

CHAPTER 11

Behind the Green Curtain: Corporate Greenwashing, Human Rights, and the Search for Accountability in International and Indian Law

Nayama Smith Joseph

in *Law in Transition: Rights, Sovereignty and Regulation in a Changing World*, edited by Siddharth Saxena and Bhagyashree Agarwal (VidhiAagaz 2026), pp. 121–136

DOI <https://doi.org/10.63108/VAB.LIT.1.11>



CITATIONS

BLUEBOOK (21ST ED.)

Nayama Smith Joseph, *Behind the Green Curtain: Corporate Greenwashing, Human Rights, and the Search for Accountability in International and Indian Law*, in *LAW IN TRANSITION: RIGHTS, SOVEREIGNTY AND REGULATION IN A CHANGING WORLD* 121 (Siddharth Saxena & Bhagyashree Agarwal eds., VidhiAagaz 2026).

OSCOLA (4TH ED.)

Nayama Smith Joseph, ‘Behind the Green Curtain: Corporate Greenwashing, Human Rights, and the Search for Accountability in International and Indian Law’ in Siddharth Saxena and Bhagyashree Agarwal (eds), *Law in Transition: Rights, Sovereignty and Regulation in a Changing World* (VidhiAagaz 2026) 121.

CHICAGO (17TH ED.)

Joseph, Nayama Smith. “Behind the Green Curtain: Corporate Greenwashing, Human Rights, and the Search for Accountability in International and Indian Law.” In *Law in Transition: Rights, Sovereignty and Regulation in a Changing World*, edited by Siddharth Saxena and Bhagyashree Agarwal, 121–136. Maihar: VidhiAagaz, 2026. <https://doi.org/10.63108/VAB.LIT.1.11>.

APA (7TH ED.)

Joseph, N. S. (2026). Behind the green curtain: Corporate greenwashing, human rights, and the search for accountability in international and Indian law. In S. Saxena & B. Agarwal (Eds.), *Law in transition: Rights, sovereignty and regulation in a changing world* (pp. 121–136). VidhiAagaz. <https://doi.org/10.63108/VAB.LIT.1.11>

SOURCE

<https://doi.org/10.63108/VAB.LIT.1.11>

LICENCE

Open access under the Creative Commons Attribution-NonCommercial 4.0 International Licence (CC BY-NC 4.0): it may be copied, shared and adapted for non-commercial purposes, with credit to the authors and the source.

Citations are given as a guide; check them against the style manual you follow. This page was added by VidhiAagaz to the downloaded file. The chapter follows, with the page numbers of the printed book.

CHAPTER 11

Behind the Green Curtain: Corporate Greenwashing, Human Rights, and the Search for Accountability in International and Indian Law

NAYAMA SMITH JOSEPH*

Greenwashing refers to the practice where corporations make false or misleading claims about their environmental performance. Over the past few decades, this practice has grown from simple deceptive labelling to complex strategies involving ESG reporting, net-zero pledges, and sustainability certifications. While much research has focused on greenwashing as a consumer protection or marketing issue, its connection to human rights has not received enough attention. This paper explores two questions. First, whether corporate greenwashing acts as a mechanism that hides and enables human rights violations in global supply chains, carbon offset projects, and corporate sustainability narratives. Second, whether current international and domestic legal frameworks need reform to link anti-greenwashing rules with human rights accountability. The paper analyses key instruments such as the UN Guiding Principles on Business and Human Rights, the EU Corporate Sustainability Due Diligence Directive, and emerging anti-greenwashing regulations, along with the Indian legal framework including the ASCI Green Claims Guidelines and the CCPA Greenwashing Guidelines 2024. It undermines the right to information, the right to health, labour rights, and indigenous peoples' rights, and blocks access to remedy for affected communities. The paper argues that voluntary CSR approaches are not enough and recommends mandatory human rights due diligence covering greenwashing, independent verification of green claims, and stronger legal access for affected communities.

Keywords: Greenwashing, Human Rights, Corporate Accountability, ESG-Washing, Carbon Offsets, Indigenous Rights, Environmental Justice, Supply Chain Due Diligence, BRSR, ASCI Green Claims Guidelines.

1 INTRODUCTION

1.1 Background of the Study

The term “greenwashing” was first coined by environmentalist Jay Westerveld in 1986, when he criticised the hotel industry for promoting towel reuse as an environmental

* Assistant Professor at St. Joseph's College of Law, Bengaluru, Karnataka, India.

measure while engaging in wasteful practices elsewhere.¹ Since then, the practice has evolved significantly. Today, greenwashing is no longer limited to misleading product labels. It now includes corporate ESG reports, net-zero pledges, carbon neutrality claims, and sustainability certifications.² A study conducted by the European Commission in 2020 found that more than 53 percent of environmental claims examined were vague, misleading, or unfounded, and 40 percent were completely unsubstantiated.³

