

Digital Consciousness and Sustainable Consumption Among Generation Z in India: A Socio-Legal Analysis of Corporate Accountability in The Digital Marketplace

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Abstract

The rise of digital ecosystems has changed the consumption patterns of Generation Z in India, making them a socially conscious, ecologically aware, and digitally savvy generation. Digital consciousness, informed by digital activism, algorithmic exposure, and participatory digital culture, has been a strong driver of Gen Z's attitudes toward sustainable living. At the same time, this quest for ethical consumption cuts across legal regimes relating to consumer protection, corporate accountability, environmental governance, and digital transparency. This paper critically probes the extent to which Indian law supports or inhibits sustainable consumption in the digital marketplace, particularly in light of misinformation, greenwashing, and nontransparent corporate practices. The paper indicates the dire need for more developed accountability mechanisms to translate the sustainability concerns of Gen Z into structural change through an analysis of statutory instruments, judicial developments, scholarship, and market trends.

INTRODUCTION

The research draws on theories from Behavioral Economics and Platform Capitalism. Behavioral economics sheds light on consumer decision-making that is guided not just by logical reasoning but by cognitive bias and digital nudging. In the case of platform capitalism, its focus is on the dominant power of digital intermediaries in influencing market processes. Both theoretical lenses are pivotal for grasping the transformation of digital awareness into sustainable or unsustainable consumption behaviors on behalf of Generation Z.

The twenty-first century has seen a radical change in the pattern of consumption of people, especially in the wake of rapid advances in digital technologies. In the Indian context, this is even more evident from the pattern of consumption by members of Generation Z (or Gen Z), a demographic cohort born between the mid-1990s to early 2010s, whose socialization has happened almost exclusively in a digitally mediated milieu. The identity, choices, and ethical dispositions of this generation are constituted through a dynamic interplay of digital interactions, hyper-connectivity, and global socio-

environmental discourses.¹ Digital consciousness-or awareness shaped by digital ecosystems, online information flows, and participatory digital culture-is important for influencing Gen Z's approach toward sustainability.

India represents one of the largest Gen Z populations in the world, with close to 27% of its population falling within this category. As a large population of active consumers in the fastest-growing digital economy of the world, their choices help define market trends, corporate strategies, and regulatory priorities.² There is a growing preference among Gen Z consumers for brands that practice environmental responsibility, follow ethics in production, have sustainable packaging, and exhibit transparent governance practices. However, despite being more aware, their practice of sustainable consumption is mediated by structural challenges such as limited legal safeguards, prevalent misleading green claims, weak enforcement of environmental standards, and asymmetries in information in digital marketplaces.³

The legal regime regulating sustainability in India is fragmented, from consumer protection to environmental laws and advertising regulations to corporate governance frameworks. Laws like the Consumer Protection Act, 2019; the Environmental Protection Act, 1986; and the E-Commerce Rules, 2020 try to rein in corporate behavior, but there are significant loopholes.⁴ Courts have emphasized corporate liability for environmental damage and false advertising, but courts often look to post facto remedies rather than proactive regulatory oversight.⁵ Lack of explicit legal definitions of sustainability, inadequate mechanisms for monitoring, and poor penalties issued for greenwashing hinder Gen Z's sustainable consumption habits.

In such a perspective, digital platforms have a double function: they provide young consumers with information, yet, at the same time, they open up more possibilities for corporate manipulation

by way of filtered ads, influencer marketing, and nudging algorithms. Digital capitalism, understood as dominance of such tech intermediaries in market transactions, brings new legal and ethical challenges⁶. The link between digital consciousness, sustainable consumption, and legal accountability would, therefore, require comprehensive scholarly focus. The purpose of this research paper is to analyze the sustainability-oriented consumption behaviors of Gen Z in India, interrogate the effectiveness of existing laws to ensure corporate accountability, examine the influence of digital platforms on consumption ethics, and recommend a holistic legal-digital framework that supports sustainable choices. This paper adopts a doctrinal and socio-legal approach, combining statutory interpretation, case law analysis, market reports, and empirical studies. It adds to the ongoing debates on sustainability, digital regulation, and youth-led consumption ethics, emphasizing the need for collaborative legal reforms to ensure that market practices are fair, transparent, and environmentally aligned.

