GREENWASHING IN INDIA: RECONCILING SEBI'S BRSR DISCLOSURES, CONSUMER PROTECTION LAW, AND ADVERTISING STANDARDS

Smita Sanjay Gaikwad, DES Shri Navalmal Firodia Law College, Pune.

ABSTRACT

Greenwashing has become a serious challenge for India's evolving environmental, social and governance ("ESG") regime. Companies increasingly use environmental language such as "green," "eco-friendly," "sustainable," "carbon neutral," and "net zero" to attract consumers and investors. While some claims reflect genuine environmental action, others may be vague, selective, exaggerated, or unsupported by credible evidence. Such claims can mislead consumers, distort investment decisions, disadvantage responsible businesses, and weaken public confidence in sustainability reporting.

This article examines greenwashing in India by reconciling three legal frameworks: SEBI's Business Responsibility and Sustainability Reporting ("BRSR") framework, consumer-protection law under the Consumer Protection Act, 2019 and the Central Consumer Protection Authority's Greenwashing Guidelines, 2024, and advertising standards under the Advertising Standards Council of India's Guidelines for Advertisements Making Environmental/Green Claims, 2024.

The article argues that these frameworks address different aspects of greenwashing but do not yet operate as a coherent system. SEBI's BRSR and BRSR Core improve sustainability disclosure and assurance for listed companies, but they primarily protect investors rather than consumers. Consumer-protection law regulates misleading environmental claims affecting consumers, while ASCI regulates advertising content through self regulation. The absence of a unified substantiation standard allows companies to make inconsistent environmental claims across investor communications, advertisements, packaging, and social media.

Using a doctrinal and socio legal approach, the article identifies gaps in India's anti greenwashing framework and recommends clearer definitions, common substantiation standards, stronger BRSR assurance, specific regulation of carbon neutral and net zero claims, better coordination among SEBI, the CCPA, and ASCI, and accessible remedies for consumers and investors.

Keywords: Greenwashing; ESG; BRSR; BRSR Core; SEBI; Consumer Protection Act, 2019; CCPA; ASCI; Advertising Standards; Sustainability Disclosure; Corporate Accountability.

I. Introduction

Environmental responsibility is no longer limited to an annual report's final few pages. It is now a part of the language used by business market themselves t the public, sell goods, and draw in investors. A shampoo bottle can claim to be "natural". A clothing company may refer to their line as "sustainable". "Carbon neutral" flights maybe promoted by an airline. A company's website might discuss climate resiliency, circular economies, and net zero pledges.

These assertions may be helpful. Information is necessary for consumers who want to make eco friendly decisions. Reliable data is necessary for investors who take climate risk into account. Environmental policy designers must be aware of how businesses are addressing sustainability issues. However, environmental language can also be employed to convey a sense of accountability that is not supported by the underlying facts.

Greenwashing is the term used to describe this discrepancy between environmental perception and reality. It doesn't always entail a blatant untruth. A business may claim that its packaging is recyclable without providing information about the existence of recycling facilities in the area where the product is marketed. Despite continuing to emit significant amounts of greenhouse gasses, it may claim to be carbon neutral since it has bought offsets. It might draw attention to one eco-friendly component while keeping quiet about the effects of production, shipping, or disposal. Even if a single remark is technically correct, the total message could nonetheless be misleading.

India has recently begun to respond to this problem. SEBI has made sustainability reporting more structured through the BRSR and has introduced assurance for a set of core ESG indicators[1]. The Central Consumer Protection Authority ("CCPA") has issued guidelines prohibiting misleading environmental claims and requiring substantiation[2]. The Advertising

[1] Securities and Exchange Board of India, *BRSR Core – Framework for Assurance and ESG Disclosures for Value Chain*, SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 (July 12, 2023) (India), https://www.sebi.gov.in/legal/circulars/jul-2023/brsr-core-framework-for-assurance-and-esg-disclosures-for-value-chain_73854.html

[2] Central Consumer Protection Authority, *Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024* (Oct. 15, 2024) (India), https://consumeraffairs.gov.in.