The problem has grown alongside rising consumer awareness. As people demand greener products, companies face pressure to appear sustainable, even when their actual practices remain harmful. This gap between corporate claims and corporate conduct lies at the heart of greenwashing. Academic research has studied greenwashing mostly as a problem of marketing ethics, consumer protection, or environmental law.⁴ However, one dimension has received far less attention: the connection between greenwashing and human rights.⁵

1.2 The Human Rights Perspective

Greenwashing is not just a marketing problem. It has serious human rights consequences. When corporations hide the truth about their environmental performance, they also hide the harm their operations cause to people. The right to information is undermined because consumers, communities, and investors are denied truthful data. The right to health is affected when polluting operations are marketed as clean while marginalised communities continue to suffer health hazards.⁶ Labour rights are violated when fast fashion and electronics brands project themselves as ethical while their supply chains rely on child labour, forced labour, and unsafe working conditions.⁷ Indigenous peoples' rights are threatened when carbon offset projects displace communities without securing their free, prior, and informed consent.⁸

¹ Thomas P. Lyon & A. Wren Montgomery, *The Means and End of Greenwash*, 28 ORG. & ENV'T 223, 224 (2015).

² A. Wren Montgomery, Thomas P. Lyon & Julian Barg, *No End in Sight? A Greenwash Review and Research Agenda*, 37 ORG. & ENV'T 3 (2024).

³ European Commission, Proposal for a Directive of the European Parliament and of the Council on Substantiation and Communication of Explicit Environmental Claims (Green Claims Directive), at 3, COM (2023) 166 final.

⁴ Magali A. Delmas & Vanessa C. Burbano, *The Drivers of Greenwashing*, 54 CAL. MGMT. REV. 64, 65 (2011).

⁵ Sebastião Vieira de Freitas Netto et al., *Concepts and Forms of Greenwashing: A Systematic Review*, 32 ENV'T SCIS. EUR. art. 19 (2020).

⁶ Subhabrata Bobby Banerjee et al., *Environmental Racism and Climate (In)Justice in the Anthropocene: Addressing the Silences and Erasures in Management and Organization Studies*, J. BUS. ETHICS, at 3 (2024).

⁷ Maria Ruggeri et al., *Facing the Risk of Greenwashing in the ESG Report of Global Companies: The Importance of Life Cycle Thinking*, CORP. SOC. RESP. & ENV'T MGMT., at 5 (2025).

⁸ NYU Environmental Law Journal, *Human Rights Abuses from Carbon Credits – A Critique of “Greenwashing” Lawsuits and Additional Litigation Techniques*, NEW YORK UNIVERSITY SCHOOL OF LAW (2024).

The United Nations Guiding Principles on Business and Human Rights, adopted in 2011, establish that corporations have a responsibility to respect human rights and to carry out due diligence to avoid infringing on the rights of others.⁹ Greenwashing directly undermines this responsibility. By hiding the true impact of corporate operations, it prevents accountability and blocks access to remedy for affected communities.

1.3 Research Questions

This paper addresses two research questions:

1. Whether corporate greenwashing constitutes a systemic mechanism that obscures and perpetuates human rights violations across global supply chains, carbon offset projects, and sustainability narratives.
2. Whether existing international and domestic legal frameworks should be reformed to integrate anti-greenwashing enforcement with human rights accountability mechanisms.

1.4 Structure of the Paper

The paper is divided into eight sections. Section 2 sets out the conceptual framework. Section 3 examines the common forms of corporate greenwashing. Section 4 analyses greenwashing as a human rights concern. Section 5 presents case studies from fast fashion, fossil fuels, and carbon offsets. Section 6 reviews the legal and regulatory framework at both international and Indian levels. Section 7 analyses whether reforms are needed and offers recommendations. Section 8 concludes.

2 CONCEPTUAL FRAMEWORK

2.1 Greenwashing: Origin, Evolution and Definition

There is no single universally accepted definition of greenwashing. Torelli and others, in a concept analysis of 79 scholarly definitions, identified six essential attributes: an environmental claim made by a private sector organisation, about a product or service, which cannot be substantiated, made with deceptive intent, and done to establish a competitive advantage.¹⁰ Lyon and Montgomery offered one of the most cited reviews, describing greenwashing as the selective disclosure of positive environmental information while

⁹ UNITED NATIONS, GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS: IMPLEMENTING THE UNITED NATIONS PROTECT, RESPECT AND REMEDY FRAMEWORK princ. 17 (2011).

¹⁰ Roberto Torelli, Federica Balluchi & Katia Furlotti, *Defining Greenwashing: A Concept Analysis*, 16 SUSTAINABILITY 9055, 9060 (2024).

withholding negative information.¹¹ De Freitas Netto and others classified greenwashing into two broad types: firm-level greenwashing, which concerns the entire corporate image, and product-level greenwashing, which focuses on specific goods or services.¹²

More recently, Montgomery, Lyon and Barg have traced the shift from “Greenwashing 1.0,” which focused on firms, consumers, and NGOs, to “Greenwashing 2.0,” which now includes supply chains, governments, ESG investing, and net-zero commitments.¹³ Pizzetti, Gatti and Seele further introduced the concept of “vicarious greenwashing,” where a corporation becomes associated with greenwashing through the practices of its suppliers.¹⁴ These newer forms make greenwashing harder to detect and harder to regulate.

