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# Greenwashing in the Fashion Industry: A Manipulative Facade in the Name of Corporate Environment Responsibility

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With the Growing importance of bringing Environmental sustainability, Companies are far behind the benchmark as reflected in work on their Corporate Environmental Responsibility (CER) mission. Corporations often make deceptive claims by using the terms 'eco—friendly' 'conscious choices' and 'Sustainable' trapping the customers from buying their products and using their services. This is where the concept of greenwashing comes into the picture. The unethical practice of businesses creating false and misleading statements about their environmental benefits than what they perceive to be, to appeal to their customers is termed as the concept of 'Greenwashing'. The Changing socio-environmental concerns, require companies to find ways to combat the exponential rise of carbon emissions, water pollution and harmful substances. However, the rampant manipulation of the environment by greenwashing has led Brands to succumb to increased profit margins and neglect Corporate environmental responsibility. Moreover, there are significant obstacles that Greenwashing presents itself which further undermines the credible efforts to reduce emissions

and address climate crisis. With the Lack of Environmental stewardship and proper regulatory Legislation, the dream of tackling

several environmental challenges remains farfetched. The goal of this article is to critically discuss the greenwashing committed by

the fashion industry by deceiving Consumers and impacting environmental sustainability. It will shed light on the detrimental

issues/greenwashing#:~:text=Greenwashing%20manifests%20itself%20in%20several,company's%20operations%20or%20materials%20used> accessed 20 January 2024

<sup>&</sup>lt;sup>1</sup> 'Greenwashing - the deceptive tactics behind environmental claims' (*United Nation Climate Action*)

<sup>&</sup>lt;https://www.un.org/en/climatechange/science/climate-

environmental claims made by fashion Brands, understand their jeopardizing approach towards their Corporate Environmental responsibility mission and highlight the obsolete system of regulatory compliance governing greenwashing.

Keywords: greenwashing, fast fashion, corporate environment negligence, consumer behavior, unethical practices, sustainability.

## INTRODUCTION TO A BIG GREENWASHING CLAMPDOWN TOWARD A SUSTAINABLE FUTURE

The concepts of 'environmental sustainability' and 'Corporate environment responsibility' have been exploited and neglected by fashion brands endlessly to present themselves in a way, that appeals to be conscious and positive towards the targeted audience. On the contrary, the data reflects that the Global Fashion Industry is responsible for almost 8% of global greenhouse gas emissions, and 20% of the world's wastewater, incurring a loss of \$100 billion due to underutilization and accounting for 9% of annual microplastics losses to the oceans.<sup>2</sup> The detrimental effects are visible and produce a tremendous impact of this industry on major environmental hazards worldwide.

The sustainable hoax of promoting 'recycled polyethene terephthalate (PET)<sup>3</sup> is becoming a misleading practice, paving the way for false environmental claims. With the rising demand for improvement in the fashion industry, many brands have used the proliferation of vague terms in their manufacturing and advertising process like 'upcycling' 'responsible' 'eco-collection' 'sustainable' and 'organic', brands might claim their clothes are made from sustainable material (on show one aspect for green claims or advertising one eco element of their production, like recycling packaging or products using less water retention)<sup>4</sup> while the ecological crisis is thriving on mass consumption and overproduction, building a mountain of clothing waste.

<sup>&</sup>lt;sup>2</sup> Julia Adamkiewicz et al., 'Greenwashing and Sustainable fashion industry' (2022) 38 Current Opinion in Green and Sustainable Chemistry < <a href="https://www.sciencedirect.com/science/article/pii/S2452223622001225#sec3">https://www.sciencedirect.com/science/article/pii/S2452223622001225#sec3</a> accessed 20 January 2024

<sup>&</sup>lt;sup>3</sup> Corrado Rizzi, 'Nike Hit with Class Action Over 'Greenwashed' Sustainability Claims' (*ClassAction*, 15 May 2023) <a href="https://www.classaction.org/blog/nike-hit-with-class-action-over-greenwashed-sustainability-claims">https://www.classaction.org/blog/nike-hit-with-class-action-over-greenwashed-sustainability-claims</a> accessed 21 January 2024

<sup>&</sup>lt;sup>4</sup> Elizabeth Joy, 'How to tell if a fashion brand is green – or just greenwashing' (*Conscious Life and Style*, 14 July 2023) <a href="https://www.consciouslifeandstyle.com/how-to-identify-greenwashing/">https://www.consciouslifeandstyle.com/how-to-identify-greenwashing/</a> accessed 21 January 2024

Moreover, in recent years, several clothing brands have chosen to switch to 'organic cotton' a seemingly endurable material,<sup>5</sup> yet hypocritically the manufacturing of cotton in clothing brands is enough to drain a range of natural resources, with an addition of harmful dyes, chemicals and substances applied.