Standards Council of India ("ASCI") has also tightened its standards for environmental advertising[3]. These developments are welcome, but they reveal an important problem: India regulates greenwashing in fragments.

SEBI looks at listed companies and investor-facing disclosure. The CCPA looks at consumers and misleading advertisements. ASCI looks at advertising content. Each regulator sees part of the problem. None sees the whole picture. A company may make a cautious disclosure in its BRSR and an ambitious environmental claim in its advertisement. It may assure selected ESG data for investors while using vague sustainability language for consumers. The legal result may be uneven, and the practical result may be consumer confusion.

This article asks whether India's legal framework adequately reconciles these different regimes. Its answer is cautious: the framework has improved, but it remains incomplete. The article makes three arguments.

First, SEBI's BRSR framework has made sustainability disclosure more visible and more standardised, but disclosure alone does not prevent greenwashing. A company can disclose accurate data and still create a misleading impression through selective presentation.

Second, the CCPA's Greenwashing Guidelines are an important step because they recognise that vague terms, incomplete disclosure, and misleading imagery can be as harmful as outright falsehood. Yet their effectiveness depends on enforcement, technical capacity, and the willingness of consumers to complain.

Third, ASCI's guidelines provide a useful advertising level check, but self regulation cannot substitute for statutory accountability. ASCI may ask an advertiser to modify or withdraw an advertisement, but the more difficult questions compensation, deterrence, and systemic reform require stronger coordination with the CCPA and SEBI.

The article proceeds in eight parts. Part II explains what greenwashing means and why it matters beyond advertising. Part III examines SEBI's BRSR and BRSR Core framework. Part IV analyses consumer protection law and the CCPA Guidelines. Part V considers ASCI's role. Part VI identifies the gaps and overlaps in the present system. Part VII suggests reforms. Part

[3] Advertising Standards Council of India, *Guidelines for Advertisements Making Environmental/Green Claims* (Feb. 15, 2024) (India), https://www.ascionline.in/wp-content/uploads/2024/01/Guidelines-for-Advertisements-Making-Environmental-Green-Claims.pdf.

VIII concludes.

II. Understanding Greenwashing

A. More Than a False Claim

Greenwashing is often understood as a false environmental claim. That understanding is too narrow. A company may not say anything factually untrue and still mislead its audience. The problem lies in the impression created by the claim as a whole.

The CCPA's Greenwashing Guidelines define greenwashing as any deceptive or misleading practice involving the concealment, omission, or hiding of relevant information through exaggerated, vague, false, or unsubstantiated environmental claims. The Guidelines also cover misleading words, symbols, or imagery that emphasise positive environmental aspects while downplaying harmful attributes[4].

This definition captures the everyday techniques of green marketing. A product may be labelled "natural" even though it contains synthetic substances. A company may use images of forests and clean rivers to suggest environmental virtue without making any specific claim. It may describe a product as "biodegradable" without explaining the conditions required for biodegradation. It may advertise "plastic-free" packaging while ignoring the environmental cost of the alternative material.

Greenwashing can therefore take several forms:

- A vague claim, such as "eco friendly" or "planet positive," without explaining what it means.
- An unsupported claim, such as "carbon neutral," without evidence or methodology.
- A selective claim, where a company highlights one benefit and conceals a larger harm.
- A misleading comparison, where a product is called "greener" without a clear benchmark.

[4] Central Consumer Protection Authority, *Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024*, cl. 2 (India)

- A misleading visual, where green imagery creates an impression that words do not support.

- A misleading offset claim, where emissions are said to be neutralised through offsets of uncertain quality.

The common thread is not simply dishonesty. It is the gap between the environmental story a company tells and the environmental reality it can substantiate.

B. Why Greenwashing Matters

It is tempting to treat greenwashing as a minor marketing issue. In reality, it affects several different groups.

Consumers are the most obvious group. Many people want to make better environmental choices, but they cannot personally verify whether a product is recyclable, whether a company has reduced emissions, or whether a carbon offset is genuine. They depend on labels, advertisements, certifications, and corporate statements. When those signals are misleading, consumer choice becomes distorted.