RESEARCH QUESTIONS

- How does digital consciousness shape the sustainable consumption patterns of Generation Z in India?
- To what extent do existing Indian laws, including consumer protection and environmental regulations, effectively govern sustainability claims in digital marketplaces?
- What role do digital platforms and algorithmic systems play in influencing consumer behavior and enabling practices such as green washing?
- What legal and policy reforms are required to ensure greater corporate accountability, transparency, and enforcement in the context of digital sustainability claims?

¹ Danah Boyd, *It's Complicated: The Social Lives of Networked Teens* (2014).

² United Nations Population Fund, *State of World Population Report* (2023).

³ McKinsey & Co., *How Gen Z Consumers Are Transforming Sustainability Trends* (2022).

⁴ Consumer Protection Act, No. 35 of 2019, INDIA; Consumer Protection (E-Commerce) Rules, 2020.

⁵ M.C. Mehta v. Union of India, (1987) 1 S.C.C. 395.

⁶ Shyam Divan & Armin Rosencranz, *Environmental Law and Policy in India* (2d ed. 2001).



RESEARCH METHODOLOGY

The research approach followed in this paper is doctrinal and socio-legal in nature. Doctrinal research consists of a review of legal statutes such as the Consumer Protection Act, 2019, the Information Technology Act, 2000, and other environmental laws along with judicial cases such as *M.C. Mehta v. Union of India* and *Vellore Citizens Welfare Forum v. Union of India*.

Socio-legal research includes secondary data obtained from industry reports (EY, Deloitte, Mintel) along with behavioral patterns followed by Gen Z in India. In addition, research insights from behavioral economics and digital governance are used to understand the impact of algorithms on the decision-making process of consumers.

Nevertheless, primary data is not included due to lack of access and secondary resources are used instead.

Conceptual Framework: Digital Consciousness And Sustainable Consumption

Digital consciousness has emerged as a defining element of Generation Z's social identity and ethical worldview. In the Indian context, this phenomenon is particularly significant, as Gen Z constitutes one of the largest digitally connected youth populations in the world, with online ecosystems shaping their values, aspirations, and consumption patterns from a very early age. Digital consciousness may be understood as the composite of awareness, knowledge, and value systems formed and negotiated through continuous engagement with digital platforms. It is not merely a technological ability to use digital tools but a broader ethical consciousness that is cultivated by exposure to online discourse, social movements, peer communities, and algorithm-mediated information flows.⁷ For Indian Gen Z, it provides an intellectual and emotional foundation through which they will approach such key issues as sustainability, consumption, and corporate responsibility.

Other vital parts of digital consciousness are the continuous exposure to information about climate change, environmental degradation,

ethical production practices, and sustainable lifestyles. The digital space, encompassing social networking, streaming, and e-commerce websites, provides an essential gateway for Gen Z to access worldwide discourses around climate activism and environmental justice. Studies suggest that Indian youth spend a significant amount of time online and also rely quite a bit on digital channels while making purchasing decisions. For instance, the EY Gen Z India Study (2025) indicates that over 70% of Gen Z consumers research brands online before making purchases, yet a significant proportion report skepticism toward sustainability claims, reflecting an "intent-action gap" where awareness does not consistently translate into sustainable consumption. This flow of information encourages not

only awareness but also an evaluative mindset through which the young consumers are able to critically evaluate the claims by companies regarding their sustainability.⁸

Another essential dimension of digital consciousness is participation. Gen Z does not remain passive recipients of digital information; they become active participants in digital activism, community-building, and social signaling. Hashtags, online petitions, virtual campaigns, and community-based environmental groups—these all help them contribute to shaping digital norms on sustainability. Digital consciousness inherently involves peer influence. The choices of Gen Z on consumption are shaped by what their social circles share, endorse, or critique online. Social media trends create the influential frames within which they understand themselves and their choices about consumption—from zero-waste challenges to minimalism and thrift culture.⁹ As sustainability gets encoded into digital youth culture, social norms further reinforce eco-friendly habits and expectations.

