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BLOG

GREENWASHING IN INDIA: THE NEW FACE OF CORPORATE MISREPRESENTATION

~ RANVEER SINGH TANWAR

A bottle turns green. A leaf appears on the label. Somewhere in the advertisement are words like natural, eco-friendly or planet positive. The product itself may not have changed much, but the way we look at it certainly has[1].

That is what makes greenwashing difficult to deal with. In the past, corporate misrepresentation was easier to understand: a company made a false claim and hoped no one would discover it. Greenwashing can be far less obvious. A business may say something technically correct, highlight one positive fact and simply leave the consumer to assume the rest.

Think of recyclable packaging around a product that is still environmentally harmful. Or a company announcing lower emissions in one area of its operations even though its total environmental footprint has grown. Nothing said may be completely false, yet something about the picture presented to the public remains misleading.

I think this is where the real problem starts.

WHEN GREEN BECAME A CORPORATE ASSET

Being environmentally responsible is no longer only about doing the right thing. It now has commercial value. Consumers pay attention to sustainability claims, investors look at ESG

[1] Federal Trade Commission, Guides for the Use of Environmental Marketing Claims (Green Guides), 16 C.F.R. pt. 260 (2024)

performance, and companies know that appearing environmentally responsible can strengthen reputation and influence where people put their money[2].

The difficulty arises when appearing sustainable becomes easier than actually becoming sustainable.

Greenwashing can distort choices in the market. Someone may pay more for a product because it appears environmentally responsible. An investor may put money into a company or financial instrument presented as sustainable. At the same time, businesses genuinely spending on cleaner technologies, responsible supply chains and emission reductions must compete with those that manage to create a similar image through the right words and attractive packaging.

The loss, then, is not limited to a consumer who buys the wrong product. Companies actually trying to improve their environmental practices lose out too, and eventually people may find it harder to know what to trust.

INDIA'S LAW IS BEGINNING TO SEE THE COLOUR GREEN

India has started taking this problem more seriously[3]. In October 2024, the Central Consumer Protection Authority issued the Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims. The Guidelines address expressions such as clean, green, eco-friendly, carbon neutral and sustainable when businesses use them without adequate explanation or evidence.

This is important because greenwashing often works through vagueness[4].

If a product is advertised as “100% eco-friendly,” a few obvious questions arise. What exactly is eco-friendly? Is it the product itself, its packaging, one ingredient, the manufacturing process or the way it is disposed of? What is it being compared with, and on what basis is the claim being made?

[2] Magali A. Delmas & Vanessa Cuerel Burbano, The Drivers of Greenwashing, 54 Calif. Mgmt. Rev. 64 (2011)
[3] Central Consumer Protection Authority, Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, File No. CCPA/28/2023-CCPA (effective Oct. 15, 2024)
[4] Consumer Protection Act, No. 35 of 2019, §§ 2(28), 2(47), India Code (2019)

These are not question’s for lawyers alone. They help determine whether consumers are receiving useful information or simply something that sounds good.

SEBI has faced a similar concern in sustainable finance[5]. Its framework for green debt securities seeks to check greenwashing, while ESG-related disclosure measures have pushed towards greater corporate transparency[6]. The idea behind this is fairly straightforward: money raised in the name of sustainability should actually be used in a way that justifies the label.

THE HALF-TRUTH PROBLEM

What interests me most is the kind of greenwashing that does not involve an obvious lie.

Imagine a company announcing that it has reduced plastic in one product by 30 per cent. That claim could be completely accurate. But what if, across its entire range of products, the company's total plastic consumption has actually increased?

The company may not have lied. Still, if a consumer comes away believing that the business has reduced its overall plastic footprint, can we really say that the advertisement was truthful?

For me, this is the harder legal problem. The deception is not always found in what has been said. Sometimes it lies in what was conveniently left out.

Traditional advertising law is comfortable asking whether a statement is true or false. Greenwashing forces us to look beyond that and ask what overall impression a technically correct claim creates when important context is missing[7].

Perhaps the most dangerous greenwash is simply a truth presented so selectively that the rest of the picture disappears.

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[5] Securities & Exchange Board of India, Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/023, Revised Disclosure Requirements for Issuance and Listing of Green Debt Securities (Feb. 6, 2023)
[6] Securities & Exchange Board of India, Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper (May 22, 2024)
[7] Ludwig Krämer, *EU Environmental Law* 365–69 (8th ed. 2016)

That is also why environmental claims cannot always be judged sentence by sentence[8]. Colour, images, selective statistics, omissions and promises about a distant future may work together to make a company appear far greener than it really is.

Sometimes, even a small green leaf on a label can do more persuasive work than the fine print beneath it.

FROM GREEN PROMISES TO GREEN PROOF

India's new framework is an important start, but rules will matter only when companies are expected to prove what they claim.

If a company describes itself as carbon neutral, consumers should be able to ask how that conclusion was reached, which parts of the business were included, what period was considered and who verified it. Similarly, calling a product sustainable should mean something concrete rather than merely making the packaging sound responsible.

There is a corporate governance issue here as well. Sustainability claims should not be left entirely to marketing teams. Once such claims influence consumers, investors and corporate reputation, their accuracy should also become a concern for those responsible for governing the company[9].

To me, the principle is simple: the greener the claim, the more a company should be expected to prove it[10].

India does not need businesses to stop talking about sustainability. It needs to make sure that companies actually doing the difficult work of becoming environmentally responsible are not overshadowed by those that have simply become better at sounding green.

The larger danger is not only that someone may buy the wrong product. It is that words like sustainable, eco-friendly and green may eventually stop meaning much at all.

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[8] TerraChoice Envtl. Mktg., *The Six Sins of Greenwashing* (2009)
[9] Organisation for Economic Co-operation & Dev. (OECD), *G20/OECD Principles of Corporate Governance* (2023)
[10] U.N. Secretary-General's High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities, *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions* (2022)

And when every bottle is green and every label carries a leaf, how will we know which companies actually changed what lies beneath?