Investors are affected too. ESG investing assumes that sustainability information is reliable enough to influence investment decisions. If a company exaggerates its environmental performance, investors may overvalue its sustainability credentials or underestimate its regulatory and reputational risks. This is particularly concerning because environmental performance can affect long term profitability, compliance costs, access to capital, and exposure to climate-related disruption.

Competitors are also affected. A company that genuinely invests in cleaner production, better waste management, or lower emission logistics may face higher costs. If another company can attract customers simply by using attractive environmental language, honest businesses are placed at a disadvantage.

Finally, the environment itself is affected. Greenwashing can create the appearance of progress without producing actual environmental improvement. It may allow companies to delay difficult changes while benefiting from the reputational value of sustainability.

This is why greenwashing is not only a consumer-protection issue. It is also a corporate governance issue, a securities law issue, and an environmental accountability issue.

III. SEBI's BRSR Framework: Transparency for Investors

A. From Voluntary Reporting to Structured Disclosure

SEBI's BRSR framework requires the top 1,000 listed companies by market capitalisation to disclose sustainability related information in a prescribed format. The BRSR replaced the earlier Business Responsibility Reporting regime and was intended to make ESG disclosure more standardised, comparable, and useful to investors[5].

The BRSR asks companies to disclose information across environmental, social, and governance dimensions. Environmental disclosures include energy use, greenhouse-gas emissions, water consumption, waste management, and environmental impacts. Social disclosures cover employees, communities, human rights, and supply chain responsibility. Governance disclosures deal with board composition, ethics, transparency, and stakeholder engagement.

The shift is significant. Earlier, sustainability reporting in India was often voluntary, inconsistent, and difficult to compare. One company might report emissions in one way; another might use a different boundary or methodology. The BRSR attempts to reduce this inconsistency by prescribing the information that listed companies must provide.

For investors, this matters. Environmental risks are no longer peripheral. Climate change can disrupt supply chains, increase input costs, create regulatory liabilities, and affect demand. Water scarcity can affect manufacturing. Waste management failures can attract penalties and reputational harm. A company's environmental conduct may therefore be material to its financial future.

B. BRSR Core and the Promise of Assurance

The main weakness of any sustainability report is that it depends on company generated data. A company may choose favourable metrics, use unclear boundaries, or present improvements

[5] Securities and Exchange Board of India, *Business Responsibility and Sustainability Reporting by Listed Entities*, SEBI/HO/CFD/CMD-2/P/CIR/2021/562 (May 10, 2021) (India)

in a way that conceals larger problems. SEBI sought to address this concern through BRSR Core.

BRSR Core is a subset of the BRSR consisting of key performance indicators across nine ESG attributes. These include greenhouse gas emissions, water footprint, waste management, energy consumption, workforce diversity, employee well-being, health and safety, business ethics, and supply chain sustainability[6].

SEBI has introduced a phased assurance requirement for BRSR Core. The requirement began with the top 150 listed entities in FY 2023 24 and is intended to extend to the top 1,000 listed entities by FY 2026 27[7]. The idea is straightforward: if companies are making sustainability claims that investors may rely upon, some of the underlying data should be independently checked.

Assurance can improve confidence in ESG reporting. It forces companies to maintain records, explain methodologies, and subject their data to external scrutiny. It also makes it harder for a company to publish impressive numbers without supporting documentation.

But assurance has limits. It usually covers selected KPIs, not every environmental statement made by a company. A company may obtain assurance for its reported emissions while making an unverified "carbon neutral" claim in an advertisement. It may assure its water consumption data while using vague sustainability language on its website. Assurance improves the reliability of certain disclosures; it does not automatically make every corporate environmental claim trustworthy.

C. What BRSR Does Not Do

The BRSR is valuable, but it was not designed to solve every greenwashing problem.

