THE SUSTAINABILITY CREDIBILITY PROBLEM

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ABSTRACT

Today, corporate sustainability is increasingly marred by a friction between public claims and operational reality. Greenwashing, greenwishing, and greenhushing, although they are very different in nature, their impact is similar - environmental hazard is veiled. Regulatory frameworks across jurisdictions are making better benchmarks around evidence and accountability. Yet selective enforcement and inconsistent definitions leave room for selective disclosure. This article contends that sustainability should no longer serve as a branding decor. True corporate responsibility demands a fusion between transparency and accurate reporting of operations.

I. Introduction

There is something unique about corporate relationships with the climate crisis. Every annual report reads like a too-good-to-be-true message, with overpromises, soft-focused photographs of leaves, and a carbon neutral future that conveniently begins in 2050 or any year safely distant enough that no present executive will be held accountable.

Climate ambition has become the corporate equivalent to good mannerisms; expected, polished, and performed with just enough conviction to appear deliberate though rarely with clarity genuine commitment would demand. But once this varnish of corporate optimism is scratched, the contradictions appear. Corporate sustainability, at the moment, is not a linear narrative of claims and counterclaims; instead, it is a spectrum of disclosure practices that involves investor scrutiny and reputational risk. This spectrum can be best understood via three recurring patterns: *greenwashing* - selective or embellished environmental claims; *greenwishing* - shaped by ambitions yet largely unmoored climate aspirations; and *greenhushing* - deliberate non-disclosure.

II. Greenwashing - When courage ends at the press release

Greenwashing is, by now, the elder statesman of climate-communication dysfunction. It survives because it works, at least long enough for a press cycle. Many corporations have positioned a symbolic initiative at the centre stage, exaggerated its significance and, more importantly, concealed the emissions-heavy scaffolding behind it.

Take Shein and its much-advertised "evoluSHEIN". The products were promoted as environment friendly until the Italian Competition Authority found the claims to be so "vague, generic, and/or overly emphatic, and in other cases omitted and misleading" that a €1m fine became inevitable.[1] Volkswagen famously or rather infamously went a step further, engineering software to cheat emission tests while declaring its diesel range "clean".[2] Some oil giants like BP rebranded itself as "Beyond Petroleum" while doubling down on upstream fossil-fuel exploration.[3]

These instances reveal that greenwashing is not merely a corporate accident but rather a calculated feature of the current sustainability landscape. By controlling and publishing selective environmental narratives, corporations exploit the informational asymmetry between what they disclose and what the public can verify.

III. Greenwishing - When the future does all the work

If greenwashing survives on exaggeration, greenwishing thrives on optimism. It refers to the corporate habit of announcing ambitious climate-friendly targets that are neither technically grounded nor strategically mapped, yet still circulated with the confidence of inevitability. It converts climate responsibility into a performative asset.

In 2018, Nestlé had announced that all its packaging would be "recyclable or reusable" by 2025, a pledge framed as both urgent and entirely within reach.[4] Yet as the deadline approached, the same promise shifted and turned into "designed for recycling". Nestlé's own disclosures showed that only about half its packaging met basic recyclability criteria in 2022, and despite

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[1] Jackie Salo, Shein Fined €1m in Italy for Misleading Environmental Claims About Products, THE GUARDIAN (Aug. 5, 2025)
https://www.theguardian.com/business/2025/aug/05/shein-fined-1m-in-italy-for-misleading-environmental-claims-about-products

[2] Russel Hotten, BBC News, *Volkswagen: The scandal explained*, BBC NEWS (Sept. 22, 2015), https://www.bbc.com/news/business-34324772

[3] Scott Carpenter, *After Abandoned 'Beyond Petroleum' Re-brand, BP's New Renewables Push Has Teeth*, FORBES (Aug. 4, 2020), https://www.forbes.com/sites/scottcarpenter/2020/08/04/bps-new-renewables-push-redolent-of-abandoned-beyo nd-petroleum-rebrand/.

[4] Nestlé, *Recyclable or Reusable Packaging by 2025* (press release, Apr. 16, 2018), https://www.nestle.com/media/pressreleases/allpressreleases/nestle-recyclable-reusable-packaging-by-2025

incremental improvements, the structural barriers of global recycling systems remained largely unaddressed.[5]

This reflects that greenwishing is less about deception and more about the allure of ambition. Corporations are celebrated for setting bold targets; investors applaud the vision, regulators nod at the intent and the consumers take comfort in the promise of progress. However, the absence of clear timelines or operational accountability means that these commitments remain largely aspirational.

IV. Greenhushing - When silence does the strategy

Greenhushing unfolds when corporations opt to downplay, delay or even remove their climate commitments not because they lack environmental initiatives, but public commitments have become a liability rather than an asset. In a world where climate claims invite not just scrutiny but also the possibility of litigation and political backlash, multiple corporations have learnt that silence is the safest hedge. Greenhushing turns sustainability from a transparent obligation into a backstage exercise, allowing firms to sidestep verification while appearing strategically cautious. It doesn't protect the planet, but it does protect the brand.