2.2 Human Rights in the Corporate Context

International human rights law traditionally placed obligations on states rather than on corporations. However, with the rise of multinational enterprises and their growing influence over global economies, the question of corporate responsibility for human rights became unavoidable. The Universal Declaration of Human Rights 1948, the International Covenant on Civil and Political Rights 1966, and the International Covenant on Economic, Social and Cultural Rights 1966 together form the core of international human rights protection.¹⁵

The most important development for corporate responsibility came in 2011 with the unanimous endorsement of the UN Guiding Principles on Business and Human Rights by the UN Human Rights Council.¹⁶ The UNGPs are built on three pillars: the state duty to protect human rights, the corporate responsibility to respect human rights, and the need for access to effective remedy. Under the second pillar, companies are expected to carry out human rights due diligence to identify, prevent, and mitigate adverse human rights impacts.¹⁷

¹¹ Lyon & Montgomery, *supra* note 1, at 226.

¹² de Freitas Netto et al., *supra* note 5, at 6.

¹³ Montgomery, Lyon & Barg, *supra* note 2, at 10.

¹⁴ Marco Pizzetti, Lucia Gatti & Peter Seele, *Firms Talk, Suppliers Walk: Analyzing the Locus of Greenwashing in the Blame Game and Introducing Vicarious Greenwashing*, 170 J. BUS. ETHICS 21, 23 (2021).

¹⁵ G.A. Res. 217 A (III), Universal Declaration of Human Rights (Dec. 10, 1948) [hereinafter UDHR]; International Covenant on Civil and Political Rights, Dec. 16, 1966, 999 U.N.T.S. 171 (entered into force Mar. 23, 1976) [hereinafter ICCPR]; International Covenant on Economic, Social and Cultural Rights, Dec. 16, 1966, 993 U.N.T.S. 3 (entered into force Jan. 3, 1976) [hereinafter ICESCR].

¹⁶ U.N. Human Rights Council, Rep. of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie, U.N. Doc. A/HRC/17/31 (Mar. 21, 2011).

¹⁷ United Nations, *supra* note 9, Pillar II.

2.3 The Intersection of Greenwashing and Human Rights

Greenwashing and human rights meet at a crucial point: the question of truth. Human rights depend on people having access to truthful information about the forces that affect their lives. When corporations lie about their environmental performance, they also hide the human costs of their operations. Nemes and others argue that sustainability certification, when not conducted rigorously, can act as “green cover” for corporations and governments to deepen the assault on ecosystems and indigenous rights.¹⁸ Similarly, Sultana describes how “carbon colonialism through greenwashing of narratives” plays out in rare earth mineral grabs, enclosures of commons, and the destruction of local communities for corporate gains.¹⁹

In short, greenwashing is not just a lie about the environment. It is a lie that hides harm to people. This is why it must be understood as a human rights issue and not only as a consumer protection or advertising concern.

3 FORMS AND TACTICS OF CORPORATE GREENWASHING

3.1 Vague and Unverifiable Environmental Claims

One of the most common forms of greenwashing involves the use of vague and unverifiable terms such as “eco-friendly,” “sustainable,” “natural,” “green,” and “climate-friendly.” These words sound reassuring but often mean nothing in practice. Gillespie identified “fluffy language” as one of the “ten signs of greenwash,” referring to words with no clear meaning.²⁰ The problem is that such claims cannot be verified by consumers or regulators, which makes them a powerful tool for deception.

3.2 Selective Disclosure and Misleading Certifications

Selective disclosure is another widespread practice. Companies highlight one small environmental initiative while hiding much larger harmful practices. For example, a company may promote a single recycled product line while continuing to generate massive amounts of waste elsewhere.²¹ Misleading certifications add another layer of deception. Some sustainability labels are issued by bodies that lack independence or adequate standards. MSI

¹⁸ Noemi Nemes et al., *An Integrated Framework to Assess Greenwashing*, 14 SUSTAINABILITY art. 4431, at 7 (2022).

¹⁹ Farhana Sultana, *The Unbearable Heaviness of Climate Coloniality*, 99 POL. GEOGRAPHY art. 102638, at 4 (2022).

²⁰ Ed Gillespie, *Stemming the Tide of “Greenwash”*, 18 CONSUMER POL’Y REV. 79, 80 (2008).

²¹ Zhi Yang et al., *Greenwashing Behaviours: Causes, Taxonomy and Consequences Based on a Systematic Literature Review*, 21 J. BUS. ECON. & MGMT. 1486, 1490 (2020).

Integrity's 2020 report, *Not Fit-for-Purpose*, found that many multistakeholder initiatives fail to address corporate accountability and instead serve to legitimise unsustainable practices.²²

3.3 ESG-Washing and SDG-Washing

As ESG investing has grown, so has ESG-washing, which is the misuse of environmental, social, and governance frameworks to attract investors without delivering real sustainability. Montgomery, Lyon and Barg note that the rise of ESG investing and net-zero commitments has become one of the two main themes driving renewed concern over greenwashing.²³ Similarly, SDG-washing occurs when companies claim to support the UN Sustainable Development Goals without meaningful action.

