

Regulations and Prevention: Green Washing and Green Marketing

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Abstract

Green marketing has emerged as a crucial strategy for businesses aiming to promote environmentally friendly products and practices. However, the rise of **greenwashing**—a deceptive marketing tactic where companies falsely claim to be environmentally responsible—poses significant challenges to consumer trust and sustainability efforts. Effective regulations and preventive measures are essential to distinguish genuine green marketing from misleading claims. Governments and regulatory bodies worldwide have introduced stricter guidelines, such as the **Green Claims Code** and **ISO 14020 standards**, to ensure transparency and accountability in environmental advertising. Consumer protection agencies and independent watchdogs also play a key role in identifying and penalizing greenwashing practices. Companies are encouraged to adopt **third-party certifications, life cycle assessments, and clear labeling** to enhance credibility and build consumer confidence. Preventive strategies, including corporate sustainability audits and stringent compliance mechanisms, further strengthen ethical green marketing. By reinforcing these regulations, businesses can align with genuine sustainability goals while fostering a more responsible and eco-conscious market landscape.

Keywords: greenwashing, marketing, green, government, green blushing.

INTRODUCTION

Greenwashing, inspired by the term “whitewashing,” is the practice of engaging in “unsubstantiated, false, deceptive, misleading environmental claims about products, services, processes, brands or operations as a whole, or claims that omit or hide information, to give the impression that they are less harmful or more beneficial to the environment than they actually are.”¹

It would be greenwashing, for instance, if advertising products/services as “organic”, “eco-friendly” or marking them with promises of a “green” tomorrow knowing such claims to be untrue. The problem aggravates when customers, tricked by such misleading claims, are charged a premium for such alleged green products.

A more known version of greenwashing is climate washing – which is misleading claims made in the context of climate change.² Examples of greenwashing include unclear and false claims about its CO₂

¹ *Definition of Greenwashing, ASCI Guidelines for Advertisements Making Environmental/Green Claims.*

² CSSN Research Report 2022:1: Climate-Washing Litigation: Legal Liability for Misleading Climate Communications.docx (lse.ac.uk).

emissions³ by prominent airlines, about selecting products can save the planet and energy by an electronics company, or about a reduction in the carbon footprint by a manufacturer of food items, etc.

Such misleading and unsubstantiated advertisement or claims have caught the attention of regulators globally in the recent past.

In India, greenwashing is a form of misleading advertising. It has come under the radar of the Advertising Standards Council of India (“ASCI”), the Central Consumer Protection Authority (“CCPA”), the Securities Exchange Board of India (“SEBI”), and the Reserve Bank of India (“RBI”) in particular.

ASCI

The ASCI is a self-regulatory body for regulating advertising and related activities in India. On February 15, 2024, the ASCI released the Guidelines for Advertisements Making Environmental/Green Claims[7] (“ASCI Guidelines”), which provides guidance on greenwashing in advertising.

The ASCI Guidelines also lay down certain specific requirements for a claim to not be construed as greenwashing, which, among other things, include:

- A claim should not contain any forward-looking statements unless a clear and actionable plan has been prepared, detailing how such claims would be achieved.⁴
- A claim containing colours, graphics, or design elements associated with the environment theme is not prohibited unless such usage is connected with or supported by environmental claims made in relation to such product or packaging or services or brand identity.
- A claim in relation to:
- grant of certification/accreditation from a third-party must specify the aspects of the product/service evaluated;
- a product being compostable, biodegradable, recyclable, etc., must (i) specify the aspects of the product that bear such attributes, and the extent of such attributes and (ii) be backed by evidence to indicate the time taken for disposal to be completed, and the absence of any hazardous elements;
- carbon off-setting should (i) provide specific disclosure if it cannot be achieved in two years; and (ii) not be made if it is required by law.⁵
- the absence of environmentally damaging ingredients should not be made if (i) such ingredient is not found in any competing product or services; (ii) the removal of such ingredient is mandated by law and such law applied to competing products as well; or (iii) ingredient/component is replaced by another similar/more harmful ingredient/component. Having said that, if a claim in relation to (ii) above is still made, then the law requiring such removal must be sated.