Greenwashing continues to present itself in the fashion industry, with multiple facets and summing up a plethora of ways where Brands overestimate their value and mislead people through green marketing. The ways could present themselves in the form of:

One Sided Element: A common tactic used by brands to highlight one single element of positive sustainable change being carried out is to promote through marketing campaigns and advertisements, which could be recycling packages or cruelty-free production. When their initiative is barely doing the minimum to meet their ESG goals and drive out environmental hazards.<sup>6</sup>

**Unrealistic Target Setting:** A fairly common practice adopted by the brands is to set high green targets for themselves, like reducing carbon footprints by 2030, without calculating the ratio of natural resources. This is the way where consumers are unlikely to check the progress and follow up, as they believe they are aware of the sustainable goals.

**Presenting False Labels:** This could imply that a brand is specifying they hold a third-party verification, stating in the label as 'Green Product' or 'Guaranteed Ethical', justifying this to be a Fake certification.<sup>7</sup>

**Irrelevant Advertisement:** This practice is promoted when brands state irrelevant information to advertise on their marketing campaigns, which could be showing the 'Ethical Nature' of their

<sup>7</sup> Joy (n 4)

<sup>&</sup>lt;sup>5</sup> Alexander Goodall, 'The rise of Greenwashing in the Modern Industry' (*Clean Energy Capital*, 07 July 2023) < <a href="https://www.cleanenergycapital.co.uk/post/the-rise-of-greenwashing-in-modern-fashion">https://www.cleanenergycapital.co.uk/post/the-rise-of-greenwashing-in-modern-fashion</a> > accessed 21 January 2024

<sup>&</sup>lt;sup>6</sup> Ibid

brand, by 'paying minimum wages or not using child labour. This just means they are following the bare minimum legal code of conduct.<sup>8</sup>

Geographical Influence: Most of the brands, advertise that their clothes are shipped or inspired from sustainable places like Paris, Greece or Tuscany. When they are sourced predominantly from Asian countries, like Bangladesh or Vietnam, where harmful environmental substances and low ethics are followed. Through their, marketing tactics they manage to get away with it.

Throughout the duration, fashion brands have come into the spotlight by green activists and Environmentalists to decode the Marketing tactics behind their sustainable image presented to create a false sense of security for consumers and trap them in an Endless cycle.

#### FASHION BRANDS ACCUSED OF GREENWASHING

The false pretenses bring out the harsh reality of the company by exhibiting an image of being ethical and showing sustainability, by promoting new technologies, when they are encouraging the mass – consumption and selling of morally wrong products. The concern for corporate environment responsibility has been neglected by a few of the most classic fast fashion brands in relatively stronger conception as:

**1. ZARA:** The subsidiary brand of the Spanish group Inditex has been under fire for the longest period for exaggerating and promoting green environmental claims when they still use synthetic materials like Polyester, generated mostly from Petroleum, a fossil fuel contributor to climate change. The data reflects that fossil fuels account for 75% of global greenhouse gas emissions. The information even regarding their recycling program is vague and ambiguous, as it doesn't guide waste management and water disposal practices.

<sup>8</sup> Ibid

<sup>&</sup>lt;sup>9</sup> Alyciah Beavers, 'Is Zara Fast Fashion? Here's everything you need to know' (*Green Hive*, 24 November 2023) <a href="https://www.greenhive.io/blog/is-zara-fast-">https://www.greenhive.io/blog/is-zara-fast-</a>

fashion#:~:text=Unfortunately%2C%20while%20Zara's%20Pre%2DOwned,greenwashing%20(Murphy%2C%2020 22)> accessed 21 January 2024

In, 2022, the brand unveiled a limited-edition line of 'sustainable clothing' where the mission was to use 'LanzaTech's technology' to craft this process by making fabrics out of captured carbon emissions. The critics had a different say in this by reflecting on the 'so-called solution, which is an expensive and energy-intensive plan, unworthy to combat the global issue of environmental crises and calling it a bold move to cover up the issue on the brighter side. The marketing shows Zara's indefinite promotion for over-production and over-consumption through these tactics and continuing to produce tones of clothes, which are likely to end up in landfills due to their short lifecycle.

