



Comparative Study on Greenwashing in India and Other Countries

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Abstract

Greenwashing, the practice of misleading consumers and stakeholders about the environmental benefits of a product, service, or corporate practice, has emerged as a critical challenge in global environmental governance. In India, where environmental jurisprudence is deeply rooted in constitutional principles and statutory mandates, greenwashing is increasingly scrutinized under consumer protection, corporate disclosure, and environmental regulatory laws. By contrast, countries such as the United States, United Kingdom, and members of the European Union adopt stringent statutory guidelines, advertising standards, and enforcement mechanisms to curb deceptive environmental claims. Through comparative analysis, the study highlights both convergence and divergence in legal responses, explores case studies of corporate misconduct, and evaluates the effectiveness of remedies available to consumers and regulators. The article argues that India, despite having a strong constitutional foundation, requires more explicit statutory recognition and regulatory clarity to address greenwashing effectively. By learning from international practices, India can strengthen its framework to balance corporate growth with sustainable accountability, thereby ensuring genuine environmental protection rather than superficial compliance.

Key Words: Greenwashing, Consumer protection, corporate accountability, Sustainable development, Advertising ethics

Introduction

In today's global discourse, where climate change, sustainability, and ethical consumption dominate the spotlight, brands have eagerly embraced the 'green' trend. The Indian marketplace is now crowded with companies promoting their products as environmentally friendly—ranging from recyclable packaging to carbon-neutral goods. However, closer scrutiny reveals that many of these claims are often shallow at best, and misleading or outright deceptive at worst. Greenwashing combines the term 'green,' associated with environmentalism, and 'washing,' which implies concealing misconduct, thereby

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highlighting the inherently deceptive nature of this form of branding. Greenwashing is the act of making false or misleading statements about the environmental benefits of a product or practice. It is the practice of making brands appear more sustainable than they really are. It can be a way for companies to continue or expand their polluting as well as related harmful behaviours, all while gaming the system or profiting off well-intentioned, sustainably minded consumers. The term was actually coined back in 1986 in an essay by environmentalist and then student Jay Westerveld¹. The Oxford English Dictionary² defines the term greenwashing as ‘The creation or propagation of an unfounded or misleading environmentalist image.’ TerraChoice³ defines greenwashing as ‘the act of misleading consumers regarding the environmental practices of a company or the environmental performance and positive communication about environmental performance.’ As per Leon and Maxwell, green washing refers to the "Selective disclosure of positive information about a company's environmental or social performance, without full disclosure of negative information on these dimensions, so as to create an overly positive corporate image⁴. Thus, greenwashing includes, unsubstantiated or vague claims; hidden trade-off; irrelevant claims and misleading images. Greenwashing refers to the promotion of a product or service as environmentally beneficial, necessitating substantiation through accurate and credible information rather than mere assertions. Greenwashing encompasses exaggeration, deceit, and falsehoods.

Assessing the Impact and Influence of Greenwashing Practices in UK and US

The future of our world is at risk. We are currently experiencing a climate emergency, and the opportunity to take action is rapidly diminishing. The 2024 UNEP Emissions Gap Report underscores the critical decisions before us: restrict global warming to 1.5°C, endeavour to adapt to 2°C, or confront disastrous outcomes at 2.6°C and more. Gen Z, influenced by their upbringing during climate crises and the era of digital openness, is acutely aware of greenwashing, which occurs when corporations misleadingly advertise their products or actions as environmentally benign.

¹ In 1983, environmentalist Jay Westerveld went surfing in Fiji where he encountered a note at a resort urging guests to reuse towels in order to help the environment. But there was a contradiction. The same resort was in the middle of an expansion, knocking down masses of mother nature to make way for the business. Taking note, Westerveld published a magazine essay in 1986 about deceptive environmental practices in the media, recalling his revelation from three years earlier. "It all comes out in the greenwash."

² https://www.oed.com/dictionary/greenwashing_n?tab=meaning_and_use#11936536

³ TerraChoice Environmental Marketing's research, 'Sins of Greenwashing' reports published starting in 2007

⁴ Thomas P. Lyon and John W. Maxwell, Greenwash: Corporate Environmental Disclosure under Threat of Audit, *Journal of Economics & Management Strategy*, Volume 20, Issue 1, p 5.