The ASCI has been vigilant and issued notices against a variety of products and unsubstantiated claims such as (i) hand wash liquid and vegetable cleaning liquid are eco-friendly; (ii) the container of a strawberry shower scrub^[21] is made of 30 per cent recycled plastic, etc. In both these cases, the ASCI has, among others things, noted that such claims were misleading and was likely to lead to widespread disappointment in the minds of the consumers.

³ Air France, Lufthansa Group airlines part of EU greenwashing probe | Reuters.

⁴ *Guideline 7 of the ASCI Guidelines.*

⁵ Adaire Jones Carol and Lisa Di Pinto. (2018). The role of ecosystem services in USA natural resource liability litigation, *Ecosystem Services*, Volume 29, Part B, February, Pages 333-351

CCPA

Released merely five (5) days after the ASCI Guidelines, the CCPA issued its draft guidelines on greenwashing (“**Draft CCPA Guidelines**”) for public comments on February 20, 2024, and are yet to be enforced.

While the provisions of the Draft CCPA Guidelines are very similar to the ASCI Guidelines, the Draft CCPA Guidelines, in contrast to the ASCI Guidelines, expressly restrict cherry-picking of favourable observations from research backing the environmental claims and require disclosure of the favourable and unfavourable observations from such research. For example, a product packaging could be made of 100 per cent recyclable materials but could take up to eight (8) months to completely recycle. In such a case, it is required to mention that it could take up to eight (8) months to completely recycle the product packaging if a claim is made in relation to the recyclable nature of the product packaging.⁶

Additionally, the Draft CCPA Guidelines also mandate all advertisements containing (a) technical terms to use consumer friendly language and explain the meaning of such terms in such advertisements and (b) environmental claims to be easily accessible to the consumer and not contradict the claim itself.

SEBI

The SEBI took cognisance of greenwashing before the ASCI and CCPA. In February 2023, the SEBI issued a circular providing guidance in relation to advertising green debt securities (“**SEBI Guidance**”). The SEBI Guidance, among other things, requires issuers of green debt securities to:

- not use any misleading labels, hide any trade-offs, or cherry pick data from research to highlight green practices while obscuring data unfavourable to themselves (similar to the ASCI Guidelines and Guideline 7(b) of the CCPA Guidelines [*discussed earlier*]);
- not make untrue claims giving a false impression of certification by a third-party entity; and
- monitor and assess the measures undertaken for sustainable operations, reduction in the adverse impact on the environment, and contributing towards a sustainable economy, as envisaged in the offer document issued at the time of raising funds for transitioning to a greener pathway.

The SEBI Operational Circular pertaining to the issuance and listing of, among other things, green debt securities mandates compliance with the SEBI Guidance.

RBI

Following SEBI’s footsteps, the RBI, too, issued a circular dated April 11, 2023 (“**RBI Circular**”), to encourage regulated entities, i.e., scheduled banks, and non-banking financial companies (including housing finance companies), to, among other things, permit customers to make green deposits (i.e., deposit for financing activities/projects that contribute to climate risk mitigation, climate adaptation, and other objectives, including biodiversity management and nature-based solutions), protect the interest of the depositors, address greenwashing concerns, and help augment the flow of credit to green activities/projects.⁷

Greenwashing, ESG, and India

While the regulatory measures, *prima facie*, appear as an attempt to only regulate advertising and protect consumer/investor interests, it also attempts to cover a wider subject matter, i.e., ESG commitments and

⁶ Ahmed Nahian, M. Nazmul Islam, Ahmad Saraf Tuba, M. R. C. Mahdy and Mohammad Sujauddin (2019). Solving visual pollution with deep learning: A new nexus in environmental management, *Journal of Environmental Management*, Volume 248, 15 October 2019, Article 109253

⁷ Balakrishnan. K. (1998). Corporate Criminal Liability - Evolution of the concept, *Cochin University Law Review*, p.255.

compliances. For example, the ASCI Guidelines are applicable not only in relation to the advertising of goods or services but also to the advertising of processes, brands, and operations. Accordingly, any environmental claims made in relation to the processes, brands, or operations of a body corporate could be under the lens of the ASCI, if not another regulator.