Orsola de Castro, the founder of the Fashion Revolution, even addressed the ineffectiveness and unethical practices of modern-day human rights abuses across supply chains. <sup>11</sup> Moreover, the brand faced severe backlash for its 'harsh labour practices' in Brazil Moreover, The Asia Floor Wage Alliance (AFWA) has vocally called out the brand by Shedding light on challenges faced by the garment workers. Their forced working hours, applicability of harmful substances and wage reductions are reflected in the insensitive and deplorable working conditions.

While the brand has adopted measures to effectively counter the environmental crisis, like setting up the target to achieve net zero by 2040, it continues to face accusations and criticisms for contradicting its objectives. Irrespective of how much they produce, Zara needs to be held accountable for their immoral doings, where they are simply protecting guilt conscious of their consumers by making products as a disguise for their 'sustainability' mission.

**2. H&M:** The misrepresentation led by big corporations manages to come out of the darkness, despite their million-dollar efforts to gaslight the public through greenwashing. H&M, a Swedish conglomerate fast fashion brand, with enormous marketing tactics, has profited from 'claiming' that their clothing is a part of a sustainable mission. An investigation conducted by Quartz highlighted that half the scorecards (a set of 'high sustainability profiles', which provides a comparative analysis to customers, to understand the environmental impacts of their

<sup>&</sup>lt;sup>10</sup> Frankie Leach, 'Clothes made from 'carbon emissions': Why Zara's new line Is just more greenwashing' (Euronews.green, 26 June 2022) < <a href="https://www.euronews.com/green/2022/06/26/clothes-made-from-carbon-emissions-why-zaras-new-line-is-just-more-greenwashing">https://www.euronews.com/green/2022/06/26/clothes-made-from-carbon-emissions-why-zaras-new-line-is-just-more-greenwashing</a> accessed 22 January 2024

<sup>&</sup>lt;sup>11</sup> Ibid

purchases) H&M, reflected a false representation of their claims, that their piece of clothing was beneficial for the environment, when compared to, the brand lacked sustainability in larger elements. Additionally, one of the scorecard profiles reported by Quartz, stated that the information provided by the brand of using 20% less water in the production process, is a hoax to cover their '20% more water in manufacture'.<sup>12</sup>

A lawsuit was launched in July 2022 against H&M, in the United States District Court by the Plaintiff Chelsea Commodore for accusing the defendant (H&M) of 'misleading' and 'misrepresenting' their 'conscious' collection as sustainable and environment friendly. The case was filed on the grounds of taking advantage of consumers by falsifying their sustainability profiles and misrepresenting the nature of their products at the cost of consumers who are genuinely 'sustainability conscious'. According to the class action the brand's portrayal of 'turning old clothes into new, by claiming 50% sustainable materials, is another trick leading towards over-consumption.<sup>13'</sup> The brand has been labeled as 'deceptive' 'unlawful and 'unfair' for creating a business model that thrives on plastic goods and doesn't address the actual concerns of conscious consumers.

The green marketing drive has not only led H&M to 'close the loop' but has furthered the fundamental issue of perpetuating the overconsumption of natural resources. Their unsupported and non-credible data, without any evidence, is one of the primary reasons considered for greenwashing. To portray their brand as sustainable, their scorecards are based on 'The Materials Sustainability Index, created' by 'The Sustainable Apparel Coalition. Moreover, the usage of MSI's methodology by H&M and other brands is nothing but the reflection of them 'committing morally wrong' doings to make their products look environmentally sustainable.

<sup>&</sup>lt;sup>12</sup> Amanda Shedrunk, 'Quartz investigation: H&M showed bogus environment scores for its clothing' (*Quartz*, 29 June 2022) < <a href="https://qz.com/2180075/hm-showed-bogus-environmental-higg-index-scores-for-its-clothing">https://qz.com/2180075/hm-showed-bogus-environmental-higg-index-scores-for-its-clothing</a> accessed 22 January 2024

<sup>&</sup>lt;sup>13</sup> Commodore v H&M Hennes & Mauritz LP, 7:22-cv-06247

<sup>&</sup>lt;sup>14</sup> Mathew Stern, 'H&M Case Shows How Greenwashing Breaks Brand Promise' (Forbes, 13 July 2022)