3.4 Carbon Neutrality and Net-Zero Claims

Net-zero pledges and carbon neutrality claims have become some of the most controversial forms of greenwashing. Many such claims rely heavily on carbon offsets rather than actual emission reductions. Böhm and others document how forest-based offset initiatives have been linked to the displacement of indigenous communities and minimal local benefits.²⁴ The European Union has responded by prohibiting product-level climate-neutral claims based solely on offsets under the Empowering Consumers for the Green Transition Directive.²⁵

4 GREENWASHING AS A HUMAN RIGHTS CONCERN

4.1 Right to Information and Transparency

The right to information is recognised under Article 19 of the Universal Declaration of Human Rights and Article 19 of the International Covenant on Civil and Political Rights.²⁶ Greenwashing directly undermines this right by providing consumers, investors, and affected communities with false or misleading information. Without truthful data, people cannot make informed choices, hold corporations accountable, or seek remedies. Nemes and

²² MSI INTEGRITY, *NOT FIT-FOR-PURPOSE: THE GRAND EXPERIMENT OF MULTI-STAKEHOLDER INITIATIVES IN CORPORATE ACCOUNTABILITY, HUMAN RIGHTS AND GLOBAL GOVERNANCE* 12 (2020).

²³ Montgomery, Lyon & Barg, *supra* note 2, at 15.

²⁴ Steffen Böhm, Yuxin Lin & Yanjun Chen, *Addressing Scandals and Greenwashing in Carbon Offset Markets: A Framework for Reform*, ENV'T SCI. & POL'Y, at 4 (2025).

²⁵ Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards Empowering Consumers for the Green Transition, 2024 O.J. (L 2024/825).

²⁶ UDHR, *supra* note 15, art. 19; ICCPR, *supra* note 15, art. 19.

others emphasise that the lack of transparent, verifiable information is one of the core features of greenwashing, making it a clear threat to the right to information.²⁷

4.2 Right to Health and Clean Environment

The right to health is protected under Article 12 of the ICESCR and has been interpreted to include the right to a clean and healthy environment.²⁸ Greenwashing endangers this right when polluting operations are marketed as clean while communities continue to suffer from exposure to toxins, air pollution, and water contamination. Banerjee and others show how climate solutions proposed by corporations often exacerbate racial injustices, with communities of colour disproportionately bearing the health costs of industrial operations that are publicly presented as sustainable.²⁹

4.3 Labour Rights and Supply Chain Exploitation

Labour rights, protected under the International Labour Organization's core conventions and ICESCR, are often violated in supply chains that are publicly marketed as ethical. Ruggeri and others highlight that in the electronics sector, despite known risks of forced labour and child labour in the extraction of critical raw materials, companies predominantly discuss future commitments in their ESG reports rather than quantify actual social impacts.³⁰ The 2013 Rana Plaza disaster in Bangladesh, which killed more than 1,100 garment workers, exposed how global fashion brands could promote themselves as responsible while sourcing from factories with deadly working conditions.³¹

4.4 Indigenous Peoples' Rights and Land Displacement

Indigenous peoples' rights, protected under the UN Declaration on the Rights of Indigenous Peoples 2007 and ILO Convention 169, include the right to free, prior, and informed consent for projects affecting their lands.³² Carbon offset projects marketed as climate solutions have repeatedly violated this right. Böhm and others document forced removals of indigenous peoples from ancestral lands linked to offset projects in the Republic of the Congo, the Democratic Republic of the Congo, Brazil, Colombia, Peru, Kenya, Malaysia,

²⁷ Nemes et al., *supra* note 18, at 9.

²⁸ ICESCR, *supra* note 15, art. 12.

²⁹ Banerjee et al., *supra* note 6, at 8.

³⁰ Ruggeri et al., *supra* note 7, at 7.

³¹ Ana Inês, Andreia Diniz & António C. Moreira, *A Review of Greenwashing and Supply Chain Management: Challenges Ahead*, 8 CLEANER LOGISTICS & SUPPLY CHAIN art. 100114, at 4 (2023).