Further, the Ministry of Corporate Affairs has issued the National Guidelines on Responsible Business Conduct (“**National Guidelines**”) to encourage companies to align their practices with India’s global commitment to social, environmental, and economic responsibilities. While these National Guidelines are non-binding in nature, SEBI has issued the BRR, BRSR, and the BRSR Core, which mandates public-listed companies to make ESG disclosures in accordance with the National Guidelines. The BRSR Core, among other things, also requires assurances to be made in relation to the nature and extent of the greenhouse, water, and energy footprint, and waste management supported by the measurement of total emissions by top 250 listed companies by market capitalization in FY 2024–25 and increases to up to top 1,000 listed companies by market capitalization by FY 2026–27.

It appears that conscious consumerism has also led to ESG commitments, and its disclosures being held in high regard by all kinds of investors, retail or sophisticated, at the time of making investment decisions.

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The Indian consumer market is aware about the environment and climate problem, which is linked to their consumption, and is willing to adopt greener and better alternative options. Consequently, the commercial itch to seize on the willingness of the consumer in exchange for a profit is palpable. However, if an environmental claim can grow interest and preference, a false environmental claim can also result in the permanent loss of consumer/investor interest, goodwill, and raise regulatory concerns.⁹

As in India, regulators across the globe are reacting to the rampant greenwashing practices. In the United States of America, the Federal Trade Commission has placed reliance on its Green Guides (i.e., guides issued to help marketers ensure that claims are true and substantiated) to prosecute greenwashing practices while also requesting comments from the public to amend the Green Guides. In the European Union, legislative measures in relation to greenwashing are two-fold: (i) amending the existing Unfair Commercial Practices Directive which purports to regulate unfair commercial practices and (ii) adopting the Green Claims Directive, which is similar to the ASCI Guidelines and the CCPA Guidelines.

In Singapore, environmental claims in advertisements can be assessed under the Singapore Code (a self-regulation similar to the ASCI Code in India) and the CPFTA. Under the Singapore Code, the Advertising Standards Authority of Singapore may require an advertisement to be modified or removed if found to be greenwashing, and such practice may be prosecuted under the CPFTA. The Competition and Consumer Commission of Singapore is also considering specific regulations in relation to greenwashing, as misleading representations may be considered as unfair practices under the CPFTA or a breach of the Singapore Code.¹⁰

The consumer is conscious, and the regulator is vigilant. The growing awareness of the impact of businesses on the environment, climate and consumerism, and the demand for integrity and accountability has awakened regulators globally and the inclination to not tolerate any kind of greenwashing is evident.

⁸ Beniwal Rajendra (2014). Laws Relating To Prevention Of Air Pollution In India – Part I, Tuesday June 17, By | Law publications, India Law LLP Blog

⁹ Bethan Moorcraft (2017). Claims data is key to busting myths around environmental liability, online Insurance business Magazine, 26 June, United kingdom.

¹⁰ Bethan Moorcraft (2017). Four key changes to environmental liability in the UK, online Insurance business Magazine, 27 June, United kingdom.