In the UK, there is no dedicated law specifically named for greenwashing, but several laws and regulatory frameworks govern environmental claims to prevent misleading consumers. The Digital Markets, Competition & Consumers Act 2024 (DMCCA)⁵ marks a significant shift in UK regulation and enforcement, introducing new requirements and enforcement powers in relation to digital markets, consumer rights and competition law. Regulation 27B of the Consumer Protection from Unfair Trading Regulations 2008 refers to the DMCCA for the definition of a 'misleading action'. Sections 225(4)(a) and 226 of the DMCCA prohibit giving false information to, or deceiving, consumers. A misleading action occurs when a practice misleads through the information it contains or its deceptive presentation (even if the information is factually correct) and it is likely to cause the average consumer to take a transactional decision that they would not have taken otherwise. The DMCCA lacks explicit regulations addressing greenwashing; however, acts constituting greenwashing may violate the law's consumer protection components. A proposed amendment to classify greenwashing as an inevitably unfair activity was rejected by Parliament, citing that such actions are already encompassed under the rule against deceiving customers⁶.

Competition and Markets Authority (CMA) has developed the Green Claims Code⁷ – which sets out 6 key points to check your environmental claims are genuinely green⁸. The key aim of the Green Claims Code is to combat greenwashing. Products with environmental credentials can drive consumer preference and command a price premium. In February 2023, CAP (Committee of Advertising Practice) and BCAP (the broadcasting equivalent) published updates to their advertising guidance called 'The Environment: misleading claims and social responsibility in advertising'. This consolidates the ASA's (Advertising Standards Authority) position on misleading environmental claims and provides specific direction on the use of net zero and carbon neutral statements in advertising⁹. The Financial Conduct Authority (FCA)'s

⁵ Previously the Consumer Protection from Unfair Trading Regulations 2008 (known as the CPRs) controlled unfair practices used by traders when dealing with consumers, and created criminal offences for traders that breached them, until 5 April 2025. As of 6 April 2025, the criminal law controls are to be found in Part 4, Chapter 1 of the Digital Markets, Competition and Consumers Act 2024 (DMCCA).

⁶ Available at <https://www.hausfeld.com/en-gb/what-we-think/perspectives-blogs/the-dmcca-s-consumer-regime-a-new-anti-greenwashing-toolkit> assessed on Sep. 28, 2025.

⁷ The aim of the code is to help brands ensure their claims about sustainability are genuine, increase the focus on activities that are positive for the environment, and make sure they don't manipulate greater desire for sustainable practices for commercial gain.

⁸ Green claims (sometimes called 'environmental claims' or 'eco-friendly claims') are claims that show how a product, service, brand or business provides a benefit or is less harmful to the environment. Many businesses use green claims to help market their products or services. They do this through a range of methods such as: statements, symbols, emblems, logos, graphics, colours and product brand names.

⁹ Advertising Standards Authority's (ASA) CAP Code provide guidelines to ensure environmental claims are truthful, clear, substantiated, and consider the product's full lifecycle. Available at <https://greenly.earth/en->



anti-greenwashing rule, introduced in November 2023 as part of its Sustainability Disclosure Requirements (SDR) came into effect in May 2024; related “naming and marketing” rules began to apply in December 2024 however limited temporary relief was granted until April 2025. The FCA's Sustainability Disclosure Requirements (SDR) and investment labels framework aims to prohibit investment firms from exaggerating the environmental attributes of their products to consumers. It includes an anti-greenwashing regulation, optional sustainability labelling, guidelines for the use of specific sustainability-related terminology, and obligatory disclosures. The framework was established to address greenwashing in the UK financial sector by enhancing transparency, promoting market fairness, and safeguarding institutional investor interests concerning sustainability assertions, while ensuring that these claims are equitable, explicit, and non-deceptive.

The primary frameworks in the EU's efforts to combat greenwashing are two directives: the Directive on Empowering Consumers for the Green Transition and the proposed Green Claims Directive. The Empowering Consumers Directive aims to enhance consumer protection against unfair economic practices and to augment the quality of information regarding the environmental and social ramifications of products. The Green Claims Directive enhances and operationalises the Empowering Consumers Directive by establishing more precise regulations on the substantiation, verification, and communication of environmental claims.

A growing number of American consumers are looking to buy environmentally friendly, “green” products. The Federal Trade Commission’s Green Guides are designed to help marketers avoid making environmental claims that mislead consumers. The Green Guides were first issued in 1992 and were revised in 1996, 1998, and 2012. The guidance they provide includes: 1) general principles that apply to all environmental marketing claims; 2) how consumers are likely to interpret particular claims and how marketers can substantiate these claims; and 3) how marketers can qualify their claims to avoid deceiving consumers. Similar to the UK's FCA, the U.S. Securities and Exchange Commission (SEC)¹⁰ is responsible for overseeing and addressing deceptive marketing activities by investment businesses in the United States. In September 2024, the SEC quietly disbanded the ESG Taskforce, and the FTC

[gb/blog/company-guide/complying-with-the-advertising-standards-authority-asa-rules](https://www.ftc.gov/blog/company-guide/complying-with-the-advertising-standards-authority-asa-rules) assessed on Sep. 28, 2025.