³² G.A. Res. 61/295, United Nations Declaration on the Rights of Indigenous Peoples, art. 19 (Sept. 13, 2007) [hereinafter UNDRIP]; ILO Convention (No. 169) concerning Indigenous and Tribal Peoples in Independent Countries, June 27, 1989, 1650 U.N.T.S. 383 (entered into force Sept. 5, 1991).

and Indonesia.³³ The NYU Environmental Law Journal points to the case of the Cordillera Azul National Park in Peru, where Kichwa, Kakataibo, and Shipibo communities were dispossessed of ancestral lands without FPIC, while corporate buyers used the resulting carbon credits to make net-zero claims.³⁴

4.5 Environmental Racism and Climate Justice

Environmental racism refers to the disproportionate exposure of racial and ethnic minorities to environmental hazards. Bullard first documented how polluting facilities in the United States were disproportionately located in African-American and Latino neighbourhoods.³⁵ Greenwashing aggravates environmental racism by allowing corporations to project clean images while continuing to pollute marginalised communities. Sultana describes this as “climate coloniality,” where Global South communities bear the brunt of harms hidden behind Global North sustainability narratives.³⁶

4.6 Right to Remedy and Corporate Accountability

The third pillar of the UNGPs emphasises the right to effective remedy for victims of business-related human rights abuses.³⁷ Greenwashing blocks this right in two ways. First, it conceals the harm, making it difficult for victims to know they have been harmed. Second, it creates a false public narrative that undermines legal claims by affected communities. The NYU Environmental Law Journal notes that while NGOs have brought greenwashing-related lawsuits against companies like Shell and TotalEnergies, these cases rarely secure direct relief for indigenous and local communities facing the immediate impacts of offsetting schemes.³⁸

5 CASE STUDY: THE VERRA RAINFOREST CARBON CREDIT SCANDAL

5.1 Background

Verra administers the Verified Carbon Standard (VCS), the world’s largest voluntary carbon crediting program, and has issued more than a billion carbon credits since its founding in 2007. A substantial share of Verra’s portfolio consists of “avoided deforestation” credits issued under REDD+ methodologies (Reducing Emissions from Deforestation and Forest

³³ Böhm, Lin & Chen, *supra* note 24, at 6.

³⁴ NYU Environmental Law Journal, *supra* note 8 (describing the Cordillera Azul National Park case in Peru).

³⁵ ROBERT D. BULLARD, DUMPING IN DIXIE: RACE, CLASS, AND ENVIRONMENTAL QUALITY 15–18 (3d ed. 2000).

³⁶ Sultana, *supra* note 19, at 5.

³⁷ United Nations, *supra* note 9, Pillar III.

³⁸ NYU Environmental Law Journal, *supra* note 8.

Degradation), which reward landowners for forest that is *not* cut down by comparing actual outcomes against a hypothetical counterfactual baseline.

5.2 The Investigation

In January 2023, a nine-month joint investigation by *The Guardian*, the German weekly *Die Zeit*, and the nonprofit outlet Source Material alleged that more than 90% of Verra's rainforest offset credits were "phantom credits" that did not represent genuine emissions reductions.³⁹ The investigation drew on analysis showing that the threat to forests underlying Verra's baseline calculations had been overstated by roughly 400% on average, meaning developers were credited for preventing deforestation that was unlikely to have occurred in the first place. Corporate purchasers of Verra-approved rainforest offsets used to support environmental marketing claims included Disney, Gucci, Shell, Salesforce, BHP, and easyJet, among dozens of others.

5.3 Verra's Response and Institutional Fallout

Verra disputed the findings, characterizing the underlying research as "patently unreliable" and arguing that the studies relied on flawed geographic comparisons and unsuitable datasets.⁴⁰ Notwithstanding this rebuttal, the reputational damage was significant: Verra's CEO of fifteen years, David Antonioli, resigned shortly after the investigation's publication, and the market price of voluntary carbon credits fell sharply in the following months.⁴¹ The underlying academic analysis was subsequently peer-reviewed and published in *Science*, lending further weight to the original allegations.⁴²

5.4 Human Rights Dimension

The Verra scandal is not only a story about inflated environmental accounting; a parallel and arguably more serious line of scrutiny concerns the human rights costs borne by indigenous and local communities living inside certified project areas, costs that Verra's certification architecture was neither designed to detect nor required to remedy.

³⁹ Patrick Greenfield, *Revealed: More Than 90% of Rainforest Carbon Offsets by Biggest Certifier Are Worthless, Analysis Shows*, GUARDIAN (Jan. 18, 2023), <https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe>.

⁴⁰ Verra, "Patently Unreliable": Verra Addresses Criticism of Rainforest Offset Credits with Detailed Technical Analysis (Jan. 31, 2023), <https://verra.org/patently-unreliable-verra-addresses-criticism-of-rainforest-offset-credits-with-detailed-technical-analysis/>.

⁴¹ REDD Carbon Offsets Don't Address the Climate Crisis and Are Linked to Allegations of Human Rights Abuse, REDD-MONITOR (2023), <https://reddmonitor.substack.com/p/redd-carbon-offsets-dont-address> (citing Barclays research on voluntary carbon market pricing).

⁴² Thales A.P. West et al., *Action Needed to Make Carbon Offsets from Forest Conservation Work for Climate Change Mitigation*, 381 SCIENCE 873 (2023).