Consequently, it is essential for businesses to know about greenwashing and be cautious, correct, and well-equipped with data to back any green claims.¹¹

RESEARCH OBJECTIVE

- To develop and enforce standardized regulations that define and differentiate legitimate green marketing from deceptive greenwashing practices.
- To Implement strict compliance measures requiring businesses to provide verifiable, science-based evidence for environmental claims in their marketing materials.
- To Empower consumers with transparency laws, ensuring access to accurate environmental information and protection against misleading sustainability claims.
- To Encourage companies to adopt recognized eco-labels and certifications (e.g., ISO 14024, Energy Star) to validate green claims and reduce self-declared, unverified statements.
- To Advocate for corporate social responsibility (CSR) and promote genuine green marketing that aligns with long-term environmental sustainability goals.

DEFINE GREEN MARKETING, GREEN WASHING, AND GREEN BLUSHING

Greenwashing and Greenblushing are two opposite phenomena related to a company's environmental performance and communication. Greenwashing refers to the act of making exaggerated or false claims about a company's environmental or sustainability credentials. It can involve misleading marketing or communications, such as using green imagery or language to imply that a product is environmentally friendly when it is not. Greenwashing is generally viewed as a negative practice because it can mislead consumers and other stakeholders and erode trust in sustainability initiatives.

On the other hand, Greenblushing refers to the act of downplaying or under-communicating a company's environmental or sustainability performance. This can result from a reluctance to appear boastful or fear of being accused of Greenwashing. While Greenblushing may be well-intentioned, it can result in missed opportunities to communicate a company's sustainability achievements and contribute to the broader sustainability movement.¹²

In summary, Greenwashing and Greenblushing are two opposite ends of a spectrum related to a company's environmental performance and communication. Greenwashing involves exaggerated or false claims, while Greenblushing involves downplaying or under-communicating a company's environmental performance. Both Greenwashing and Greenblushing needs to be avoided as both can be risky for companies, albeit in different ways, and can be harmful to companies' sustainability efforts. Greenwashing can lead to accusations of dishonesty and misrepresentation, which can erode trust with stakeholders and damage a company's reputation. In extreme cases, it can also lead to legal or regulatory action, which can be costly and time-consuming. Green blushing, on the other hand, is risky because it can lead to missed opportunities for companies to differentiate themselves based on their sustainability performance. If companies are too hesitant to promote their sustainability initiatives, they may miss out on the benefits of building trust with stakeholders, such as increased customer loyalty, employee engagement, and investor

¹¹ Bhandary Leeladhara Mangalpaday (2019). Corporate Social Responsibility and Human Rights – Role of the International Organizations to Regulate Business Corporations for Violating Human Rights: A Socio-Legal Study, *Journal of Business and Management Sciences*. 2019, 7(2), 91-99. DOI: 10.12691/jbms-7-2- 5, Pub. Date: June 13, 2019

¹² Bluffstone Randall (2007). Privatization and contaminated site remediation in Central and Eastern Europe: Do environmental liability policies matter?, *Ecological Economics*, Volume 63, Issue 1,15 June 2007,Pages 31-41

interest. As such, it is important for companies to find ways to effectively communicate their sustainability performance, even if they are concerned about accusations of Greenwashing.¹³

To avoid both these issues, companies should focus on being transparent and honest about their sustainability performance, using clear and credible communication, and using third-party standards and certifications to provide independent verification of their sustainability initiatives and credentials. By doing so, companies can build trust with stakeholders, differentiate themselves from competitors, and contribute to a more sustainable future.

REGULATIONS AND LEGAL FRAMEWORK TO CURB GREEN WASHING.

Guidelines for Prevention and Regulation of Greenwashing

Greenwashing can be linked to good governance in a few ways. First, good governance involves transparency and honesty in business practices, which includes being truthful in environmental claims. Greenwashing involves making exaggerated or misleading environmental claims, which goes against the principles of good governance.