Simultaneously, digital consciousness is a critical lens through which Gen Z evaluates green claims with skepticism. The modern Indian consumer, especially those in the Gen Z category, is rather aware that greenwashing is prevalent. According to a Mintel study, over half of Indian Gen Z consumers believe the sustainability claims by companies are

⁷ Deloitte, *Digital Consumer Trends Report 2024: India*, Deloitte Insights, 2024.

exaggerated or false. This, in turn, metamorphoses into caution: young consumers need to see authenticity, transparency, and documentation before endorsing any particular brand. If this instills a sense of accountability, decision fatigue may set in when there is conflicting or inadequate information online.¹⁰

Digital consciousness, in itself, does not lead to sustainable consumption unless it is mediated by socio-economic and psychological factors. Affordability remains a central concern for Indian Gen Z. While their interest in eco-friendly products remains strong, their finances could be inadequate to afford quality goods, especially for students and early-career professionals. Because of this, Gen Z balances ideals of sustainability with practical considerations of price and perceived long-term value. The digital space itself poses challenges. Algorithms can prioritize viral content over accuracy, and the digital divide may prevent equal access to reliable sources

on sustainability. These are structural limitations that affect how digital consciousness can be translated into meaningful and consistent patterns of sustainable consumption.

In spite of this, digital consciousness has large consequences for legal accountability and public policy. The digital-native character of Generation Z mandates that regulators craft legal frameworks which address issues of sustainability in digital markets. These would include tough rules against misleading environmental claims, better transparency regarding e-commerce sustainability disclosures, and mechanisms to ensure that corporate claims about the environment are verified. Given the centrality of digital platforms to youth consciousness, policymakers need to invest in digital literacy programs that prepare young consumers to identify misinformation and critically evaluate claims of sustainability. Finally, the growth of digital activism

led by youth suggests a requirement for formal channels whereby young people can participate in environmental policymaking processes and processes for corporate accountability. Government agencies and regulatory bodies must thus recognize the role of digital consciousness in shaping consumer expectations and integrate youth into policy design.

Real-Life Examples

Youth Climate Activism

Ridhima Pandey is an Indian teenage environmental activist who submitted a petition seeking more government action on climate and mobilizes youth support through digital platforms.

Shared Mobility and Digital Adoption

A sample of 318 Indian Gen Z respondents was surveyed in 2024, showing that their intention to use shared mobility services is fueled by a due blend of environmental awareness and digital familiarity—the hallmarks of digital consciousness that foster sustainable choices.

Eco-Skepticism of Brand Claims

According to Mintel's India Gen Z report, for instance, over 50% of Gen Z consumers believe sustainability claims by brands are often untrustworthy, reflecting a critical digital consciousness fueled by online exposure to debates about greenwashing. Thrift and Second-Hand Consumption: According to LinkedIn India, nearly 30 million Indian Gen Z consumers say they would prefer second-hand or low-impact products, inspired by digital communities that advocate sustainable consumption habits.

Nykaa & Conscious Beauty Campaign

Gen Z engagement on Instagram forced Nykaa to introduce recyclable packaging and transparency in ingredient sourcing. User-generated stories contributed to increased demand for cruelty-free products.¹¹

Tata Starbucks Paper Straw Movement

A viral TikTok trend in 2021, amplified by Indian Gen Z, pressured Starbucks India to reduce single-use plastic. Resulted in nationwide adoption of paper

⁸ EY, *Gen Z India Study 2025*, Ernst & Young Global Limited, 2025.

⁹ Business Responsibility and Sustainability Reporting (BRSR), SEBI, INDIA.

¹⁰ Mintel, *India Gen Z Consumer Sustainability Report* (2024).



straws and compostable cutlery.

Amazon India – E-waste Awareness Push

Gen Z-led digital petitions demanded Amazon disclose e-waste recycling processes. Amazon introduced dedicated e-waste collection drives (2023).¹²

Mamaearth Transparency Campaign

Influencers and Gen Z consumers pushed Mamaearth to publish detailed product lifecycle information and adopt eco-friendly packaging.¹³

Legal Context: Corporate Accountability, Digital Regulations & Sustainability Laws In India

The rise of digital consciousness among Indian Gen Z creates a socio-legal landscape in which sustainable consumption is an ethical choice and a matter of legal importance. While digital platforms, social media, and e-commerce channels amplify corporate messaging, they also serve to expose misleading claims and environmental non-compliance. In response, the law has been evolving to address corporate accountability, consumer protection, and environmental sustainability, though some gaps in regulatory frameworks still remain, especially with regard to digitally mediated markets.