1. *Free, Prior, and Informed Consent (FPIC) failures.* In Cambodia's Southern Cardamom REDD+ project, Human Rights Watch found that formal consultations with the eleven indigenous Chong communities inside the project zone did not begin until thirty-one months after the project's official start date, notwithstanding that the project documents themselves acknowledged the Chong had inhabited the area "for centuries."⁴³ Verra nonetheless certified the project as compliant with its own Climate, Community & Biodiversity standard, which purports to safeguard indigenous peoples' rights.⁴⁴
2. *Enforcement harms without corresponding accountability.* Communities in the same project reported crop destruction, restricted access to customary farmland, and livelihood loss from park-style enforcement, while Verra maintained no legally binding benefit-sharing requirement obligating project developers to compensate affected residents.⁴⁵ Verra has stated publicly that it "cannot require project proponents to compensate for breaches of any safeguarding requirements", which is an admission that its standard-setting role does not extend to remedial accountability.⁴⁶
3. *A recurring pattern, not an isolated failure.* Comparable disputes have surfaced at Verra-certified projects in Kenya (the Kasigau Corridor project) and elsewhere in Cambodia (the Keo Seima REDD+ project), where indigenous communities faced arrest, crop destruction, and property confiscation tied to unresolved land boundary disputes that project auditors failed to flag to Verra.⁴⁷

Taken together, these episodes illustrate that a private, fee-funded certifier operating without binding legal accountability mechanisms can simultaneously (a) misstate the environmental integrity of what it certifies and (b) fail to protect the *human rights* of populations most directly affected by the underlying projects – two failure modes traceable to the same root design flaw: verification without independent, enforceable oversight and without a legal remedy running to those actually harmed.

⁴³ HUMAN RIGHTS WATCH, CARBON OFFSETTING'S CASUALTIES: VIOLATIONS OF CHONG INDIGENOUS PEOPLE'S RIGHTS IN CAMBODIA'S SOUTHERN CARDAMOM REDD+ PROJECT (Feb. 29, 2024), <https://www.hrw.org/report/2024/02/29/carbon-offsettings-casualties/violations-chong-indigenous-peoples-rights>.

⁴⁴ Human Rights Watch, *Cambodia: Carbon Offsetting Project Violates Indigenous Group's Rights* (Feb. 28, 2024), <https://www.hrw.org/news/2024/02/28/cambodia-carbon-offsetting-project-violates-indigenous-groups-rights>.

⁴⁵ Colin Foreman, *New Report Slams Carbon Offset Project in Cambodia for Violating Indigenous Rights*, GRIST (Mar. 15, 2024), <https://grist.org/equity/carbon-offset-project-cambodia-slammed-by-human-rights-watch/>.

⁴⁶ *Voluntary Carbon Market Has Failed the Human Rights Test*, AL JAZEERA (Dec. 10, 2024), <https://www.aljazeera.com/opinions/2024/12/10/voluntary-carbon-market-has-failed-the-human-rights-test>.

⁴⁷ Leila Goldstein, *Can a Carbon Offset Project Really Secure Indigenous Rights in Authoritarian Cambodia?*, MONGABAY (July 25, 2024), <https://news.mongabay.com/2024/07/can-a-carbon-offset-project-really-secure-indigenous-rights-in-authoritarian-cambodia/>.

6 LEGAL AND REGULATORY FRAMEWORK

6.1 International Human Rights Instruments Applicable to Corporations

The UN Guiding Principles on Business and Human Rights remain the most authoritative international framework linking business conduct with human rights. They require corporations to carry out human rights due diligence, which includes assessing actual and potential human rights impacts, integrating findings, tracking responses, and communicating how impacts are addressed.⁴⁸ The OECD Guidelines for Multinational Enterprises, updated in 2023, complement the UNGPs by providing recommendations on responsible business conduct across sectors.⁴⁹

6.2 International Anti-Greenwashing Regulations

The European Union has taken the lead in regulating greenwashing. Directive 2024/825 on Empowering Consumers for the Green Transition, adopted in February 2024, amends the Unfair Commercial Practices Directive to ban generic environmental claims and prohibit product-level climate neutrality claims based solely on offsets.⁵⁰ The proposed EU Green Claims Directive would have required independent third-party verification of environmental claims, but the European Commission announced in June 2025 its intention to withdraw the proposal, leaving the Empowering Consumers Directive as the main anti-greenwashing instrument in the EU.⁵¹

In the United States, the Federal Trade Commission's Green Guides provide guidance on environmental marketing claims, but they are advisory rather than binding.⁵² Other countries including Australia, France, and the United Kingdom have also taken steps against greenwashing through advertising regulation and consumer protection law.

6.3 Mandatory Human Rights Due Diligence Laws

The EU Corporate Sustainability Due Diligence Directive, adopted in 2024, requires large companies operating in the EU to identify, prevent, and mitigate adverse human rights and environmental impacts across their operations and value chains.⁵³ The German Supply Chain Due Diligence Act, which came into force in January 2023, imposes similar

⁴⁸ United Nations, *supra* note 9, princ. 17.

⁴⁹ OECD, OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES ON RESPONSIBLE BUSINESS CONDUCT (2023).

⁵⁰ Directive (EU) 2024/825, art. 1.

⁵¹ Press Release, European Commission, Commission Announces Intention to Withdraw Green Claims Directive Proposal (June 2025).

