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GREENWASHING IN THE FAST FASHION INDUSTRY: REGULATORY BLIND SPOTS IN INDIA'S CONSUMER AND ENVIRONMENTAL LEGAL FRAMEWORK

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Abstract

India's fast fashion sector is now worth USD 222.08 billion (IMARC, 2024). It's one of the world's biggest textile producers—and just as importantly, it's also a major source of textile waste. Sustainability marketing is exploding, but so is greenwashing: the industry isn't just dealing with the occasional misleading claim. It's become a built-in feature. Even after the Central Consumer Protection Authority (CCPA) rolled out its Guidelines for Prevention and Regulation of Greenwashing and Misleading Environmental Claims in October 2024, India's legal framework still leaves big holes.

This paper uses doctrinal legal research and compares India's approach with global models like the EU Green Claims Directive, investigations by the UK's Competition and Markets Authority (CMA), and California's new textile Extended Producer Responsibility (EPR) law. Through this, it highlights six major blind spots in India's framework: lack of sector-specific regulation, a high burden of proof for prosecution, no real requirements for supply chain transparency, the absence of a textile EPR scheme, limited effectiveness of eco-mark certification, and no regulation of digital greenwashing. Using data, expert opinions, and global lessons, this paper argues India needs a dedicated law—perhaps a standalone Textile Sustainability Disclosure Act or at least an industry-specific supplement to the CCPA Guidelines 2024. The study adds to the growing field of corporate greenwashing research, offering practical policy ideas for lawmakers, the legal community, and NGOs.

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Methodology: Doctrinal legal analysis, comparative regulatory review (India, EU, UK, USA), empirical data triangulation.

Key Findings: India's 2024 CCPA Guidelines are a step forward, but not enough; six clear structural gaps need specific legal reforms.

I. Introduction

The Indian textile and apparel industry plays a strange dual role in global sustainability debates. It's vital to the country's economy—employing over 45 million people and boosting both exports and domestic trade. But the flip side: India churns out over 7,800 kilotonnes of textile waste every year. Fast fashion alone will account for more than 1.5 million tonnes in 2024 (Ken Research, 2025). As eco-consciousness rises around the world, fast fashion companies have responded not with real changes but with clever marketing language—a "sustainable" image that often hides what's really happening.

Greenwashing—making false or misleading claims about environmental practices—has become endemic in the fast fashion sector. The UK's CMA found that up to 60% of environmental claims by brands like ASOS, H&M, and Zara couldn't be substantiated. According to a YouGov survey, 71% of Indian consumers have come across greenwashing and 60% say they're concerned about it. Still, until October 2024, India had no legal definition of greenwashing, much less any real enforcement structure for its unique problems in fast fashion. This study centers on two linked problems. First, even after the new 2024 CCPA Guidelines on Greenwashing, India's legal system just isn't equipped to tackle the issue in fast fashion. Second, global regulations—especially in the EU, UK, and California—are moving faster and getting tougher. The gap between their rules and India's barebones setup is growing, creating headaches for Indian brands with international exposure.

This paper sets out to (1) identify and analyze blind spots in India's legal framework as it applies to fast fashion greenwashing, (2) critically examine how effective the CCPA Guidelines 2024 really are, (3) put India's approach in a global context, and (4) suggest practical legislative reforms.

These questions matter. As India's fashion e-commerce market nears USD 43 billion and global sustainability rules get sharper, poor regulation risks both consumer welfare and India's trade

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stance worldwide. This paper is the first to deeply examine the legal challenges facing India's fast fashion industry after the 2024 CCPA Guidelines.

II. Literature Review

2.1 Theoretical Framework: Defining Greenwashing

The word "greenwashing" came from environmental activist Jay Westerveld in 1986 and has shifted from casual use to a technical legal concept. Researchers have sorted greenwashing into several categories. Lyon and Montgomery (2015) split it into "selective disclosure"—sharing just the good bits—and "active deception," which is outright lying. Delmas and Burbano (2011) look at the firm, industry, and larger institutional roots of greenwashing, framing it as a governance breakdown.

Definitions, though, aren't easy. Kothari (2024) says, "greenwashing is getting so sophisticated and slick that one has to research for hours before determining whether a new material is actually environmentally beneficial." The information gap between companies and consumers sits at the heart of the regulation challenge. Before 2024, the lack of a clear legal definition in India kept prosecutors and consumers at a disadvantage.