It primarily regulates listed companies. It does not directly govern the environmental claims made by unlisted businesses, product manufacturers, service providers, advertisers, or

[6] Securities and Exchange Board of India, *BRSR Core – Framework for Assurance and ESG Disclosures for Value Chain*, SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 (July 12, 2023) (India); Securities and Exchange Board of India, *Annexure I: Format of BRSR Core* (July 12, 2023) (India).

[7] Securities and Exchange Board of India, *BRSR Recommendations by Expert Committee for Facilitating Ease of Doing Business* (May 2024) (India); Securities and Exchange Board of India, *Speaking Notes of Shri Amarjeet Singh, Whole-Time Member, SEBI* (July 2025) (India).

influencers. A consumer buying a packaged product does not ordinarily read the company's BRSR. The consumer sees the label, the advertisement, the influencer's post, or the product description on an e-commerce platform.

The BRSR also focuses on prescribed disclosures. It may not capture every form of environmental communication. A company's marketing campaign may imply environmental virtue without making a specific disclosure that falls within the BRSR framework.

Most importantly, the BRSR regulates disclosure, not necessarily the overall impression created by corporate communication. A company may disclose that it has reduced emissions intensity while its absolute emissions have risen. It may disclose recycling initiatives while continuing to produce large volumes of single-use plastic. The disclosures may be accurate, but the broader message may still mislead.

This is not a criticism of SEBI's framework for what it does. It is a reminder that investor facing transparency and consumer-facing truthfulness are related but distinct regulatory tasks.

IV. Consumer Protection Law and the CCPA's Response

A. The Consumer Protection Act, 2019

The Consumer Protection Act, 2019 is the principal statutory framework for addressing misleading advertisements in India. It protects consumers against unfair trade practices and false or misleading representations concerning goods and services. It also empowers the CCPA to investigate complaints, issue directions, impose penalties, and order the discontinuation or modification of misleading advertisements[8].

Greenwashing can fall within this framework when an environmental claim influences a consumer's decision to purchase a product or service. If a company claims that a product is biodegradable, plastic-free, carbon neutral, or made from recycled materials, and the claim is false or unsupported, the company may be engaging in an unfair trade practice.

The Act is important because it recognises that consumers can be harmed by misleading claims even when the product itself performs its basic function. A detergent may clean clothes

[8] Consumer Protection Act, 2019, §§ 2(28), 2(47), 10, 21, 89, No. 35, Acts of Parliament, 2019 (India).

effectively, but a consumer may still be misled if it was sold as biodegradable when it is not. A food product may be safe to eat, but a consumer may still be deceived if it is marketed as "100% natural" when it contains synthetic ingredients.

The Act also extends responsibility beyond the company. Advertisers, advertising agencies, and endorsers may face scrutiny where they participate in misleading advertising. This matters in a market where influencers often communicate environmental claims to large audiences.

B. The CCPA Greenwashing Guidelines, 2024

The CCPA issued the *Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024* on 15 October 2024. The Guidelines apply to advertisements and communications relating to goods and services, and they cover manufacturers, service providers, traders, advertisers, advertising agencies, and endorsers[9].

The Guidelines prohibit greenwashing and misleading environmental claims. They require environmental claims to be accurate, accessible, adequately disclosed, and substantiated. Generic terms such as "clean," "green," "eco-friendly," "eco-conscious," "good for the planet," "minimal impact," "carbon neutral," "natural," "organic," "pure," "sustainable," and "regenerative" cannot be used without adequate qualifiers, substantiation, and disclosure[10].

This is a meaningful change. Earlier, a company could use a word like "eco-friendly" and leave consumers to guess what it meant. Now, the company must explain the basis of the claim. It must make clear whether the claim relates to the product, its packaging, its manufacturing process, its use, or its disposal. It must also provide credible evidence, such as reliable scientific data, credible certification, or independent third-party verification, where the claim requires it[11]. The Guidelines also require substantiation to be accessible. A company may provide the relevant information in the advertisement itself or through a QR code, URL, or similar digital link[12]. This is practical. Environmental claims often require technical explanation, and a QR code can allow an interested consumer to access supporting material without cluttering the

[9] Central Consumer Protection Authority, *Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024*, cl. 3 (India).
[10] Central Consumer Protection Authority, *Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024*, cls. 4–5 (India).
[11] Central Consumer Protection Authority, *Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024*, cls. 6–8 (India).
[12] Central Consumer Protection Authority, *Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024*, cl. 7 (India).

advertisement.

