, green bonds – limited explicit consumer-facing greenwashing focus</p>	<p>FCA rules on ESG/“sustainable” investment labels (under development/consultation); coordinated with CMA work</p>	<p>SEC climate- and ESG-related disclosure enforcement; proposed rules on climate risk and fund naming</p>	<p>ASIC enforcement on misleading ESG claims in funds and bonds; guidance on green finance</p>	<p>MAS guidelines on environmental risk management and disclosure; surveillance of green finance statements</p>
<p><b>Penalties and remedies</b></p>	<p>CCPA: orders, penalties, corrective ads;</p>	<p>Civil/administrative remedies, undertakings, fines</p>	<p>FTC: injunctions, monetary relief in some contexts;</p>	<p>ACCC: civil penalties, injunctions,</p>	<p>CCCS: injunctions, compliance</p>

s	compensation via Commissions; relatively under-used for greenwashing	(esp. under competition/consumer regime); ASA sanctions (naming, withdrawal of ads)	SEC/DOJ for securities cases; state penalties	corrective advertising, undertakings; ASIC civil/criminal penalties	orders; MAS: supervisory/enforcement powers in finance
<b>Explicit treatment of platform / influencer liability for green claims</b>	ASCI Guidelines for influencers requiring disclosures	ASA and CMA guidance on influencers and brands; platforms expected to ensure compliance with ad standards	FTC endorsement and influencer-marketing guidelines; liability for brands and, in some cases, influencers and platforms	ACL applies to brands; guidance and actions on influencer disclosure; platforms under general ACL duties	Guidance on influencer disclosure developing; no specific green-claim regime yet
<b>Overall assessment (for your narrative)</b>	Broad but under-specified tools; weak digital and green-specific guidance; limited proactive enforcement	Among the most developed in terms of detailed green-claims guidance and digital enforcement practice	Strong general consumer/securities tools; Green Guides provide detailed benchmarks; enforcement uneven and often ex-post	Robust combination of ACL + proactive ACCC sweeps; clear signals on ESG/green finance	Solid fair-trading base; ESG/finance focus developing; environmental claim practice still nascent

Table 1

**Challenges in Regulating Greenwashing:-  
Identifying and Proving Greenwashing:-**

An important issue when analyzing greenwashing and attempting to regulate it, is the problem of less defined and undetectable false statements. There are linguistic uncertainties such as no unified dictionary of sustainability terms, risk of overclaiming due to loosely defined adjectives, burden on regulators to prove deception. That is why it becomes very hard for the regulating authorities to decide that the claims in question are actually misleading, or simply part of the exaggerated advertising.<sup>30</sup> In addition, the high and increasing degree of supply chain and production processes make the task even more challenging.<sup>31</sup>

**Enforcement of Regulations:-**

It remains almost difficult to enforce regulations against greenwashing as it requires constant surveillance and confirmation of green claims. In most of the jurisdictions, the corresponding regulatory authorities lack sufficient human and financial resources to carry out effective investigations and ensure compliance as expertise is required to separate the wheat from the chaff. Sometimes even judiciary faces challenges in interpreting undefined terms, there

<sup>30</sup>C. Free, S. Jones & M.-S. Tremblay, Greenwashing and Sustainability Assurance: A Review and Call for Future Research(Apr.9,2024), [https://www.researchgate.net/publication/379642457\\_Greenwashing\\_and\\_sustainability\\_assurance\\_a\\_review\\_and\\_call\\_for\\_future\\_research](https://www.researchgate.net/publication/379642457_Greenwashing_and_sustainability_assurance_a_review_and_call_for_future_research) (last visited Jan 12, 2026).

<sup>31</sup>Oliver Rudgard & Matt Day, Regulators Are Trying to Stop Greenwashing Before It Gets Worse, BLOOMBERG (Sept. 18, 2023), <https://www.bloomberg.com/news/articles/2023-09-17/regulators-are-trying-to-stop-greenwashing-before-it-gets-worse> (last visited Jan. 12, 2026).

are risks of inconsistent judgments across jurisdictions. Global cooperation is sometimes necessary to address instances of greenwashing, yet attaining such collaboration may be challenging due to differences in law and the capacity to apply it.<sup>32</sup>