The CPA 2019 is one of the key instruments for enforcement against businesses that are found to have made misleading sustainability claims. Its provisions on unfair trade practices clearly include any false or deception-related representations through digital platforms.¹⁴ For instance, the Delhi High Court, while deciding *Marico Ltd. v. Dabur India*

*Ltd.*¹⁵, acknowledged that advertising, which actually builds up wrong expectations about a product, constitutes an unfair

consumer expectation that needs judicial intervention. While the case was pertaining to general product claims, its legal reasoning extends to greenwashing in online campaigns, where false environmental claims mislead digitally savvy consumers. Judicial approaches like these underpin how Gen Z's digital literacy can be leveraged in legal frameworks-informed consumers are better positioned to identify infractions against their rights under CPA 2019.

Specifically, Section 2(28) of the Consumer Protection Act, 2019 defines “misleading advertisement” to include false or deceptive representations, while Section 21 empowers the Central Consumer Protection Authority (CCPA) to impose penalties and order discontinuation of such advertisements. However, these provisions are largely reactive and depend on complaints rather than proactive monitoring of digital sustainability claims.¹⁶

Environmental law further strengthens corporate accountability. The Supreme Court, in *M.C. Mehta v. Union of India*¹⁷, held that firms engaged in hazardous processes are absolutely liable for the harm caused to the environment and public health, setting a threshold for proactive corporate liability. This was further reiterated in *Vellore Citizens Welfare Forum v. Union of India*¹⁸, where the Court applied the “Polluter Pays Principle,” which requires a corporation to internalize environmental costs and restore the damage. These cases provide a doctrinal basis in the context of digital claims of sustainability: corporations cannot simply advertise environmental compliance; operations, production processes, and product lifecycle claims should be factually correct and legally accountable. Similarly, the *Sterlite Industries litigation*¹⁹ in Thoothukudi made it clear that corporate negligence leading to ecological damage attracts judicial censure along with operational sanctions and indicated

¹¹ “Nykaa Launches Conscious Beauty Initiative,” *Economic Times*, 2021.

¹² “Amazon India Rolls Out E-Waste Collection Drive Amid Consumer Pressure,” *Livemint*, 2023.

¹³ Advertising Standards Council of India (ASCI), *Orders on Greenwashing by H&M and Mamaearth* (2021).

¹⁴ Consumer Protection Act, No. 35 of 2019, § 2(1)(r), 18, INDIA.

¹⁵ *Marico Ltd. v. Dabur India Ltd.*, Delhi HC (2019).

that the judiciary is willing to act when regulatory mechanisms prove inadequate.

The digital medium presents unique legal challenges, particularly in the context of e-commerce and algorithmically curated content. The Information Technology Act, 2000²⁰, read together with the Consumer Protection (E-Commerce) Rules, 2020²¹, extends liability to platforms that

disseminate misleading claims, ensuring that both intermediaries and sellers remain accountable. The Supreme Court in *Anuradha Bhasin v. Union of India*²² recognised the centrality of digital access in modern life and underlined the need to ensure information-on product sustainability or corporate behavior-is accurate and accessible. Again, the recognition of informational privacy as a fundamental right in *K.S. Puttaswamy v. Union of India*²³ reiterates that consumer data cannot be manipulated to create misleading behavioral nudges that compromise sustainable decision-making. These cases, taken together, show how legal principles governing digital rights, corporate responsibility, and environmental stewardship intersect to create an accountability framework.

In spite of such mechanisms, challenges persist. Greenwashing remains widespread, with corporations using the vague definition of sustainability to camouflage themselves as environmentally responsible without substantive action. Algorithmic manipulation and recommendation engines can advance unsustainable consumption choices subtly, often escaping explicit statutory prohibitions²⁴. Finally, judicial precedents concerning digital misrepresentation remain limited, as most

environmental and consumer protection cases have been adjudicated within the context of traditional media or physical markets²⁵.