¹⁰ The Securities and Exchange Commission (SEC) enforces related rules concerning climate risk disclosures and ESG claims for publicly traded companies. Enforcement has increased recently with fines against companies making false green claims.

has yet to release its updates to the “Green Guides”¹¹. The SEC has consistently led efforts to address greenwashing allegations, initiating multiple enforcement proceedings against major consumer goods corporations. On a state level, California has been at the forefront of climate legislation, particularly on anti-greenwashing, shown by the Voluntary Carbon Markets Disclosures Act (VCMDA), which became effective in January 2024. The VCMDA mandates organisations to publicly disclose information aimed at enhancing openness and accountability on climate-related assertions and the utilisation of volunteer carbon offsets.

Unmasking Sustainability Myths: The Real-World Consequences of Greenwashing

As knowledge of climate change and environmental issues grows among consumers, the allure of projecting an eco-friendly image to attract clientele is significantly increased. Here are the seven indicators, commonly referred to as "sins," that signify the potential risk of greenwashing¹²:

- 1) **Information Omission** (Hidden Trade-off): Exploiting features of seemingly sustainable products by concealing essential information regarding their environmental impact. Paper is not inherently environmentally beneficial solely due to its origin from a sustainably-harvested forest. Other critical environmental concerns in the paper-making process, such as energy use, greenhouse gas emissions, and water and air pollution, may be of equal or greater significance.
- 2) **Insufficient evidence** (lack of proof): Exaggerating the environmentally friendly attributes of specific items or industrial processes without substantiating claims through proof or third-party approvals. Typical instances include facial or toilet paper products that assert varying percentages of post-consumer recycled content without substantiating their claims.
- 3) **Ambiguity**: Presenting information that is open to wider interpretation (examples: “crafted with natural ingredients,” “produced using environmentally sustainable methods,” “manufactured in a traditional manner”). Terms such as “all-natural” are misleading because natural ingredients aren’t always sustainable or safe. For instance, arsenic is natural but harmful.
- 4) **False label worship** (veneration of deceptive labels) Products adorned with misleading labels that display symbols of certifications or endorsements that neither possess nor that exist. An example of “false label worship” in greenwashing is when a company creates or displays a

¹¹ Available at <https://www.whitecase.com/insight-alert/navigating-evolving-era-greenwashing-regulations-fashion-industry> assessed on Sep. 28, 2025.

¹² Seven Sins of Greenwashing, Environmental Claims in Consumer Markets Summary Report: North America, TerraChoice April 2009, p i.



label or certification on its product suggesting third-party environmental endorsement, but in reality, the label is not verified by any independent authority or is simply fabricated.

5) **Insignificance** (irrelevance): Presenting facts unrelated to environmental sustainability that yet leads consumers to consider the product as eco-friendly and sustainable. Labels indicating "CFC-free" on items such as aerosol sprays or refrigerators: These labels are inconsequential since chlorofluorocarbons (CFCs) are legally prohibited in most nations, rendering all analogous products "CFC-free" by default. The label generates a misleading perception of environmental stewardship, when the corporation is undertaking no further efforts.

6) **The lesser of two evils**: Descriptions containing accurate information while concealing a more detrimental reality. E.g., Some cigarette brands emphasize “organic” tobacco or “additive-free” cigarettes, suggesting they are a better choice for health and the environment, though all cigarettes are inherently harmful to both.

7) **Deception** (misrepresentation): False information in ads or on packaging. E.g., Volkswagen marketed its vehicles as low-emission and environmentally friendly while secretly fitting them with software that manipulated emissions tests¹³.

In December 2024, the ASA found that Lloyds misled consumers¹⁴ with a paid-for LinkedIn post promoting the bank's efforts to reduce its operational and financed emissions. The ASA pointed to the public-facing nature of the ad and the lack of qualifying information about Lloyd's non-green activities. It therefore held that the ad gave the general impression that renewable energy formed a significant proportion of Lloyds' investments and the companies it financed, which it found was not the case according to figures from Lloyds' latest sustainability reports

In United States of America v. Kohl's Inc.¹⁵ The FTC sued Kohl's, Inc. and Walmart, Inc. for falsely marketing dozens of rayon textile products as bamboo. Both companies also are charged with making deceptive environmental claims, touting that the “bamboo” textiles were

¹³ Supra Note 12.