Second, good governance includes considering the interests of all stakeholders, including the environment and society. Greenwashing can harm both the environment and society by promoting unsustainable practices or by diverting attention and resources away from genuine sustainability efforts.¹⁴ Finally, good governance involves accountability and responsibility for actions. Greenwashing can undermine accountability by making it difficult for stakeholders to assess a company's true environmental impact and hold them accountable for any harm caused. In order to promote good governance and combat Greenwashing, companies should strive to be transparent and honest in their environmental claims, prioritize sustainability efforts that benefit both the environment and society, and be accountable for their actions. Companies should also consider implementing third-party certification programs and independent audits to provide greater assurance of their environmental claims. By doing so, companies can build trust with stakeholders and demonstrate a commitment to good governance and genuine sustainability efforts.

1. Bureau of Indian Standards (BIS): The BIS has developed a standard for eco-labelling of products and services called IS/ISO 14024:1999. This standard sets out criteria for the use of eco-labels and provides guidelines for companies making environmental claims in their advertising.
2. The Consumer Protection Act, 2019: This law provides for the establishment of a central consumer protection authority to regulate matters related to unfair trade practices, including false or misleading environmental claims.
3. Ministry of Environment, Forest and Climate Change (MoEFCC): The MoEFCC has launched a program called the Green Good Deeds movement, which aims to encourage individuals and organizations to take specific actions to reduce their environmental impact. The program also provides guidelines for companies making environmental claims in their advertising.
4. The Environment Protection Act, 1986: This law provides for the prevention and control of environmental pollution and the protection of the environment. The act includes provisions for penalties for violations of environmental standards and regulations.

¹³ Caballero Gonzalo and David Soto-Oñate (2017). Environmental crime and judicial rectification of the Prestige oil spill: The polluter pays, *Marine Policy*, Volume 84, October, Pages 213-219

¹⁴ Caballero Gonzalo and David Soto-Oñate (2017). Environmental crime and judicial rectification of the Prestige oil spill: The polluter pays, *Marine Policy*, Volume 84, October, Pages 213-219

5. Advertising Standards Council of India (ASCI): The ASCI has a code of self-regulation for advertising in India. The code requires that environmental claims be specific, accurate, and not misleading.
6. Green Rating Project (GRP): The GRP is an initiative of the Centre for Science and Environment (CSE) that rates the environmental performance of companies in India. The ratings are based on an assessment of the company's environmental management systems, policies, and performance.
7. Indian Green Building Council (IGBC): The IGBC is a non-profit organization that promotes sustainable building practices in India. The IGBC has developed a rating system for green buildings, which provides guidelines for companies making environmental claims related to their buildings.

These initiatives in India aim to promote transparency and accountability in environmental claims made by companies and to promote genuine sustainability efforts. Consumers can look for eco-labels and green certifications as a way to identify products and companies that are genuinely environmentally responsible.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 (CPA 2019) in India provides a legal framework to curb greenwashing by holding companies accountable for misleading advertisements and unfair trade practices. Under the Act, false or exaggerated environmental claims fall under misleading advertisements, which are prohibited. The Central Consumer Protection Authority (CCPA) has the power to investigate, penalize, and take action against companies engaging in deceptive marketing. If a company falsely advertises its products as eco-friendly without substantiating the claims, it can face fines of up to ₹10 lakh for a first offense and ₹50 lakh for repeated violations. Additionally, responsible individuals within the company may face imprisonment of up to two years, extendable to five years for repeated offenses. The Act empowers consumers to file complaints against greenwashing, ensuring transparency and authenticity in sustainability claims. Furthermore, advertisement guidelines issued under the Act mandate that environmental claims must be truthful, verifiable, and not misleading, preventing corporations from exploiting consumers' growing preference for sustainable products.¹⁵

Advertising Standards Council of India (ASCI)