White and Case (2025) point out that things only get more tangled when there's not even a clear consensus on what "sustainable" means—no benchmarks, no agreed baselines, and no consistent standards. The EU's Green Claims Directive drafters flagged this definitional chaos as an urgent legislative problem.

2.2 Empirical Evidence: The Extent of the Problem

Compared to other industries, there's not a huge trove of hard data on greenwashing in fast fashion—but it's growing fast, and what we do know is damning. Studies analyzing advertising claims routinely find that most environmental promises don't hold up. In 2021, the UK CMA's investigation showed more than 60% of fast fashion sustainability claims lacked proper backup—a milestone in global enforcement. Similar results turned up in the Netherlands, Norway, and Italy, with EUR 41.9 million in greenwashing fines between 2024-2025 (Apex Fashion Lab, 2025).

For India, two things stand out: rapid growth in fast fashion, largely through e-commerce giants like Myntra and Ajio, and rising environmental awareness that's outpacing the government's ability to protect consumers. India's textile recycling rate sits at just 14.7%—well below global averages (EPA Report, November 2024)—proving its "circular economy" frameworks aren't cutting it.

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2.3 The Regulatory Literature: Global Models

If India needs blueprints, several models exist. The EU's Green Claims Directive (proposed in 2023, due to kick in fully by 2026) is the world's strictest attempt yet—demanding third-party verification, lifecycle assessments, and bans on vague green claims unless qualified. IISD (2025) argues this law will reach Indian exporters whether or not India passes its own rules, thanks to the so-called "Brussels Effect."

In the UK, the CMA's aggressive investigations and 2023 Green Claims Code pushed Parliament to grant regulators new teeth through the Digital Markets, Competition and Consumers Act 2024. Under it, fashion brands face fines of up to 10% of global turnover for greenwashing, starting April 2025. Meanwhile, California's SB 707 (Textile EPR, 2024) brings tough state-level rules with global implications, even as US federal ESG regulation has cooled lately.

Inside India, before 2024, the Advertising Standards Council of India (ASCI) code required all ad claims to be transparently factual—but since this was voluntary, it had no bite for major brands (Law.asia, 2025). The Consumer Protection Act, 2019 bans unfair practices and misleading ads, but never spells out greenwashing as a separate legal sin.

2.4 The Research Gap

A close look at current scholarship turns up a glaring omission: there's a good amount written on greenwashing rules in Europe and North America, and India's generic consumer law's been discussed, but no one has done a deep legal dive into India's framework for fast fashion greenwashing in the wake of the 2024 CCPA Guidelines. This paper closes that gap with a sector-specific doctrinal and comparative analysis.

This lack of fast-fashion focus is especially odd since the industry relies on unique tactics—eco-friendly lines, recycled fabric labels, take-back programs, carbon-neutral shipping, influencer "green" partnerships—totally different from generic sustainability claims in other sectors. This study works to create a typology of fast fashion greenwashing that lawmakers can use as a starting point.

III. Research Methodology

3.1 Research Design

The main approach here is doctrinal legal research—careful analysis of laws, how they're written, how they're applied, and how they fit (or don't fit) the facts of fast fashion and greenwashing. This means breaking down statutes, subordinate laws, court decisions, and

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official guidelines step by step, then matching them to what's really happening on the ground. Alongside this, the paper uses (1) comparative analysis—stacking India's legal tools against the EU, UK, and US; (2) triangulation with real-world evidence, such as market numbers, consumer surveys, and enforcement actions; and (3) policy analysis, considering practical legislative and regulatory options for India.

3.2 Justification of Approach

This doctrinal focus makes sense for several reasons. The problem is legal at its core: are India's rules up to the task? Comparing established regulatory systems offers shortcuts—there's no need to do primary research abroad, and lessons learned can be imported. Checking empirical sources ensures the legal theory matches the actual market.

The method has its limits. It can't fully capture how affected consumers actually experience greenwashing. The analysis leans on second-hand data, and simplifications are unavoidable when summarizing foreign legal frameworks. Down the line, more empirical work—interviewing consumers and regulators—should build on this base.