### **Conclusion and Recommendations:-**

In conclusion, green claims are linguistic constructs that carry legal, economic, and environmental consequences. Vagueness in environmental language is a key legal vulnerability. Greenwashing presents a prominent challenge in a smooth transition to green market. Online platforms, influencers, algorithmic targeting and AI-generated content make misleading “green” narratives more pervasive, personalised and harder to scrutinise, undermining both individual decision-making and broader climate-policy objectives. As consumers become aware of environmental issues, the risk of greenwashing increases. The research has highlighted the challenges in combating greenwashing but also observed that regulatory framework is in place to tackle greenwashing. While various initiatives and guidelines exist, challenges such as insufficient resources, the complexity of environmental claims, and the evolving nature of marketing tactics hinder the ability of regulatory bodies to address misleading practices comprehensively. Additionally, the role of consumer awareness and engagement is critical. The informed consumers can advocate for transparency and accountability, ultimately fostering a more sustainable marketplace. Moving forward, it is imperative that stakeholders including regulatory agencies, businesses, and consumers collaborate to improve the clarity and consistency of environmental claims. Implementing standardized definitions, enhancing third-party certification processes, and promoting corporate social responsibility will be essential in restoring consumer trust and preventing greenwashing.

### **Recommendations:-**

1. Rigorous third party certification can prove to be beneficial in easy identification of what is genuine and what is not. Logo marks such as FSC for woods, LEED for building materials and trade marks for other products are a pointer to high standards of environmentalism.
2. Consumers should go further in conducting research on the intended green products. This comprises asking questions about the manufacturers’ green claims, the sources of materials and products they use, and their corporate responsibility initiatives.
3. There should be a mandate for substantiation requirements, Life Cycle Assessments based evidence, carbon accounting standards and verification protocols. However, it is also understandable that for MSMEs, it is a challenge to fully incorporate the LCA, as it requires expertise and data availability, and forcing mandatory LCA requirement might exit them from the market. A more tiered substantiation standards are required, wherein for larger entities, LCA should be mandatory and for claims from MSMEs (e.g., “contains X% recycled content”, “no added plastic in packaging”), documentary evidence, supplier declarations, or simplified assessment tools might suffice. Parallel policy effortssuch as government-supported LCA databases, sectoral benchmarks, and technical assistance programmes for MSMEswould be essential to avoid transforming anti-greenwashing rules into barriers that entrench only the most resource-rich firms.
4. There is a need to strengthen cross-jurisdictional laws, India could adopt the EU’s verification model and Australia’s consumer-perception approach. In India, marketing and consumer reforms are necessary such as amending Consumer Protection Act 2019 to include environmental claims, introduction of environmental claim-specific penaltiesandcreation national green claims authority.
5. AI enabled claim verification is another method of curbing the menace of greenwashing. Build or procure crawlers that systematically scan major e-commerce sites, brand websites and social-media platforms for high-risk keywords and phrases (“eco-friendly”, “100% biodegradable”, “plastic-free”, “carbon neutral”, “net zero”, “zero-waste”, “sustainable fashion”, etc.).The system flags instances where such claims appear in product titles, badges, images or hashtags and clusters them by sector, platform and seller. This creates a dynamic “risk map” of green claims in the digital economy. Use machine-learning models to detect patterns associated with likely deception.
6. Prohibiting undefined elastic terms (“eco-friendly,” “regenerative,” “net-positive”) unless legally contextualized.
7. Designing a dedicated green claims framework, and specific provisions in the Consumer Protection Act, 2019, Environmental Laws would align and harmonize the legal framework. Like amending section 2(47) that covers

<sup>32</sup>L. Gatti, P. Seele & L. Rademacher, Grey Zone In – Greenwash Out: A Review of Greenwashing Research and Implications for the Voluntary–Mandatory Transition of CSR, 4 INT’L J. CORP. SOC. RESP. 6 (2019).

unfair trade practice as to include: making any environmental claim that is false, misleading, unsubstantiated, or presented without disclosure of material limitations or conditions.”

8. To have a dedicated penalty provision by inserting a new section after section 21 (or create a sub section within it), for instance:

**“21A. Penalty for misleading environmental claims.—**

(1) Where the Central Authority is satisfied that a person has made or published a misleading environmental claim, it may, without prejudice to any other action under this Act, by order—

- (a) direct discontinuation or modification of such claim;
- (b) impose a penalty which may extend to—
  - (i) rupees fifty lakh in the case of a first contravention; and
  - (ii) rupees one crore in the case of each subsequent contravention;
- (c) require publication of corrective environmental information or disclaimers at the cost of such person;
- (d) direct such other remedial measures as may be prescribed.

(2) In determining the quantum of penalty, the Central Authority shall have regard to—

- (a) the nature, gravity and duration of the contravention;
- (b) the size and market share of the person;
- (c) the number of consumers affected; and
- (d) any benefit derived from the contravention.”

9. Mandate for the e-commerce platforms to verify or check the claims before publishing the product on the site.

These recommendations can help build a transparent and trustworthy marketplace free from deceptive sustainability claims.