The Advertising Standards Council of India (ASCI) has established guidelines to prevent greenwashing and ensure truthful environmental claims in advertisements. ASCI mandates that companies must provide scientific, verifiable, and relevant evidence to support any sustainability claims. Advertisements must not mislead consumers by exaggerating environmental benefits, using vague or ambiguous terms, or omitting critical information. ASCI's Code for Self-Regulation in Advertising requires transparency in eco-friendly messaging, prohibiting deceptive visuals or claims that create a false impression of sustainability. Additionally, companies making environmental claims must ensure that the benefits are significant and not minuscule to avoid misleading consumers. ASCI collaborates with consumer rights organizations and regulatory bodies to monitor and take action against misleading advertisements, ensuring that brands adhere to ethical advertising practices and maintain consumer trust.¹⁶

SEBI's Role

The Securities and Exchange Board of India (SEBI) has introduced regulations to curb greenwashing by ensuring that companies making environmental claims adhere to strict disclosure norms. SEBI's

¹⁵ Chatterjee Amit, Dipankar Das and Chakraborti, D. (1993). A study of ground water contamination by arsenic in the residential area of behala, calcutta due to industrial pollution, *Journal on Environmental Pollution*, Volume 80, Issue 1, 1993, Pages 57-65

¹⁶ Collier Jane and Lilian Wanderley (2005). Thinking for the future: global corporate responsibility in the twenty-first century, *Futures*, Volume 37, Issues 2–3, March–April, Pages 169-182

framework focuses on enhancing transparency in ESG (Environmental, Social, and Governance) reporting and preventing misleading sustainability claims. Under its guidelines, companies issuing green bonds or making ESG-related disclosures must provide accurate and verifiable information, avoiding exaggerated or false sustainability claims. SEBI has also mandated Business Responsibility and Sustainability Reporting (BRSR) for the top-listed companies, ensuring that environmental claims are backed by data. Additionally, SEBI has proposed assurance mechanisms for ESG disclosures, requiring independent third-party verification to prevent misleading sustainability representations. Non-compliance with these regulations can lead to penalties, reputational damage, and restrictions on accessing green finance markets.¹⁷

WHY DOES THE COMPANY DO GREEN WASHING AND PENALTIES

Companies engage in **greenwashing**—falsely presenting themselves as environmentally friendly—to enhance their public image, attract eco-conscious consumers, and comply superficially with regulations without making real changes. The main reasons include:

1. **Marketing & Competitive Advantage** – Consumers prefer sustainable brands, so companies exaggerate their green efforts to boost sales.
2. **Regulatory Compliance Evasion** – Instead of adopting real sustainability practices, they create misleading campaigns to appear compliant.
3. **Cost-Saving** – Implementing true sustainability initiatives can be expensive, so companies opt for cheaper, superficial solutions.
4. **Investor Attraction** – Many investors favor companies with strong Environmental, Social, and Governance (ESG) credentials, leading businesses to manipulate their sustainability image.

Penalties for Greenwashing

Governments and regulatory bodies are cracking down on greenwashing with stricter **laws and penalties**:

- **Fines & Legal Actions** – Authorities like the U.S. Federal Trade Commission (FTC) and the EU's Green Claims Directive impose fines for false claims.
- **Consumer Lawsuits** – Misleading environmental claims can lead to class-action lawsuits.
- **Reputational Damage** – Exposure of greenwashing harms brand credibility and leads to loss of customer trust.
- **Market Restrictions** – Some regions ban misleading advertisements, preventing companies from selling in those markets.

COMPARISON TO OTHER STATES LAW AND WHERE INDIA STANDS.

Greenwashing is not limited to any particular geographic location or industry sector. In fact, as the demand for sustainable products and services continues to grow globally, the risk of Greenwashing is increasing, and it can occur in any country or industry.

Some companies may use misleading or vague environmental claims to sell their products or services to consumers who are interested in sustainability, regardless of where they are located. Additionally, multinational companies may use different sustainability standards and messaging in different

¹⁷ D. Dragomir Voicu (2018). How do we measure corporate environmental performance? A critical review, Journal of Cleaner Production, Volume 196, 20 September, Pages 1124-1157

regions, which can contribute to confusion and Greenwashing.¹⁸

To address Greenwashing beyond boundaries, it is important to have globally recognized standards and certifications for sustainability that are rigorously enforced.