3.3 Sources

The study draws on: the Consumer Protection Act, 2019; CCPA Guidelines for Prevention and Regulation of Greenwashing and Misleading Environmental Claims, 2024; Environment Protection Act, 1986; revised Eco Mark Certification Rules, 2024; SEBI's BRSR Core Framework, 2023; the proposed EU Green Claims Directive; the UK's CMA Green Claims Code, 2023; and California SB 707 (Textile EPR, 2024). Secondary sources include peer-reviewed scholarship, IISD and KPMG reports, IMARC, BCG, UNEP data, and Indian plus foreign court decisions.

IV. Results and Analysis

4.1 The Current Regulatory Landscape: Key Data Points

The data below establishes the empirical context within which India's regulatory framework operates.

Indicator	Data Point	Source / Year
Indian Textile & Apparel Market Size	USD 222.08 billion	IMARC Group, 2024

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Indicator	Data Point	Source / Year
Projected Market Size by 2033	USD 646.96 billion (CAGR 11.98%)	IMARC Group, 2024
India's Annual Textile Waste Generated	7,800+ kilotonnes	Ministry of Textiles
Projected Fast Fashion Textile Waste (2024)	>1.5 million tonnes	Ken Research, 2025
Global Annual Textile Waste	92 million tonnes	UNEP, March 2025
Global Textile Recycling Rate	14.7%	EPA Report, Nov 2024
Indian Consumers Who Encountered Greenwashing	71%	YouGov Survey
Fast Fashion Claims Unsubstantiated (UK CMA)	~60%	UK CMA Investigation, 2023
Global Fashion Greenwashing Penalties (2024-25)	EUR 41.9 million	Apex Fashion Lab, 2025
India's Fashion E-Commerce Market (projected)	USD 43 billion by 2025	Industry Reports
Direct Employment in India's Textile Sector	45 million+	National Account Statistics, 2025
India's Textile Exports (2023-24)	USD 34.4 billion	Invest India, Oct 2025
India's Textile Recycling Market (2024)	USD 328.3 million	IMARC Group, 2024

Before getting into what the law misses, it's vital to lay out the current reality. The empirical data paints a clear picture: India's fast fashion industry is surging, dubious sustainability claims are rampant, and there's almost no enforcement. This toxic mix allows misleading practices to

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continue unchecked. The following analysis zooms in on the legal blind spots that make this possible.

4.2 The CCPA Guidelines 2024: A Necessary but Insufficient Response

On October 15, 2024, the CCPA introduced its Guidelines for Prevention and Regulation of Greenwashing and Misleading Environmental Claims—the first time India's laws spelled out what greenwashing is. The Guidelines define greenwashing as any company act that misleads consumers about the environmental impacts or benefits of their goods or services. The rules ban words like "carbon neutral" or "eco-friendly" without clear, accurate qualifiers and require all environmental claims to be verified by independent studies or third-party certificates.

This is a real step up from the days when all that existed was the ASCI's voluntary code and the generic ban on misleading ads under Section 2(28) of the Consumer Protection Act, 2019. Now, for the first time, there's a substantiation requirement on par with the EU and UK.

Still, Ashutosh Senger, an environmental policy researcher, points out, "the primary challenge prior to the 2024 guidelines was the lack of a specific legal definition of greenwashing in India, which hindered prosecution. Even with the definition now in place, resource constraints for investigations and limited consumer awareness remain structural obstacles." That's the crux: there's a big difference between writing new rules and enforcing them on the ground.

4.3 Identification and Analysis of Regulatory Blind Spots

Tier One: Foundational Blind Spots

1: The Intent-Based Evidentiary Standard

India's biggest structural flaw in its framework comes from the evidentiary standard in the CCPA Guidelines 2024. Those Guidelines treat greenwashing as an act that 'intentionally' misleads consumers. This brings in a mens rea requirement—basically, regulators need proof of deliberate deception, a standard that doesn't belong in consumer protection law. Consumer law should function with an objective, effect-based approach, not a fraud model where proving dishonest intent is paramount. So, you get a mismatch: the Guidelines claim to protect consumers from false environmental claims, but their actual logic expects proof of intent, not simply whether someone's been misled.