¹⁴ The first paid-for LinkedIn post featured an image of grass, wildflowers and butterflies with text that stated, “We’re partnering with Projects for Nature to support nature recovery and engage communities across projects in England”. The second paid-for LinkedIn post featured the same image as ad (b) and text that stated, “We’re teaming up with Projects for Nature to help protect our natural environment. Our funding will support three projects that include: Creation of a 100-mile natural recovery corridor along three rivers in Sussex, helping boost biodiversity, reduce flooding and enhance the rural economy; Natural flood management in Cumbria, including re-wiggling rivers, planting trees and restoring wetlands; Working with partners and tenant farmers in the Peak District to establish more trees, healthy peatlands, thriving wetlands and grasslands and improve soil health and water quality”. The third paid-for LinkedIn post stated, “What are we doing to help accelerate the transition to a low carbon economy? Available at <https://www.asa.org.uk/rulings/lloyds-bank-plc-a24-1244509-lloyds-bank-plc.html> assessed on Sep. 28, 2025.

¹⁵ Civil Action Number 1:22-cv-00964-JDB on May 4, 2022.



made using ecofriendly processes, while in reality converting bamboo into rayon requires the use of toxic chemicals and results in hazardous pollutants. The court orders settling the complaint require the companies to stop making deceptive green claims or using other misleading advertising, and pay penalties of \$2.5 million and \$3 million, respectively.

Environmental Regulation and Greenwashing Control in India

The growing consciousness of sustainability, technological advancements and the climate crisis are paving the way to a regulatory framework that is dynamic and futuristic, moving beyond the rudimentary aspects. The challenges of the new era include greenwashing, property sinking, sustainability reporting, climate change and green credit trading, almost others. They do not strictly relate to environmental harms but are an off-shoot of environmental challenges¹⁶. Currently, in India, there are no trademark, competition, or environmental legislation that directly address greenwashing. In numerous instances concerning advertising and marketing, the Indian judiciary has determined that advertisers are obligated to substantiate their claims and refrain from deceiving consumers. No explicit regulations exist to control or penalise greenwashing, which misleads both customers and investors, particularly when executed via a green project financed through the issuance of green bonds. The Securities and Exchange Board of India has established an advisory council focused on Environmental, Social, and Governance issues. It mandates ongoing disclosure by corporations regarding ESG initiatives, notably focussing on avoiding risks related to greenwashing and deceptive marketing practices. The Advertising Standards Council of India (ASCI), an independent entity responsible for the self-regulation of marketing practices and the protection of consumer interests, requires that advertising comply with its Code for Self-Regulation. The ASCI has implemented specific statutory rules, stipulating that advertisements must be legal, decent, honest, and adhere to principles of fair and reasonable competition. Conversely, it is merely a code for self-regulation, and no established entity verifies its authenticity. Greenwashing assertions may be subject to the influence of ASCI regulations regarding unverified deceptive advertising claims. Nonetheless, establishing principles and definitive regulations for green advertising or environmental claims could effectively mitigate the issue and deter enterprises from making such assertions, thereby maintaining customer trust¹⁷.

India launched the Green Credit Programme, officially announced by the MoEFCC in October, which supports business green initiatives. This initiative implements a market-driven

¹⁶ Sairam Bhat, *Environmental Law and Policy in India*, Taylor & Francis, 2024

¹⁷ *Navigating the Legal Landscape of Green Finance in Fintech for ESG and the Circular Economy* by Ernesto D. R. Santibanez Gonzalez et. al. (eds.), John Wiley & Sons, 2024, pp 109-110.



incentive framework to promote a variety of environmentally beneficial practices. The Green Credit System encourages individuals, organisations, and companies to implement beneficial environmental practices, which include not only the reduction of carbon emissions but also enhancements in air and water quality, improved biodiversity, and additional factors. The regulations intend to establish a national Green Credit (GC) program to utilise a competitive market-based strategy for GC and encourage voluntary environmental initiatives by stakeholders. The GC initiative is designed to enhance the proposed Carbon Credit Trading Scheme (CCTS) established under the Energy Conservation (Amendment) Act, 2022. The Green Credit programme's appeal lies in its inclusivity. Participation is open to individuals, communities, enterprises, and industries. There are no stringent eligibility requirements, rendering it open to all individuals interested about environmental conservation¹⁸.