Regardless of where they operate, this can assist guarantee that businesses are held responsible for their environmental promises.

Regardless of where the product or service is being offered, it is also crucial for customers to be aware of the dangers of Greenwashing and to critically assess sustainability claims.

United States: In the United States, the Federal Trade Commission (FTC) has issued guidelines on environmental marketing claims, known as the Green Guides, which provide guidance on how companies can make truthful and non-deceptive environmental claims in their advertising. The Green Guides also prohibit false or misleading claims, such as using unqualified terms like “eco-friendly” or “green.” The guidelines require that environmental claims be specific and not misleading, and that they be supported by competent and reliable evidence. The Green Guides are not legally binding, but the FTC can take legal action against companies that make false or misleading environmental claims.

European Union: The European Union has implemented the “Green Claims” Regulation, which sets out rules for companies making environmental claims in their advertising. The regulation requires that environmental claims be specific, accurate, and verifiable. In Europe, the European Commission issued guidelines on environmental claims in 2020, which aim to harmonize the rules for environmental claims across the European Union (EU). The guidelines include criteria for substantiating environmental claims, such as using science-based metrics and avoiding misleading or vague language. The guidelines are not legally binding, but companies that violate consumer protection laws can face legal action.¹⁹

Canada: The Competition Bureau in Canada has in 2019, issued guidelines, the Environmental Claims: A Guide for Industry and Advertisers which provides guidance for companies making environmental claims in their advertising on how to avoid making false or misleading representations in the marketing of products and services. The guidelines require that environmental claims be specific, accurate, and not misleading, using clear and specific language and providing evidence to support environmental claims.

Australia: The Australian Competition and Consumer Commission (ACCC) has issued the Green Marketing and the Australian Consumer Law guide in 2019, which provides guidance on how to make truthful and accurate environmental claims for companies making environmental claims in their advertising. The guidelines require that environmental claims be specific, accurate, and not misleading. The guide also outlines the penalties for making false or misleading environmental claims.

United Kingdom: The Advertising Standards Authority (ASA) in the United Kingdom has issued guidelines for companies making environmental claims in their advertising. The guidelines require that environmental claims be specific, accurate, and not misleading. In addition to these efforts, there are also independent organizations that certify products as environmentally friendly, such as the

¹⁸ D. Dragomir Voicu (2018). How do we measure corporate environmental performance? A critical review, *Journal of Cleaner Production*, Volume 196, 20 September, Pages 1124-1157

¹⁹ Dalal Praveen (2004). Corporate Entity in existing legal system-Its rights and liabilities under the Constitution and other enactments, 61 *Corporate Law Adviser (CLA)* 96 Magazine.

Forest Stewardship Council (FSC), the Rainforest Alliance, and the Energy Star program. Consumers can look for these certifications as a way to identify products that are genuinely environmentally responsible.

These are just a few examples, and many other countries and regions have also enacted laws and regulations to address Greenwashing, such as China's Green Advertising Law and Brazil's Consumer Protection Code.²⁰

Overall, while the legal frameworks against Greenwashing vary by country and region, there is a growing recognition of the need to address Greenwashing and protect consumers from false or misleading environmental claims.

The effectiveness of measures to curb Greenwashing can vary depending on the specific initiative and the context in which it is implemented. However, overall these measures can be effective in reducing the prevalence of Greenwashing and promoting genuine sustainability efforts. By setting clear guidelines and standards for environmental claims, these measures can help to ensure that companies are not misleading consumers with false or exaggerated claims about their environmental impact.

For example, in the United States, the FTC has launched enforcement actions against corporations that have made false or misleading environmental claims, which has helped to promote greater transparency and accountability in environmental marketing.