Product liability scholars figured out long ago that strict liability helps counter information asymmetry between makers and buyers—they put the burden of verification on the party who actually has the info (Prosser, 1960; Greenman v Yuba Power Products, 1963). In environmental claims, it's clear: manufacturers, who run production and the supply chain, can

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access info cheapest and fastest. An intent requirement flips things—regulators end up having to dive into a manufacturer's state of mind, an often-impossible task, and totally out of step with how greenwashing really works. Lyon and Montgomery (2015) found greenwashing usually comes from selective disclosure and material omission, not clear-cut lies.

Intent standards cause real trouble in fast fashion supply chains. A brand tossing around a 'sustainable cotton' claim may have trusted supplier certifications that are themselves faulty, and with the CCPA's intent rule, that brand escapes liability by saying it honestly believed its suppliers. Strict liability makes that defense useless. The EU's Green Claims Directive uses strict liability for exactly this reason: since producers know their products best, they should bear the cost of verifying claims, not regulators or consumers.

2: Absence of Textile Extended Producer Responsibility

The lack of a mandatory textile EPR framework is an even deeper foundational blind spot. EPR laws demand producers take legal responsibility for managing their products at end-of-life—mandatory take-back, binding recycling targets, producer fees. In greenwashing, textile EPR matters because it gives you real performance data to verify sustainability claims.

A brand can't credibly claim '50% circularity' if there's no EPR data collection system to check that claim. India has EPR rules for batteries, packaging, tyres, and multi-layered plastics. But nothing for textiles. There's been talk of a textile EPR framework, but as of March 2026, nothing's actually confirmed. Without textile EPR, brands can run take-back and recycling programs but aren't forced to disclose collection rates or prove how much really gets recycled. They can make 'closed-loop' claims with zero accountability. Take H&M's Garment Collecting Program: enforcement in Norway and the Netherlands found its circularity claims shaky, and those investigations only happened because EPR-mandated data infrastructure made it possible. India lacks both EPR and effect-based evidentiary standards—it's doubly behind. Globally, the trend is clear. The EU's revised Waste Framework Directive says all Member States must set up textile EPR schemes by 2025. California's SB 707 (2024) is the first US textile EPR law, covering brands with over USD 1 million annual revenue. India, one of the world's biggest textile producers, doesn't have any textile EPR legislation. That's a structural deficit no CCPA Guidelines amendment can fix.

3: Absence of Supply Chain Transparency Obligations

Even if India had an EPR regime, there'd still be a gap: brands aren't required to disclose the supply chain practices behind their product-level environmental claims. This lets them pull off

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'decoupling deception'—promoting sustainability values at brand level while the product and supply chain remain unsustainable. Netto et al. (2020) call decoupling the most deeply embedded greenwashing mechanism because it takes advantage of the distance between marketing and supply chain operations. India's SEBI BRSR Core Framework (2023) tries to address this, asking the top 1,000 listed companies by market cap to disclose sustainability metrics, including value chain details. But in greenwashing, BRSR has three big limits: it only covers large, listed companies; its disclosure categories don't match up with consumer-facing marketing claims; and most importantly, compliance with BRSR doesn't require those disclosures to match marketing statements. A brand can meet BRSR standards while its ads say things the BRSR data outright contradicts. The EU's Corporate Sustainability Due Diligence Directive (2024/1760/EU) and Green Claims Directive tackle this head-on, requiring marketing claims to be traceable and consistent with verified supply chain data.

Tier Two: Operational Blind Spots

4: Absence of Sector-Specific Guidance

The CCPA Guidelines 2024 cover all industries and claim types in broad strokes. While that's fine for a main instrument, it needs backup from sector-specific guidance—especially for fast fashion, which has its own evidentiary and verification needs. That guidance doesn't exist. Saying a garment is '50% recycled polyester' demands textile testing and supply chain audits, which don't fit energy efficiency claims in industrial equipment or carbon neutrality in finance. Generic guidance can't handle the 'sins of no proof' and 'vagueness' that TerraChoice (2010) says are most common in fast fashion. The EU's Green Claims Directive solves this by listing sector-specific annexes with claim categories, evidence standards, and approved verification methods for each industry.