C. Why the CCPA Guidelines Matter

The CCPA Guidelines matter because they recognise the subtlety of greenwashing. They do not only prohibit false statements. They also address vague language, selective disclosure, and misleading presentation.

This is important because greenwashing often works through implication. A company may not say, "This product has no environmental impact." It may simply use green colours, images of leaves, and the word "natural." The consumer may walk away believing the product is environmentally better than it is.

The Guidelines also apply beyond listed companies. This is crucial. Many products that carry environmental claims are sold by unlisted companies. A securities regulator cannot reach every misleading label on a shampoo bottle or every sustainability claim made by a fashion brand. Consumer protection law can.

However, the Guidelines are not a complete answer. They focus on consumer-facing communication. They do not create a detailed regime for investor facing ESG disclosures. They also depend on enforcement. Environmental claims can be complex, and regulators need technical capacity to assess carbon accounting, lifecycle analysis, recyclability, and offset quality.

V. ASCI and the Regulation of Environmental Advertising

A. A Self Regulatory Check

ASCI is a self-regulatory body that administers the Code for Self-Regulation of Advertising Content in India. In 2024, it issued the *Guidelines for Advertisements Making Environmental/Green Claims*, which came into effect on 15 February 2024[13].

The ASCI Guidelines define environmental claims as claims suggesting that a product, packaging, or service has a neutral or positive environmental impact, is less damaging than a

[13] Advertising Standards Council of India, *Guidelines for Advertisements Making Environmental/Green Claims* (Feb. 15, 2024) (India).

previous version, or is less damaging than competing goods or services[14].

ASCI's role matters because advertising is often where consumers first encounter environmental claims. A sustainability report may be read by analysts and institutional investors. An advertisement reaches a much wider audience. If greenwashing is to be prevented in practice, advertising regulation cannot be ignored.

B. Substantiation and Clear Comparison

The ASCI Guidelines require broad environmental claims, such as "eco friendly" and "sustainable," to be supported by robust data or credible accreditation. Comparative claims, such as "greener" or "friendlier," require evidence that the advertised product offers an environmental benefit over the advertiser's previous product or a competitor's product. The basis of comparison must be disclosed[15].

The Guidelines also require advertisers to clarify the limits of their claims. If a claim relates only to one part of a product's life cycle, the advertisement should make that clear. This is important because many environmental claims are misleading not because they are false, but because they are incomplete.

A company may say that its packaging is recyclable. That may be true. But if the product's manufacturing process is highly emissions-intensive, or if the packaging is unlikely to be recycled in practice, the claim may create a misleading impression.

ASCI has also emphasised that technical terms relating to greenhouse-gas emissions and ecological footprint should be explained in language that consumers can understand. Claims based on independent studies or third-party certification must be capable of substantiation[16].

C. ASCI's Practical Importance

ASCI's work is not merely theoretical. Its Annual Complaints Report for 2024–25 states that it investigated 211 advertisements for potentially false or exaggerated environmental claims,

[14]Advertising Standards Council of India, *Code for Self-Regulation of Advertising Content in India*, environmental-claims guidelines (India).
[15] Advertising Standards Council of India, *Guidelines for Advertisements Making Environmental/Green Claims*, cls. 3–5 (India).
[16] Advertising Standards Council of India, *Guidelines for Advertisements Making Environmental/Green Claims*, cl. 6 (India).

compared with 34 in the previous year. According to ASCI, all of these advertisements required modification because they lacked evidence to support their green claims. ASCI also reported that 14% of these cases were escalated to the regulator for potential violation of the ASCI Code and the CCPA Greenwashing Guidelines[17].

These figures suggest that greenwashing is not a rare or hypothetical problem. It is present in ordinary advertising. They also show that ASCI's monitoring can identify problematic claims before they become the subject of formal regulatory action.