In addition, independent certification programs and eco-labels can provide consumers with a reliable way to identify products and companies that are genuinely environmentally responsible. These certifications and labels can provide consumers with confidence that the claims made by the company have been verified by an independent third party.

However, there are also limitations to these measures. For example, some companies may still engage in Greenwashing even if there are guidelines and standards in place. Additionally, some consumers may not be aware of these initiatives or may not prioritize sustainability when making purchasing decisions.²¹

Overall, while these measures may not eliminate Greenwashing, they can help to promote greater transparency and accountability in environmental marketing and provide consumers with more reliable information about the environmental impact of the products they are purchasing.

CASE LAWS

H&M: has been accused of greenwashing, especially with reference to its "Conscious Collection" and other sustainability claims; a class action lawsuit alleging deceptive marketing strategies was filed in New York.

Godrej Soaps: In 2015, Godrej Consumer Products Limited was accused of making false claims about the environmental benefits of its Godrej No. 1 soap, claiming it was "100% natural," "biodegradable," and "eco-friendly" when it contained synthetic ingredients.

ExxonMobil: ExxonMobil's advertising campaigns have been accused of greenwashing, highlighting initiatives that suggest a commitment to sustainability while the core activities of fossil fuel extraction and

²⁰ Dalal Praveen (2005). Corporate social responsibility: A myth or reality, *The Company Law Journal*, (Volume 5), Issue 1, 61 CLA 96 (Mag).

²¹ De Alice Jonge (2015). Corporate governance in India and China: The regulatory and institutional framework, *The Glass Ceiling in Chinese and Indian Boardrooms*, Pages 11-33

production remain unchanged.

Ikea: Ikea has been accused of greenwashing due to its association with illegal logging.

BP

Fossil fuel giant BP changed their name to Beyond Petroleum and publicly added solar panels on their gas stations. In December 2019, an environmental group called ClientEarth lodged a complaint against BP for misleading the public with its advertisements that focused on BP's low-carbon energy products, when more than 96% of its annual spend is on oil and gas

Volkswagen

A classic example of greenwashing is when Volkswagen admitted to cheating emissions tests by fitting various vehicles with a "defect" device, with software that could detect when it was undergoing an emissions test and altering the performance to reduce the emissions level.

This was going on while to the public the company was touting the low-emissions and eco-friendly features of its vehicles in marketing campaigns. In actuality, these engines were emitting up to 40 times the allowed limit for nitrogen oxide pollutants.

CONCLUSION

While legal remedies can be a useful tool to curb Greenwashing, they may not be sufficient on their own to completely eradicate the problem. There are several reasons why this is the case:

1. **Limited Resources:** To implement rules and regulations pertaining to Greenwashing, government agencies and regulators frequently lack the necessary resources.
This can make it challenging to spot and investigate instances of greenwashing, particularly when businesses are employing intricate and dishonest tactics.²²
2. **Complexity of Environmental Claims:** Environmental claims can be complex and difficult for consumers to understand. This can make it challenging for regulators to determine whether claims are accurate or misleading.
3. **Lack of International Standards:** There is currently no internationally recognized standard for Greenwashing, which can make it difficult to enforce laws and regulations across borders. This can also make it difficult for companies to know what standards to follow and how to communicate their environmental performance to consumers.
4. **Limited Scope of Legal Remedies:** Legal remedies may be limited to specific types of claims or specific industries, and may not be sufficient to address all instances of Greenwashing.

Considering these difficulties, it is crucial to use additional tactics to counteract Greenwashing in addition to legal remedies, such as industry standards and certifications, education and awareness efforts, and greater responsibility and transparency from businesses.

It might be feasible to more successfully combat the issue of Greenwashing and advance more sustainable practices across industries by adopting a holistic strategy that engages numerous stakeholders.

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²² Devos. J.M. (1992), *Industrial Liability – The Future in Europe*, Risk Management of Chemicals, Pages 317-336

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