



ECO OR ECHO? WHEN SUSTAINABILITY CLAIMS RING HOLLOW

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In India[1], concerns around such misleading environmental claims are growing, especially as studies indicate that a significant proportion of consumers around 75% in some surveys recognise the importance of environmentally friendly products, making sustainability a powerful marketing tool.[2] At the same time, India generates approximately 3.4 million tonnes of plastic waste annually, highlighting the increasing environmental pressure on companies to project themselves as responsible and sustainable.[3]

Imagine a bottled water company claiming its packaging is “100% eco-friendly,” yet offering no scientific proof or explanation or a fashion brand marketing a clothing line as “sustainable” while only a tiny fraction of the materials used are recycled. Consider also an investment fund branding itself as “green” even though most of its portfolio includes fossil fuel companies.

These scenarios highlight a growing global concern i.e. Greenwashing, where businesses exaggerate or falsely present their environmental credentials. As sustainability becomes a powerful marketing tool, regulators worldwide are stepping in to ensure that environmental claims are truthful, transparent, and verifiable.



[1] The article reflects the general work of the authors and the views expressed are personal. No reader should act on any statement contained herein without seeking detailed professional advice.

[2] <https://www.mintel.com/insights/packaging/consumer-perspectives-on-eco-friendly-packaging-an-indian-context/>

[3] <https://economictimes.indiatimes.com/news/india/india-recycles-only-30-per-cent-of-3-4-mt-plastic-waste-generated-annually-report/articleshow/96918352.cms?from=mdr>

1. What is greenwashing and why is it a concern?

Greenwashing refers to the practice where companies mislead consumers about their environmental practices or the sustainability of their products.

In India Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024 (“Guidelines”)[4] represent a significant step in this direction. These Guidelines were issued by the Central Consumer Protection Authority (“CCPA”) to address misleading environmental claims and protect consumers. They form part of a broader regulatory framework under consumer protection law and aim to bring clarity, accountability, and transparency to sustainability related advertising.

Section 2(f) of the Guidelines define greenwashing as follows:

(f.) “Greenwashing” means

(i) any deceptive or misleading practice, which includes concealing, omitting or hidden 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.

[4][https://consumeraffairs.gov.in/public/upload/admin/cmsfiles/whatsnews/The Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024 whatsnews.pdf](https://consumeraffairs.gov.in/public/upload/admin/cmsfiles/whatsnews/The_Guidelines_for_Prevention_and_Regulation_of_Greenwashing_or_Misleading_Environmental_Claims,_2024_whatsnews.pdf)

However, if the Company further adds to the above- stated statement and all its products are manufactured in sustainable manner then such environmental claim will be examined for green washing.

This definition is intentionally broad to capture evolving marketing practices.

The concern around greenwashing has intensified as consumers increasingly prefer environmentally responsible products. When companies exploit this trend through misleading claims, it not only deceives consumers but also harms genuinely sustainable businesses that invest in real environmental improvements. Over time, this erodes consumer trust in sustainability claims altogether and undermines broader environmental goals. Recognizing these risks, regulators in India have introduced specific guidelines to ensure that environmental claims are truthful, transparent, and backed by evidence.

One such case is often cited in discussions on greenwashing i.e. Hindustan Unilever Limited wherein reports indicate that HUL was advertising its Surf Excel Easy Wash detergent as “100% natural” and “environment-friendly,”. The renowned FMCG player advertised its product ‘Surf Excel Easy Wash’ detergent as “100% natural” and “environment friendly,” despite containing synthetic ingredients. It is reported widely that in 2011, the Indian government, through the Ministry of Environment and Forests, filed a case against Hindustan Unilever Limited (HUL) for making false claims in its advertising. Consequently, HUL was fined INR 10 lakhs by the Central Pollution Control Board. [5]



[5] [103802_ICSI_April_2024.indd](#)