<sup>&</sup>lt;a href="https://www.forbes.com/sites/retailwire/2022/07/13/hm-case-shows-how-greenwashing-breaks-brand-promise/?sh=af24d851171a">https://www.forbes.com/sites/retailwire/2022/07/13/hm-case-shows-how-greenwashing-breaks-brand-promise/?sh=af24d851171a</a> accessed 22 January 2024

The brand may have taken restrictive actions like committing to use 30% recycled materials in building clothes by 2035, achieving net zero by 2040 and generating 100% of its electricity from renewable resources by 2035.<sup>15</sup> The 'sustainability' remains an unanswered question, and continues to pose an ecological threat, as most of their products are still manufactured from nonorganic cotton and synthetic (Polyester or Recycled polyester) fabrics.<sup>16</sup>

**3. Nike:** The greenwashing controversy also dragged the brand Nike under its radar for falsifying their environmental claims and misleading the public eye. The 'Just Do It' brand has made several claims by committing to positive environmental practices and is a member of 'The Sustainable Coalition.'<sup>17</sup> According to their last updated 'sustainability profile mission', a 'publicly defined target' of moving to net zero by 2025 had been set to develop a promotion and marketing strategy. Their recycled polyester model is 'supposed' to decrease carbon emissions by 30% and claim their greatest invention of reusing more than 90% of the waste from air manufacturing to turn them into new airbags as a way to ensure Nike Air soles are made from approximately 50% recycled material.

The Brand from 2021-2022 had garnered a score of 51-60% in the Fashion Transparency Index<sup>18</sup> coming as the 'most sustainable apparel and footwear company', contemplating they might be developing transparency and moving towards an optimistic direction. However, in May 2023, the brand got stuck by a classic lawsuit action, over their greenwashing claims. In *Ellis v Nike USA*, *Inc.*<sup>19</sup>. a consumer complaint filed by Maria Guadalupe Ellis, claimed that Nike is misrepresenting the sustainability of its products and was filed at the 'U.S. District Court of Eastern District of Missouri' alleging that the brand's marketing tactics pertain to eco-friendly, when hypocritically, it's a violation of Missouri Merchandising Practices Act. The lawsuit

<sup>&</sup>lt;sup>15</sup> 'The science is clear – global temperature rise must be kept to 1.5°C – and as a global fashion company we have to act' (*H&M Group*) < <a href="https://hmgroup.com/sustainability/circularity-and-climate/climate/">https://hmgroup.com/sustainability/circularity-and-climate/</a> accessed 22 January 2024

<sup>&</sup>lt;sup>16</sup> Mariah Feria, 'Is H&M Sustainable and Ethical?' (*Sustainly*, 21 June 2023) < <a href="https://sustainly.com/hm-sustainable-ethical">https://sustainly.com/hm-sustainable-ethical</a> accessed 22 January 2024

<sup>&</sup>lt;sup>17</sup> Lara Robertson, 'How Ethical is Nike? '(*Good on you*, 26 July 2023) < <a href="https://goodonyou.eco/how-ethical-is-nike/">https://goodonyou.eco/how-ethical-is-nike/</a> accessed 23 January 2024
<a href="https://goodonyou.eco/how-ethical-is-nike/">18 Ibid</a>

<sup>19</sup> Ellis v Nike USA 4:23-cv-00632

classified that their 'sustainable collection' was predominantly made from virgin synthetic materials and was strongly accused that out of 2,452 products from the Nike Lists, only 239 products turned out to be made with recycled materials. The misrepresentation led by the brand also claimed to be supporting the mission to 'net-zero' which made claims of unjust enrichment, negligent misrepresentation and fraud.

Considering the labour conditions, the Foul Play Report published in 2018, reflects that the living wages of Workers in the supply chain system, are considerably lower than what had been expected. The primary aim of the report was to compare the production cost of Nike and Adidas with the sports shoes that were produced 25 years ago, only to disclose that worker's living wages had decreased by 30%, between 1995 and 2017<sup>20</sup>. The production and manufacturing of major sportswear brands usually take place in Asian markets like Indonesia, where the living wages of garment workers, barely allow them to cover their basic needs.