Still, ASCI's powers are limited. Its decisions are not equivalent to statutory enforcement. It can seek withdrawal or modification of an advertisement, but it cannot itself impose the full range of penalties available under consumer protection law. Its effectiveness therefore depends on cooperation with the CCPA and other regulators.

VI. The Problem of Fragmentation

A. Three Regulators, Three Perspectives

India's anti-greenwashing framework is divided among SEBI, the CCPA, and ASCI. Each has a different mandate.

SEBI regulates listed companies and investor-facing disclosure. Its concern is market integrity, investor protection, and the reliability of material information. The BRSR and BRSR Core are its principal tools.

The CCPA regulates consumer harm and misleading advertisements. Its concern is whether an environmental claim deceives or is likely to deceive a consumer. The Consumer Protection Act and the Greenwashing Guidelines are its principal tools.

ASCI regulates advertising content through self regulation. Its concern is whether an advertisement is honest, truthful, and supported by evidence. Its Code and green-claims guidelines are its principal tools.

Each perspective is necessary. But the absence of coordination creates problems. The same

[17] Advertising Standards Council of India, *Annual Complaints Report 2024–25* (2025) (India), https://www.ascionline.in/wp-content/uploads/2025/05/Digital-ASCI-Annual-Complaints-Report-2024-2025.pdf.

company may communicate environmental information to investors, consumers, regulators, and the public through different channels. If each channel is governed by a different standard, the company may be able to present inconsistent narratives.

B. Disclosure Without Accountability

A recurring weakness in ESG regulation is the assumption that disclosure will produce accountability. Disclosure is necessary, but it is not enough.

A company may disclose its emissions, water use, and waste-generation data. But if the disclosure is buried in a long report, expressed in technical language, or presented without context, it may not meaningfully inform consumers or investors. Conversely, a company may make a bold environmental claim in an advertisement while providing little or no supporting information.

Greenwashing often lives in this gap. The formal disclosure may be accurate. The public message may be misleading. The law must therefore look beyond whether individual statements are literally true and ask whether the overall communication is likely to mislead a reasonable consumer or investor.

C. Enforcement Capacity

Enforcement is another challenge. Environmental claims often involve technical questions. What emissions boundary has the company used? Are Scope 3 emissions included? What is the quality of the carbon offset? Is the product genuinely recyclable in Indian conditions? Does the lifecycle assessment consider transport, use, and disposal?

These are not questions that can be answered by looking only at the wording of an advertisement. They require scientific, financial, and technical expertise. Regulators need access to specialists in carbon accounting, environmental science, lifecycle assessment, and ESG assurance.

There is also a practical problem of detection. Misleading claims may appear on social media, influencer content, packaging, e commerce listings, and digital advertisements. Consumers may not know how to complain. Even when they do, proving that a claim is misleading may require evidence that is in the company's possession.

D. Carbon Neutral and Net Zero Claims

Carbon-neutral and net zero claims deserve special attention. These claims are especially attractive in marketing because they suggest that a company has solved its climate problem. But they are often based on complex assumptions.

A company may claim to be carbon neutral because it has purchased offsets. But offsets vary widely in quality. Some may be temporary, poorly verified, double counted, or unrelated to the emissions they are supposed to neutralise. A company may also claim a future net zero target without explaining how it intends to achieve it.

The CCPA and ASCI frameworks require substantiation and disclosure, but India needs more detailed rules on offset quality, emissions boundaries, verification, and the distinction between actual emissions reduction and offsetting. Without these rules, carbon-neutral claims may become one of the most common forms of greenwashing.

VII. What India Should Do

A. Create a Common Standard of Substantiation

India should develop a common standard for environmental claims across SEBI, CCPA, and ASCI jurisdictions. The standard need not eliminate the different mandates of each regulator. But it should establish shared principles.

An environmental claim should be:

- accurate;
- capable of substantiation;
- clear about its scope;
- not misleading by omission;
- supported by proportionate evidence;
- transparent about methodology and limitations;

- clear when it is aspirational rather than present-day fact.