Gucci once proclaimed a "carbon-neutral" status as part of its global branding; a statement that resonated with its image-conscious clientele.[6] However, recently, the luxury brand dropped the claim from its public materials.[7] The company did not replace it with an updated emissions report or a revised sustainability target; instead, the claim simply vanished. Nothing dramatically changed in climate science, only the willingness to publicly stand by big promises.

When companies withdraw climate commitments from public view, they do not merely reduce noise but actively minimise accountability. Greenhushing may shield brands from criticism in the short term, but it steadily erodes the transparency on which credible climate action depends.

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[5] Nestlé, *What Is Nestlé Doing to Tackle Packaging Waste?* (2022), https://www.nestle.com/ask-nestle/environment/answers/tackling-packaging-waste

[6] Elizabeth Paton, *Gucci Vies to Be Even Greener*, N.Y. TIMES (Sept. 12, 2019), https://www.nytimes.com/2019/09/12/style/gucci-vies-to-be-even-greener.html

[7] Don-Alvin Adegeest, *Not So Carbon Neutral: Gucci Adjusts Sustainability Goals*, FASHIONUNITED (May, 2023), https://fashionunited.uk/news/fashion/not-so-carbon-neutral-gucci-adjusts-sustainability-goals/2023051869634

V. THE REGULATORY CATCH UP GAME

In India, the Central Consumer Protection Authority issued Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024, which treat unsubstantiated environmental claims as potential unfair trade practices.[8] Alongside this, the Advertising Standards Council of India has tightened its own rules, requiring brands to back terms like "eco-friendly," "carbon neutral," or "recyclable" with evidence that can be verified, not merely implied.[9]

A similar approach is observed internationally. The EU's Green Claims Directive[10], the Corporate Sustainability Reporting Directive[11], and the Sustainable Finance Disclosure Regulation[12] together place measurable disclosure at the centre of climate communication. Companies are now expected to rely on transparent life-cycle assessments rather than abstract claims. The UK's Competition and Markets Authority has also expanded its enforcement activity across fashion and retail sectors, signalling that misleading environmental marketing is now treated as a consumer protection issue rather than a branding concern.[13] Regulatory analyses from global ESG and compliance agencies further show that multiple jurisdictions are moving from guidance to active enforcement backed with penalties, investigations, and mandatory corrective statements becoming more common.

However, the dissonance persists. Enforcement is uneven, definitions of "green" vary across borders, and the burden of substantiation remains far lighter than the ease of self-congratulation. Firms can still bury disclosures within sustainability reports or frame progress through carefully chosen metrics. The regulatory net is tightening but gaps remain wide enough

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[8] Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, Central Consumer Protection Authority (July 2024), https://doca.gov.in/ccpa/files/Greenwashing_Guidelines.pdf

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

[10] European Union, 'Green claims' directive: Protecting consumers from greenwashing (2024), https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2023)753958

[11] European Union, Corporate Sustainability Reporting Directive (2022), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464

[12] European Union, Sustainable Finance Disclosures Regulation (2019), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2088

[13] GOV.UK, Open letter to fashion retail sector about environmental claims (27 March, 2024)
https://www.gov.uk/government/publications/open-letter-to-fashion-retail-sector-about-environmental-claims/open-letter-to-fashion-retail-sector-about-environmental-claims

for greenwashing, greenwishing, and greenhushing to operate in the shadows. Until disclosure standards are uniform, verification becomes routine, and the cost of non-compliance outweighs the convenience of ambiguity, climate claims will continue to perform better on paper than in practice.

VI. Conclusion

Greenwashing, greenwishing and greenhushing may work at different points in a spectrum but they do share a common effect: they distort how environmental responsibility is understood. The disconnect between what corporations commit to and what they deliver has created a climate economy built as much on storytelling as data. What should have been a transparent accounting of environmental impact has instead evolved into carefully curated claims.

Regulators across jurisdictions are gradually tightening the perimeter around climate claims. Verification, consistency, and traceability are shifting from optional virtues to procedural expectations. The direction is clear, even if the pace remains uneven. Yet, the credibility gap cannot be closed by regulation alone. Markets are beginning to reward measurable progress over polished rhetoric; investors increasingly demand proof over projection; and consumers, once swayed by the promise of “green,” now look for the evidence that survives beyond a campaign cycle.

Today, sustainability can no longer function as an accessory to corporate identity. It needs to be integrated with the same rigour that is applied to finance and governance. The corporations that adapt to this will be those that treat environmental reporting as a matter of operational truth, not narrative convenience. The era of sustainable storytelling is moving towards a phase where claims will be judged less by how confidently they are made and more by how accurately they are substantiated and as scrutiny deepens, one principle is becoming increasingly non-negotiable: credibility is not built through climate promises, but through climate proof.