The disadvantages also have exposed gigantic impacts in their other main production areas of China, Cambodia and Vietnam,<sup>21</sup> showcasing the inhumane condition of workers struggling to make ends meet. While the brand is certified by the Fair Labor Association (FLA) workplace code of conduct,<sup>22</sup> the mockery comes into the picture as compared to million dollars spent on sponsorships, the share of the final price, paid to workers in the supply chain close to poverty-stricken value. Moreover, it is also irrational to see the brand committing to 'fighting to provide equitable living wages to workers' as an attempt to come off as a 'conscious' brand in which they just doing the bare minimum by following the legal procedures.

The brand has marketed recycled polyester as environmentally friendly and sustainable, which is a synthetic material, a form of plastic derived from microplastics, proved to be dangerous for marine life<sup>23</sup> and deceptive capitalizing methods to fool customers by falsely claiming their

<sup>&</sup>lt;sup>20</sup> 'Foul Play Sponsors Leave Workers on the Sidelines' (Clean Cloths Campain, 2018)

<sup>&</sup>lt;a href="https://cleanclothes.org/file-repository/resources-national-cccs-foul-play-ii-sponsors-leave-workers-still-on-the-sidelines/view">https://cleanclothes.org/file-repository/resources-national-cccs-foul-play-ii-sponsors-leave-workers-still-on-the-sidelines/view</a> accessed 23 January 2024

<sup>&</sup>lt;sup>21</sup> Ibid

<sup>&</sup>lt;sup>22</sup> Robertson (n 17)

<sup>&</sup>lt;sup>23</sup> Rizzi (n 3)

brand image as 'green'. Despite their so-called efforts, Nike has failed to ecologically work to prevent environmental hazards their products cause, irrespective of the 'green marketing' to protect their reputation, 90% of the products end up in landfills.

Irrespective of the work done, the brands have continued to portray their image as 'sustainable', the data has disclosed their more substantial unfair trade practices and presenting recycled polyester and nylon, as being 'environmentally conscious, is another distorted trick to make profits at the expense of their consumer's money, despite the evidence collected shows, they are still plastic and non – biodegradable.

#### UNREGULATED OR REGULATED? LEGISLATIONS GOVERNING GREENWASHING

The navigations of upregulated misleading, false and unsubstantiated environmental claims, fall under the corporate greed of greenwashing. The concept of greenwashing has been a forgone virtue, gone unnoticed by conglomerate corporations in an attempt to make million-dollar profits. The improper and unmonitored governance of Greenwashing has paved the way for 'deceptive' and 'misleading' green marketing, targeting the consumers who are 'environmentally conscious' and might fall prey to this conjecture. The fundamental aim of this section is to dissect and disclose, a few of the legislations adopted to combat greenwashing and the lack of proper regulations instigating the claims for 'greenwashing' at a larger scale.

The classic lawsuit of H&M and Nike had cited the Federal Trade Commission (FTC), a USA-led agency, which is a set of 'Green Guidelines', principled to educate and prevent companies from greenwashing their products, a technical way to combat 'misleading and deceitful claims.' The parameters are created specifically, to guide consumers, as to what classifies to be 'green product.' A statement made by them has provided a clarification that 'an environmental marketing claim should not overstate, or by implication, an environmental attribute or benefit.' One of the developments, taking place in the regulatory framework, to tackle 'misleading advertisement' is the Climate and ESG Task Force (2021), created by the Securities and Exchange

<sup>&</sup>lt;sup>24</sup> 'Guides for use of Environmental Marketing Claims' (Federal Trade Commission, 10 November 2012)

<sup>&</sup>lt;a href="https://www.federalregister.gov/documents/2012/10/11/2012-24713/guides-for-the-use-of-environmental-marketing-claims">https://www.federalregister.gov/documents/2012/10/11/2012-24713/guides-for-the-use-of-environmental-marketing-claims</a> accessed 23 January 2024

Commission (SEC),<sup>25</sup> which is responsible for disclosing and overseeing if the compliance efforts are positively being executed by the companies.

The new rules adopted, have developed initiatives to monitor any misconduct regarding the ESGs and analyze the Greenhouse gas Emissions (GHGs) to 'help crackdown on corporate greenwashing.' Primarily on misrepresenting funds and investments in the industry. However, the legislations constituted are less advanced and don't directly constitute greenwashing. Moreover, the lack of clarity in such guidelines creates ambiguity for businesses and a challenging rope for consumers to understand what it means to be 'green' with the difficulty of grasping the validity of environmental claims.