5: Limitations of Eco Mark Certification

India's Eco Mark Certification Scheme, run by the Bureau of Indian Standards, offers environmental labels for qualifying textiles. The new Eco Mark Rules (October 2024) are a step up, but Eco Mark is still just a voluntary product quality badge, not a system for checking brand- or portfolio-level sustainability claims. IISD (2025) spells out the main flaw: Eco Mark 'is not equipped to monitor or enforce broader corporate marketing and advertising practices.' A brand can slap the Eco Mark on a few products and then make sweeping sustainability claims across its whole range. What's needed isn't turbocharging Eco Mark—it does its job for product certification—but building a brand-level claim regulation system, as covered in the

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sector-specific guidance gap above.

6: Absence of Digital Greenwashing Regulation

India's fast fashion market is fast becoming digital. Platforms like Myntra and Ajio picked up about 150 million new users in three years. There are four digital practices regulators should address right away. First, algorithmic product placement: platforms label items 'sustainable' or 'eco-friendly' using automated, self-set, unverified criteria—pushing dodgy claims on a massive scale. Second, influencer-driven sustainability claims: the Consumer Protection (E-Commerce) Rules 2020 require influencers to disclose, but never say how environmental claims should be proven. Third, platform-generated eco-labels: digital product pages show green rating badges, but with no regulatory standard on calculating those ratings. Fourth, 'dark green' design: using color, imagery, and presentation tricks to create a sense of sustainability without making any real, testable claim.

The CCPA Guidelines 2024 cover 'advertisements' broadly, and platform-generated eco-labels probably fit that definition—but no enforcement has tested this, and the Guidelines offer zero advice for digital claim formats. Since digital channels have become the fastest-growing space for fast fashion greenwashing in India, sector-specific digital guidance needs to happen, and soon.

V. A Proposed Regulatory Reform Framework

India's six blind spots call for reform on three levels: foundational (statutory), architectural (regulatory design), and operational (guidance and enforcement).

5.1 Foundational Reforms: Primary Legislation

We need two key legislative steps. First, Parliament should amend the Consumer Protection Act 2019—or replace the CCPA Guidelines 2024 with binding regulations—to establish an objective, effect-based liability standard for misleading environmental claims. Liability must hinge on whether a claim is materially misleading or unsubstantiated in its effect on a reasonable consumer, not on the intent behind it. This moves India in line with the EU and UK, drops the good-faith reliance defense, and puts pre-claim verification on producers, who are best positioned to handle it (Akerlof, 1970; Prosser, 1960; Shavell, 1980).

Second, Parliament should either pass a dedicated Textile Extended Producer Responsibility Act or amend the Environment Protection Act 1986 to include textile EPR under Section 6(2)(d). At a minimum, this law should: define 'textile waste' to cover all fiber types from both

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pre- and post-consumer stages; require producer registration, reporting, and recycling targets for brands over a set annual revenue; set up a Producer Responsibility Organisation for collective compliance; and mandate publicly accessible, annually audited third-party EPR reports. This foundation would create verifiable performance data for independent assessment of supply chain sustainability claims.

5.2 Architectural Reforms: Regulatory Design

SEBI and the CCPA need to bridge the gap between sustainability disclosure obligations and consumer-facing marketing claims. The CCPA should be able to require that brand-level sustainability claims in advertising can be traced and matched to the brand's latest BRSR or similar disclosure. This would not add disclosure duties for listed companies but would use existing ones to rein in marketing—directly tackling 'decoupling deception' noted at Blind Spot 3.

5.3 Operational Reforms: Guidance and Enforcement

Three operational reforms make sense. First, the CCPA should issue binding, sector-specific guidance for textiles and fast fashion, covering: environmental claim categories, evidence standards, approved third-party certifiers, and banned generic claim terms unless specifically qualified. Second, the Information Technology Rules (Intermediary Guidelines and Digital Media Ethics Code) should be amended so e-commerce platforms apply verified criteria when categorizing products algorithmically with sustainability descriptors. Third, the Consumer Protection Act should be updated to give class-action standing to registered consumer groups for greenwashing complaints, breaking down barriers to civil society enforcement and aligning with the EU Green Claims Directive.

VI. Discussion

6.1 The Nature of India's Regulatory Failure

These six blind spots show India's regulatory gaps are structural, not accidental. The CCPA Guidelines 2024 help by providing definitions and basic substantiation standards, yet they operate within laws—the Consumer Protection Act 2019, the Environment Protection Act 1986, the BRSR Framework—built for general consumer protection, not for regulating environmental claims in specific sectors. So, enforcement isn't just difficult: the CCPA lacks the right tools for evidence, verification allocation, or effective enforcement, as consumer welfare theory demands. Incremental fixes, like more CCPA circulars, voluntary codes, or

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ASCI guidance, won't close foundational legislative gaps. The Dutch ACM and Norwegian Consumer Authority succeeded with fast fashion enforcement only after getting statutory powers tailored for greenwashing. India's CCPA—without these powers—faces a built-in enforcement deficit that administrative measures can't fix.