This would reduce uncertainty for companies and make enforcement more consistent.

B. Define Greenwashing More Clearly

The term "greenwashing" should be defined with greater legal precision. The CCPA Guidelines provide a useful starting point, but a clearer statutory or regulatory definition would help courts, companies, and enforcement authorities.

The definition should expressly cover vague claims, selective disclosure, misleading imagery, unsupported carbon neutral claims, misleading comparative claims, and concealment of material adverse environmental impacts.

A clear definition would not make every environmental statement unlawful. It would simply make clear that companies must be able to explain what they mean and prove what they claim.

C. Strengthen BRSR Assurance

SEBI should consider expanding assurance beyond BRSR Core where ESG disclosures are material to investors. It should also clarify the consequences of material misstatements in BRSR disclosures.

At present, assurance improves confidence in selected data. But if a company makes a material sustainability claim that is false or misleading, there should be clear consequences. These may include corrective disclosure, investor communication, enforcement action, and liability where appropriate.

Boards should also take greater responsibility for sustainability reporting. ESG data should not be treated as a communications exercise. It should be subject to internal controls similar to those used for financial reporting.

D. Regulate Carbon Neutral Claims Specifically

India should issue detailed guidance on carbon-neutral, net-zero, climate-positive, and carbon-negative claims. Companies making such claims should disclose:

- the emissions covered;
- the methodology used;
- whether the claim is based on actual reductions or offsets;
- the quality and permanence of offsets;
- whether the claim relates to present performance or future targets;
- material assumptions and limitations.

Without this information, consumers and investors cannot assess whether a carbon-neutral claim is meaningful.

E. Improve Coordination Between Regulators

SEBI, the CCPA, and ASCI should establish a practical coordination mechanism. This could include information-sharing, referral of complaints, joint guidance, and consistent interpretation of technical ESG claims.

For example, if ASCI identifies an advertisement that makes an unsupported carbon-neutral claim, it should be able to refer the matter efficiently to the CCPA. If SEBI identifies misleading sustainability disclosures by a listed company, it should be able to consider whether the same claims are being made to consumers in a misleading form.

Coordination would not eliminate the need for separate regulators. It would simply prevent companies from exploiting the spaces between them.

F. Make Remedies Accessible

Consumers affected by greenwashing should have practical remedies. These may include corrective advertising, withdrawal of misleading claims, refunds, and compensation in appropriate cases.

Investors should also have remedies where misleading sustainability disclosures affect investment decisions. But remedies should not be so difficult to obtain that they exist only on paper.

Public enforcement should be visible. When regulators act against greenwashing, the outcome should be communicated clearly enough to deter others. A quiet settlement may correct one advertisement, but it may not change market behaviour.

VIII. Conclusion

Greenwashing is not simply a problem of dishonest advertising. It is a problem of trust. Consumers trust labels. Investors trust disclosures. Regulators trust corporate reporting systems. When those signals are manipulated, the entire sustainability ecosystem becomes weaker.

India has taken important steps. SEBI's BRSR framework has made ESG disclosure more structured and has introduced assurance for core indicators. The CCPA's Greenwashing Guidelines have created targeted rules against misleading environmental claims. ASCI's guidelines have strengthened scrutiny of environmental advertising.

Yet the system remains fragmented. SEBI looks primarily at investors. The CCPA looks primarily at consumers. ASCI looks primarily at advertisements. Each regulator addresses an important part of the problem, but none alone can prevent greenwashing across all forms of corporate communication.

India needs a more joined up approach. Environmental claims should be subject to a common standard of substantiation. Carbon neutral and net zero claims should be regulated with particular care. BRSR assurance should be strengthened. Regulators should coordinate rather than operate in silos. And remedies should be accessible enough to matter.

The goal is not to stop companies from speaking about sustainability. Many companies are making genuine efforts, and public communication can encourage better environmental behaviour. The goal is to ensure that when a company says its product is green, its operations are sustainable, or its emissions are neutral, it can show what those words actually mean.

Until then, greenwashing will continue to flourish in the space between impressive language and verifiable proof.