On the contrary, one of the tools adopted by the European Union to address the environmental problems of the textile industry is Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which came into operation in 2007. It is one of the main EU laws to protect consumers and the environment from the harmful substances released from chemicals.<sup>26</sup> The regulation has predominantly emphasized manufacturers and importers to give information and assess, any potentially harmful substances produced by them. Further, one of the essential elements of this regulation is that consumers of the European Union, have access to the European Chemical Agency (ECA)<sup>27</sup> which has information publicly displayed to provide reliable and transparent access to consumers, through which they can make informed decisions.

One of the latest legislations approved by the EU parliament on January 17, 2024, is The Directive on Empowering Consumers for the Green Transition (ECGT), welcomed to curb

<sup>&</sup>lt;sup>25</sup> Curtis File, 'Global Greenwashing Regulations: How the World Is Cracking Down on Misleading Sustainability Claims' (Sustainalytics, 14 November 2023) < <a href="https://www.sustainalytics.com/esg-research/resource/investors-esg-blog/global-greenwashing-regulations--how-the-world-is-cracking-down-on-misleading-sustainability-claims#:~:text=The%20fine%20was%20part%20of,set%20to%20become%20more%20common</a>> accessed 27 January 2024

<sup>&</sup>lt;sup>26</sup> Adamkiewicz (n 2)

<sup>&</sup>lt;sup>27</sup> 'New EU law empowers consumers against Corporate Greenwashing' (*European Environmental Bureau*, 17 January 2024) < <a href="https://eeb.org/new-eu-law-empowers-consumers-against-corporate-greenwashing/">https://eeb.org/new-eu-law-empowers-consumers-against-corporate-greenwashing/</a> accessed 24 January 2024

exaggerated and misleading corporate greenwashing claims.<sup>28</sup> The regulation established is to restrict the unsubstantial environmental claims made by businesses through their 'green' marketing tactics. This is an important step taken to target and educate consumers regarding the marketing bluff and work on banning misleading advertisements. While the new laws prove to be effective, the creation of unfair practices and unrestricted production allowed in the initial phases to continue to recycle (Through recycled polyester and nylon)<sup>29</sup> and produce products, has created another environmental hazard to exponentially increase the problem of overconsumption and overproduction.

Comprehending the Greenwashing regulations in India comes with complexities. Due to the lack of stringent and actionable laws, the rise of corporate greenwashing threatens environmental sustainability on a larger scale. With the absence of proper directive guidelines, the failure towards corporate environmental responsibility and the repercussions of ecological damages continue to become a legal problem. Although, The Consumer Protection Law, 2019

has a set of guidelines 'to protect consumers from misleading and false advertisements, it provides ambiguity and doesn't give customers the confidence to differentiate between real and 'fake' environmental products.<sup>30</sup> Sec 2(28) indirectly governs greenwashing, by defining 'misleading advertisements' which either:

- Falsely describes the product or service.
- Gives a false guarantee to, is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service,
- Deliberately hides important information.

The Department of Consumer Affairs and Central Authority of Consumer Protection (CCPA) was established by Section 10 of The Consumer Protection Act to regulate authority,<sup>31</sup> on matters

<sup>&</sup>lt;sup>28</sup> Jon McGowan, 'EU Greenwashing Law Is Warning To US Companies To Be Diligent In Environmental Claims' (*Forbes*, 23 January 2024) < <a href="https://www.forbes.com/sites/jonmcgowan/2024/01/23/eu-greenwashing-law-is-warning-to-us-companies-to-be-diligent-in-environmental-claims/?sh=67e0ca96109d">https://www.forbes.com/sites/jonmcgowan/2024/01/23/eu-greenwashing-law-is-warning-to-us-companies-to-be-diligent-in-environmental-claims/?sh=67e0ca96109d</a> accessed 25 January 2024

<sup>&</sup>lt;sup>29</sup> New EU law empowers consumers against Corporate Greenwashing (N 27)

<sup>&</sup>lt;sup>30</sup> Consumer Protection Act 2019, s 2(28)

<sup>&</sup>lt;sup>31</sup> Consumer Protection Act 2019, s 10

relating to the violation of the rights of consumers, unfair trade practices and false or misleading advertisements and enforce the rights of consumers. Under sec 21 of the act, if CCPA is aware of the fact, that an advertisement is misleading or false, they may issue directions to manufacturers endorsers or advertisers to discontinue. Additionally, the CCPA also has the authority to impose a penalty of up to INR 10,00,000/- if found guilty of a contravention.<sup>32</sup> Further, The Advertising Standard Council of India (ASCI),<sup>33</sup> is a self-regulatory organization, that has a set of guidelines to ensure Advertisements are, decent, clear, true to their nature, and supported by evidence to build consumer confidence. Precisely, building efficiency in consumer choices, and protecting the public from Hypocritical environmental claims. The fundamental aim of these guidelines is to build transparency and autonomy to make informed choices.