Surge of Greenwashing Practices in India's Growing Market

Greenwashing can be described as a marketing tactic that leverages the increasing consumer demand for environmentally friendly and socially responsible products and practices. In the Indian context, there is substantial evidence indicating that greenwashing remains widespread among corporate claims of environmental responsibility¹⁹. While some brands are genuinely embracing sustainability, many others are merely adopting it as a marketing tactic—displaying minimal green efforts or jumping on the sustainability bandwagon without committing to long-term impact. The Indian market is flooded with superficial sustainability buzzwords like 'organic,' 'biodegradable,' 'best living,' 'cruelty-free,' and 'carbon neutral,' which have lost their authentic and verifiable significance. Greenwashing is increasingly prevalent among FMCG companies in India, where brands often exaggerate or misrepresent their environmental efforts to appeal to eco-conscious consumers without making substantial sustainable changes. Many FMCG products are marketed as “natural,” “organic,” or “eco-friendly,” yet still contain synthetic chemicals, artificial preservatives, or come in excessive plastic packaging. E.g., Known for its Ayurvedic and natural branding, Patanjali has faced criticism for misleading claims. Its amla juice was declared unfit by health authorities, pesticide residues were found in red chili powder, and its COVID-related product “Coronil” was marketed without scientific backing or WHO certification, leading to legal action and public distrust²⁰. Similarly, Saffola promotes itself as a heart-healthy oil brand with claims such

¹⁸ Available at <https://www.indiawaterportal.org/governance-and-policy/governance/decoding-green-credit-rules-2023> assessed on Sep. 28, 2025.

¹⁹ Angeline Gautami Fernando, et. al., Nature of green advertisements in India: Are they greenwashed?, Asian Journal of Communication, Volume 24, 2014 - Issue 3, p 223.

²⁰ Indian Medical Association & Anr. v. Union of India & Ors. [2024] 6 S.C.R. 375



as reduced oil absorption and antioxidant benefits. However, regulatory bodies have fined Marico for misleading advertisements lacking proper evidence, and the company is listed among India's top plastic polluters despite sustainability marketing²¹.

On the study of various business activities of Adani group, which proudly claims its dedication to the installation of giant renewal energy projects as well as simultaneously expanding its coal mining and power projects based on fossil fuel with similar vigour. This approach projects the company as environmentally conscious and hides the substantial ecological damage caused by its fossil-fuel based activities by other group company²². Haldiram's, a leading Indian snack brand claimed it to be 'An Eco-friendly organisation' while selling peanuts that were cooked in refined palm oil (likely sourced from Indonesia's rainforests), in hard-to-recycle plastic wrappers.

Mamaearth exemplifies eco-conscious product marketing aimed towards millennials. The gentle pastels, chemical-free labels, and the tagline "we plant a tree with every order" exemplify exemplary branding. However, when removing the label, we discover it is not entirely pristine. A study conducted by Beauty Wellness India revealed that numerous Mamaearth products include propylene glycol and cetostearyl alcohol—substances deemed safe in controlled amounts, yet deceptive under the "no toxins" claim. A cursory examination of Mamaearth's ingredients discloses phenoxyethanol, synthetic scents, and several artificial chemicals. Not inherently detrimental – yet unequivocally not "100% devoid of toxins." What about the packaging? Completely composed of plastic. Absence of public data and lack of third-party confirmation for their recycling assertions. Their social media efforts, frequently reliant on influencers, endorse slogans such as "no chemicals ever," which is factually erroneous, as everything, including water, constitutes a chemical. The Advertising Standards Council of India's (ASCI) Annual Complaints Report (2023) indicates that Honasa, the owner of the Mamaearth brand, had the most advertising infractions²³.

Conclusion

A significant difficulty of sustainable marketing is the potential for greenwashing, which involves making exaggerated or false assertions on a product's environmental

²¹ Available at <https://ecoideaz.com/showcase/greenwashing-in-india-are-popular-fm-cg-brands-misleading-consumers-with-eco-friendly-claims/> assessed on Sep. 28, 2025.

²² Sharad Singh and Prof. Ruchi Agrawal, Greenwashing in Thermal Power Plants: Sustainable Identity or Illusion in Proceedings of the Sustainability in Emerging Economies - Integrating Business Excellence in Management Education by Rohit Sindhwani et. al. (eds.), Springer Nature, 2025, pp 17-18.

²³ Available at <https://ecoideaz.com/showcase/greenwashing-in-india-are-popular-fm-cg-brands-misleading-consumers-with-eco-friendly-claims/> assessed on Sep. 28, 2025.



advantages. The Green Zone can tarnish a company's reputation if clients discover that its sustainability assertions or performance are inaccurate. To prevent greenwashing, organisations must substantiate their sustainability assertions with public data and third-party validation. Sustainable commerce supports the circular economy, an economic framework that advocates for the reuse, recycling, and repurposing of commodities to minimise waste and decrease reliance on resources. By integrating circular economy ideas, organisations can create more sustainable business models that enhance resource efficiency and mitigate environmental deterioration.