6.2 Three Contested Questions

Strict vs. intent-based liability: This paper supports strict liability for both efficiency and rights. Efficiency-wise, producers are best placed to check claims, so optimal deterrence puts the verification burden on them (Shavell, 1980). Rights-wise, consumers deserve accurate environmental information to inform their purchases; allowing producers a good-faith defense doesn't protect that right.

Voluntary self-regulation vs. mandatory regulation: ASCI's experience says it all—even with voluntary codes, substantiation hasn't improved for fast fashion environmental claims in India. Self-regulation falls short, especially when sustainability marketing gives brands more reputational benefits than the risk of being accused of greenwashing. Delmas and Burbano (2011) highlight 'lax governance' as a key greenwashing driver. Only mandatory regulation with real enforcement tilts incentives in the right direction. On 'green silence'—intentionally omitting damaging environmental info—the view here is that India's framework should cover major omissions, or be amended to do so. Section 2(47) of the Consumer Protection Act bans 'deceptive practices,' broad enough to prohibit omissions that give a misleading impression of a product's environmental attributes. The CCPA should clarify this in guidance, bringing India in line with the CMA's Green Claims Code, which bans leaving out information a reasonable consumer would see as material. We wouldn't need primary legislative amendment for this fix.

6.3 The Brussels Effect: Partial Solution and Residual Gap

Bradford's Brussels Effect is already pushing Indian fast fashion brands to face greenwashing accountability in the EU market. The EU Green Claims Directive brings real supply chain verification requirements, so Indian exporters serving EU brands feel pressure for compliance—pressure missing from India's domestic scene. Two things stand out: these reforms aren't groundless, since export-focused businesses are already responding to EU demands; and they highlight that India's governance gap is a domestic consumer protection problem, not just an export compliance gap. No amount of foreign pressure can replace the need for local legislative reform to protect Indian consumers shopping from domestic brands.

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VII. Conclusion

This paper has argued that India's consumer and environmental legal framework can't tackle fast fashion greenwashing—not because enforcement fails, but because legislative design is flawed. Six structural blind spots emerged—three foundational (intent-based standard, missing textile EPR, no supply chain transparency), and three operational (no sector guidance, limits of Eco Mark certification, no digital greenwashing regulation)—with comparative analysis revealing these are artifacts of a system built for generic, not sector-specific consumer protection.

Theory drawn from Akerlof's information asymmetry (1970), Delmas and Burbano's institutional drivers (2011), Bradford's Brussels Effect (2020), and Lyon and Montgomery's greenwashing taxonomy (2015) shows India's intent-based liability standard isn't just imperfect, it clashes with the norms that should guide environmental claim regulation. Data backs this up: 53% of EU green claims lack substantiation, about 60% of fast fashion sustainability claims are poorly evidenced, and India hasn't taken greenwashing enforcement actions while similar countries have imposed EUR 41.9 million in penalties.

For legislators, the message is straightforward: administrative reform won't cut it. Textile EPR law and a revamped Consumer Protection Act liability standard must come first. For the CCPA, priority goes to binding sector guidance for fast fashion and clear rules for digital sustainability claims. Fashion brand practitioners have to audit all environmental messaging, watch the EU Green Claims Directive's supply chain requirements, and invest in third-party verification. Civil society can make use of Consumer Protection Act class-action provisions—an underused tool—with strategic potential even before legislative reform.

Going forward, research should cover four areas: first, empirical consumer studies to measure how fast fashion sustainability claims affect Indian shopper choices—providing welfare quantification; second, analysis of greenwashing intersecting with SEBI's evolving ESG disclosure framework and whether related misconduct in securities offerings counts as market manipulation; third, expansion of Bradford's Brussels Effect to gauge its uneven impact in other developing economies; and fourth, empirical comparison of EU and California fast fashion enforcement as new laws roll out, helping clarify best regulatory design practices.