⁵² U.S. Federal Trade Commission, Guides for the Use of Environmental Marketing Claims, 16 C.F.R. pt. 260 (2012).

⁵³ Directive (EU) 2024/1760 of the European Parliament and of the Council on Corporate Sustainability Due Diligence, 2024 O.J. (L 2024/1760).

obligations on companies based in Germany.⁵⁴ France's Duty of Vigilance Law of 2017 was the first of its kind and has served as a model for subsequent mandatory due diligence legislation.⁵⁵

6.4 Indian Legal Framework on Greenwashing and Corporate Responsibility

India has developed a growing framework to address greenwashing and corporate human rights responsibility, though significant gaps remain. The key instruments include the Consumer Protection Act 2019, the ASCI Green Claims Guidelines 2024, the CCPA Greenwashing Guidelines 2024, and SEBI's Business Responsibility and Sustainability Reporting framework.

6.4.1 *Consumer Protection Act 2019*

The Consumer Protection Act 2019 provides the broad statutory basis for addressing misleading advertisements in India. Section 2(28) defines a "misleading advertisement" as one that falsely describes a product or service, gives a false guarantee, or deliberately conceals important information.⁵⁶ The Central Consumer Protection Authority, established under the Act, has the power to issue directions against misleading advertisements and impose penalties.⁵⁷ Greenwashing claims that deceive consumers about environmental attributes clearly fall within the scope of the Act.

6.4.2 *ASCI Green Claims Guidelines 2024*

The Advertising Standards Council of India issued its Guidelines for Advertisements Making Environmental or Green Claims, effective from 15 February 2024.⁵⁸ These guidelines define greenwashing as "unsubstantiated, false, deceptive, or 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."⁵⁹

The guidelines require that absolute claims such as "eco-friendly," "sustainable," and "planet friendly" be backed by robust data or credible accreditations. Comparative claims such as "greener" require evidence of environmental benefits over previous products or

⁵⁴ Lieferkettensorgfaltspflichtengesetz [Supply Chain Due Diligence Act], 2021, BGBl. I at 2959 (Ger.), in force Jan. 1, 2023.

⁵⁵ Loi n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre (Fr.).

⁵⁶ Consumer Protection Act, 2019, § 2(28).

⁵⁷ *Id.* § 10 (establishing the Central Consumer Protection Authority).

⁵⁸ Advertising Standards Council of India, Guidelines for Advertisements Making Environmental/Green Claims (effective Feb. 15, 2024).

⁵⁹ *Id.* pmb.

competitors. Aspirational and carbon offset claims must be supported by clear, actionable plans.⁶⁰ While the ASCI guidelines are a significant step forward, they remain a form of self-regulation and do not by themselves carry statutory force. However, the CCPA has clarified that violations of the ASCI code may also contravene the Consumer Protection Act 2019 and can be escalated for regulatory action.⁶¹

6.4.3 CCPA Greenwashing Guidelines 2024

On 15 October 2024, the Central Consumer Protection Authority issued the Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024.⁶² These guidelines extend the 2022 Guidelines for Prevention of Misleading Advertisements and apply to all environmental claims made by manufacturers, service providers, traders, advertising agencies, and endorsers. They require that environmental claims be truthful, accurate, and substantiated with verifiable evidence. Advertisers must also disclose all material information in detail through QR codes, URLs, or other digital means.⁶³

6.4.4 Other Indian Regulatory Bodies

Several other Indian bodies play a role in regulating greenwashing. The Bureau of Indian Standards sets eco-labelling standards that guide companies in making substantiated environmental claims.⁶⁴ The Food Safety and Standards Authority of India regulates claims such as “organic” and “natural” in the food sector under the Food Safety and Standards (Organic Foods) Regulations 2017.⁶⁵ The National Green Tribunal, established under the National Green Tribunal Act 2010, has the power to hear environmental cases and has imposed penalties on companies for environmental violations, including cases where corporate claims did not match actual performance.⁶⁶

6.5 Gaps in the Indian Framework

Despite these developments, the Indian framework has significant gaps. First, there is no unified statute specifically addressing greenwashing. The regulatory response is spread across multiple bodies with overlapping jurisdictions. Second, the ASCI guidelines remain self-regulatory and depend on voluntary compliance. Third, the BRSR framework, while

⁶⁰ *Id.* Guideline 1 on Absolute Claims.

⁶¹ Press Release, ASCI, Joint Statement with the Department of Consumer Affairs (Mar. 2024).

⁶² Central Consumer Protection Authority, Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024 (Oct. 15, 2024).

⁶³ *Id.* Guideline 4 on Disclosure Requirements.

⁶⁴ Bureau of Indian Standards Act, 2016.

⁶⁵ Food Safety and Standards (Organic Foods) Regulations, 2017.

⁶⁶ National Green Tribunal Act, 2010, § 14.

important, focuses on disclosure rather than on the substantive prevention of human rights abuses. Fourth, India lacks a mandatory human rights due diligence law comparable to the German LkSG or the EU CSDDD. Finally, access to justice for affected communities remains limited, particularly for indigenous and rural populations whose lands are affected by corporate operations.