2. What are the key features of the 2024 guidelines?

a. Substantiation Requirement

Any environmental claim must be supported by credible evidence, such as scientific data, independent studies, or recognized certifications. This ensures that claims are not merely marketing tools but are grounded in verifiable facts. Unverified claims such as “eco-friendly” or “green” are prohibited unless backed by proof and cannot be used in isolation; they must be clearly defined and explained in a manner that an average consumer can understand.[6]

b. Prohibition of Misleading Environmental Claims

Generic terms like “sustainable,” “natural,” or “clean” cannot be used without clear qualifiers and explanation. [7]

c. Disclosures

Companies are not allowed to present only favourable aspects of their environmental performance while hiding negative impacts. If a claim applies only to a specific part of a product’s lifecycle such as packaging or disposal. This must be clearly stated. The guidelines also recognize that misleading impressions can be created through visuals, symbols, or colour schemes, and therefore extend regulation beyond textual claims to include all forms of representation. Companies may be required to provide QR codes or URLs linking to detailed information. [8]

d. Clarity and Accessibility

Technical terms must be explained in simple, consumer-friendly language. [9]

e. Applicability

The Guidelines apply all environmental claims and broadly to manufacturers, service providers, trader, advertisers and endorsers. [10]

[6] Section 5 of the Guidelines

[7] Section 4 of the Guidelines

[8] Section 6 of the Guidelines

[9] Section 5 (c) of the Guidelines

[10] Section 3 of the Guidelines

3. What penalties apply in India for greenwashing?

The guidelines derive their enforcement strength from the Consumer Protection Act, 2019, under which the CCPA has been granted significant powers to act against misleading advertisements. Monetary penalties form a key component of enforcement.

In the event a company found guilty of making misleading environmental claims, it can face a penalty of up to Rs.10 lakh for a first violation, which may extend to Rs.50 lakh in case of repeated offences. These fines are intended to act as a deterrent, particularly in industries where sustainability branding can significantly influence consumer behaviour.

In addition to financial penalties, the law also imposes consequences on endorsers, including celebrities and social media influencers. If they are found to have promoted misleading environmental claims without due diligence, they may be prohibited from endorsing products for a specific period which may extend up to 1(one) year and in the event of subsequent contravention it may extend to a period of 3 (three) years. This is particularly significant in today's digital economy, where influencer marketing plays a major role in shaping consumer perceptions.[11]

Beyond penalties, the CCPA can also issue directions to discontinue or modify advertisements, mandate corrective advertising, and initiate investigations. These powers ensure that enforcement is not limited to punishment but also focuses on rectifying misinformation and preventing its recurrence. Overall, India's approach combines financial, reputational, and legal consequences to address greenwashing.

[11] Section 21 (2) and Section 21(3) of the Consumer Protection Act, 2019

4. What are the main objectives of India's 2024 Greenwashing Guidelines?

The Guidelines issued by the CCPA are introduced to bring clarity and accountability to environmental marketing. A key objective is to prevent deceptive environmental claims by ensuring that businesses do not use vague, exaggerated, or unverified sustainability assertions. This helps control the misuse of terms like “eco-friendly” or “green” as mere marketing tools.

The guidelines also aim to enhance consumer trust. As consumers increasingly rely on sustainability claims while making purchasing decisions, ensuring these claims are accurate helps build confidence and informed choice.

Another objective is to promote fair competition. By holding all businesses to the same standard of truthfulness, the guidelines prevent companies from gaining an unfair advantage through misleading claims over those genuinely investing in sustainable practices.

Finally, they seek to align India with global sustainability standards, ensuring that Indian regulatory practices keep pace with international developments and support responsible business conduct in a global market.

5. Conclusion

Globally, there is a clear movement toward stricter regulation of environmental claims, but different jurisdictions have adopted varying approaches.

The United States adopts a more flexible, enforcement driven approach through the Federal Trade Commission and its “Green Guides.” Rather than a single comprehensive law, the U.S. relies on case-by-case enforcement and guidance, which allows adaptability but may lack the uniformity seen in stricter regimes. One clear example involves the Federal Trade Commission taking action against companies for misleading environmental claims about products being “biodegradable.” In one set of cases, companies like Kmart and others were accused of making claims that their products would break down quickly, even though in typical landfill conditions that wasn't true. The FTC required them to stop such claims unless they had proper scientific evidence.[12]

[12] <https://www.ftc.gov/news-events/news/press-releases/2009/06/ftc-announces-actions-against-kmart-tender-dyna-e-alleging-deceptive-biodegradable-claims>

Guidelines and rules can only do so much; they don't automatically stop companies from using fake "eco-friendly" labels to look better than they are. To really tackle greenwashing, we need to be active consumers who stay alert and look past the fancy green packaging. If a brand's environmental claims don't seem right, reporting them on platforms like National Consumer Helpline or Jaago Grahak Jaago is the best way to make a difference. By speaking up and using these reporting tools, we help make sure that when a company says they are helping the planet, they actually mean it.

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