While the conclusiveness is present in mitigating deceiving 'green advertisements', the Securities and Exchange Board of India (SEBI), a regulatory framework for governing ESG within the companies, amended the (mutual funds) regulations 1996, on 27 June 2023.<sup>34</sup> The latest regulations, brought into operation were introduced to create a subcategory for ESG investments, by mitigating the risk of mis-selling and misrepresentation of facts in funds and investments, to prevent greenwashing. The basis of the operation is to address the 'issuers of Green Debt securities, to ensure the proliferation of misleading labels, hidden trade-offs or unsubstantial claims'<sup>35</sup> won't be used to highlight the misrepresentation of green practices. The primary aim is to monitor whether the path being undertaken is sustainable and avoid the road of causing adverse environmental impacts.

<sup>&</sup>lt;sup>32</sup> Consumer Protection Act 2019, s 21

<sup>&</sup>lt;sup>33</sup> Hemant Tewari, 'Greenwashing: Indian Regulatory Context' (*TaxGuru*, 06 Feb 2023)

<sup>&</sup>lt;a href="https://taxguru.in/finance/greenwashingcindian-regulatory-context.html">https://taxguru.in/finance/greenwashingcindian-regulatory-context.html</a> accessed 26 January 2024

<sup>&</sup>lt;sup>34</sup> 'About SEBI' (*Securities and Exchange Board of India*) < <a href="https://www.sebi.gov.in/about-sebi.html">https://www.sebi.gov.in/about-sebi.html</a> accessed 26 January 2024

<sup>&</sup>lt;sup>35</sup> 'Sebi lists dos and don'ts relating to green debt securities to avoid occurrences of greenwashing' *The Economic times* (06 February 2023) < <a href="https://economictimes.indiatimes.com/markets/bonds/sebi-lists-dos-and-donts-relating-to-green-debt-securities-to-avoid-occurrences-of-greenwashing/articleshow/97643985.cms">cms</a> accessed 26 January 2024

#### CONCLUSION

The lack of Corporate environmental responsibility has paved the way for Business operations to become negligent toward safeguarding the interests of the environment and consumers. With the building's need to bring accountability and responsibility, in governing the actions taken by Businesses, the corporate negligence and the lack of legal enforcement, to combat greenwashing have allowed Conglomerates to continue to deceive consumers through their misleading advertisements and 'not evidence supported' environmental claims.

The unclear differentiation between 'green advertisements and 'greenwashing' is one of the critical causes leading to the practice of unsustainability by businesses. Despite the legitimate reason for an increase in consumer interest in supporting environment-friendly corporations, the insurmountable use of vague terms like 'eco-friendly' 'recycled' 'ecological friendly' and 'biodegradable' has managed to guilty conscious consumers to become part of unsustainable practices through the consumption of their products. Through 'green marketing', the brands have portrayed their image in a way that is morally acceptable and satisfying to be presented to the public. Additionally, this has substantially caused ecological damage on a larger scale and jeopardized the consumer confidence to make informed decisions, about what it means to be 'green'.

This dilemma, posed, requires immediate action to be taken, to address the critical negative effect of greenwashing prevalent within the fashion industry. The need to bring a comprehensive and dignified approach is significant to strike a balance of consistency between imposing strict checks and regulations for governing 'greenwashing and misleading environmental claims' and a wakeup call for Brands to present their products with substantial evidence claims, provided they are transparency is fostered and held accountable for presenting the consumers with 'superficial environment targets'.

While the EU may be ahead in establishing strict authority to govern 'green marketing tactics and greenwashing' Indian Legislations need to foster the growth of sustainable development within business holistically to prevent corporate environment negligence. Measures like

adoption and investment in green technologies, building platforms to educate consumers on what is classified as 'green', spreading environmental awareness to instill constructive criticism among the public and predominantly, the most critical step, the enhancement of rigorous legal enforcement system to force obligation on corrupted Multinational Corporations is intrinsic to prevent fraudulent and deceptive environmental claims.