7 WHETHER EXISTING FRAMEWORKS SHOULD BE REFORMED: ANALYSIS AND RECOMMENDATIONS

7.1 The Inadequacy of Voluntary CSR

Research consistently shows that the voluntary CSR approach has failed to prevent greenwashing. As Cominetti and Seele observed, 88.2 percent of CSR standards consist of soft law initiatives that are self-regulated by firms. This voluntary nature creates a grey zone where misleading green communication thrives.⁶⁷ The rise of mandatory due diligence laws in the EU and Germany reflects a recognition that voluntary approaches are insufficient to protect human rights.

7.2 Integrating Anti-Greenwashing Enforcement with Human Rights Accountability

A major gap in current regulatory frameworks is the separation of anti-greenwashing rules from human rights accountability mechanisms. Anti-greenwashing regulations typically fall under consumer protection or advertising law, while human rights obligations are addressed through separate due diligence laws. This fragmentation allows corporations to escape responsibility by complying with one framework while violating the other. Integrating these frameworks would mean that when a company is found to have made false environmental claims, the resulting liability would include both consumer deception and the underlying human rights harms that the claims concealed.

7.3 Strengthening Mandatory Due Diligence

Mandatory human rights and environmental due diligence laws should be expanded to explicitly address greenwashing. Companies should be required to verify not only that they are not causing human rights harms in their supply chains but also that their public sustainability claims accurately reflect their actual practices. A dedicated Indian statute on corporate due

⁶⁷ Michele Cominetti & Peter Seele, *Hard Soft Law or Soft Hard Law? A Content Analysis of CSR Guidelines*, 24 UWF UMWELTWIRTSCHAFTSFORUM 127, 130 (2016).

diligence, harmonising the requirements under SEBI's BRSR, the Companies Act 2013, and consumer protection law, would significantly strengthen accountability.⁶⁸

7.4 Empowering Affected Communities

Legal frameworks should grant affected communities, including indigenous peoples, workers, and consumers, clear legal standing to challenge corporate greenwashing claims. This includes the right to bring civil claims for damages, to seek injunctions against misleading advertisements, and to participate in regulatory proceedings. Strengthening access to remedy is central to the third pillar of the UNGPs and should be treated as a priority in any reform.

7.5 Towards a Unified International Framework

Ultimately, greenwashing is a transnational problem that cannot be addressed by national regulation alone. There is a strong case for a unified international framework that treats greenwashing not merely as a consumer protection issue but as a human rights concern requiring binding corporate accountability. The ongoing negotiations at the UN for a binding treaty on business and human rights present an opportunity to explicitly include provisions on corporate environmental disclosure and greenwashing.⁶⁹ Such a framework should include independent verification requirements, rules on carbon offset integrity, and enforceable rights of access to information for affected communities.⁷⁰

8 CONCLUSION

This paper has argued that greenwashing is not merely a marketing or consumer protection issue. It is a systemic practice that obscures, enables, and perpetuates human rights violations across global supply chains, carbon offset projects, and corporate sustainability narratives. The answer to the first research question is therefore affirmative: greenwashing does constitute a mechanism that undermines human rights. It violates the right to information by concealing truth. It harms the right to health and the right to a clean environment by legitimising polluting operations. It enables labour exploitation in supply chains marketed as ethical. It facilitates the displacement of indigenous communities through carbon offset

⁶⁸ Companies Act, 2013, § 135 (on Corporate Social Responsibility).

⁶⁹ United Nations, *supra* note 9, Pillar III; *see also* U.N. Open-ended Intergovernmental Working Group on Transnational Corporations and Other Business Enterprises with Respect to Human Rights, Draft Legally Binding Instrument (Updated Draft, 2023).

⁷⁰ Nemes et al., *supra* note 18, at 12.

projects marketed as climate solutions. And it blocks access to remedy by creating false narratives that shield corporations from accountability.

The answer to the second research question is equally clear: existing legal frameworks at both international and Indian levels are fragmented and inadequate. While important steps have been taken through the UN Guiding Principles on Business and Human Rights, the EU Empowering Consumers Directive, the EU Corporate Sustainability Due Diligence Directive, the German LkSG, and India's ASCI and CCPA guidelines along with SEBI's BRSR framework, these instruments operate in silos. Anti-greenwashing rules and human rights accountability mechanisms need to be integrated into a unified approach.

The recommendations offered in this paper, including strengthening mandatory due diligence to explicitly cover greenwashing, empowering affected communities through improved access to justice, and moving towards a unified international framework, provide a roadmap for reform. For India specifically, the adoption of a dedicated statute on corporate human rights and environmental due diligence, building on the BRSR framework and harmonising with the Consumer Protection Act 2019 and the Companies Act 2013, would be a significant step forward. Only through such integrated reforms can the gap between corporate green narratives and actual corporate conduct be closed. As long as greenwashing persists, the rights of the most vulnerable will continue to be sacrificed behind a curtain of green claims.

* * *