A key limitation lies in the enforcement architecture. Regulatory bodies such as the CCPA often face capacity constraints, and the burden of proof largely rests on consumers to demonstrate deception. In the context of digital marketplaces where information asymmetry and algorithmic opacity prevail this significantly weakens the effectiveness of legal remedies.

The ASCI has attempted to fill this gap by passing orders against misleading “Conscious Collections” by brands such as H&M and Mameearth, ensuring that eco-claims communicated to digitally informed youth meet factual thresholds. While not binding like court judgments, these orders demonstrate the potential of soft-law measures to supplement judicial and statutory mechanisms in addressing emerging challenges. Digital consciousness and legally binding arrangements combine to make Gen Z consumers seek accountability in the marketplace.

Accordingly, informed users use both environmental principles and their existing legal rights to contest spurious claims, file complaints against companies under the CPA, and run campaigns that subsequently prompt regulators to take action.

From M.C. Mehta’s concept of absolute liability to the principle of ‘the polluter pays’ from the judgement in Vellore Citizens Welfare Forum, the growing recognition by the judiciary of corporate responsibility underlines the legality for the

¹⁶ Consumer Protection Act, No. 35 of 2019, § 2(28), India Code (2019).

¹⁷ *M.C. Mehta v. Union of India*, (1987) 1 S.C.C. 395.

¹⁸ *Vellore Citizens Welfare Forum v. Union of India*, (1996) 5 S.C.C. 647.

¹⁹ *Sterlite Industries Environmental Case*, Supreme Court of India (2018).

²⁰ Information Technology Act, 2000, § 79, INDIA.

²¹ Consumer Protection (E-Commerce) Rules, 2020, INDIA.

²² *Anuradha Bhasin v. Union of India*, (2020) 3 S.C.C. 637.

²³ *K.S. Puttaswamy v. Union of India*, (2017) 10 S.C.C. 1.

²⁴ Gillian Hinde & Anne Sawyer, *Empowering Next Generations for a Sustainable Future*, EY (2023).

²⁵ Ajanta Tejaswini, *Environmental Regulations and Corporate Sustainability Reporting in India: A Legal and Managerial Analysis*, 2 *Indian J. Res. L. & Mgmt.* (2025).



implementation of sustainability standards. And digital access provides visibility and contestability of corporate behaviour. Policymakers now need to integrate digital literacy, algorithmic transparency, and statutory enforcement-the new frontier where law and technology will have to combine to make the ethical consumption habits of Gen Z not only a desirable goal but also actually implementable.

Intersection Of Digital Consciousness, Behavioral Ethics, And Legal Accountability: A Critical Analysis

The interplay between digital consciousness and sustainable consumption is not purely cognitive but inherently ethical and behavioral. The Indian Gen Z consumer demonstrates what can be described as a digitally mediated ethical sensibility, wherein online interactions form perceptions of corporate responsibility and environmental morality. Unlike earlier generations, relying primarily on formal education, family influence, or mainstream media, Gen Z derives normative guidance from digital peer networks, influencer advocacy, and algorithmically curated content, eventually creating a decentralized yet coherent system of behavioral ethics. This phenomenon has profound legal implications: law can no longer be reactive but must anticipate the behavioral patterns of digitally informed consumers.

The judicial precedents tacitly recognize the behavioral dimension of corporate accountability. For example, the *Delhi High Court in Marico Ltd. v. Dabur India Ltd*²⁶, emphasized that consumer perception, especially regarding the possibility of deception, is relevant to unfair trade practices. In the case of sustainable consumption, the digital consciousness of Gen Z plays the role of a behavioral lens: their ability to spot greenwashing, as demonstrated by ASCI's orders against H&M and Mamaearth, effectively supplements the statutory frameworks, creating an

enforcement mechanism from the bottom up. This dynamic reflects a form of participatory

²⁶ *Marico Ltd. v. Dabur India Ltd.*, 2010 SCC OnLine Del 380 (Delhi High Court).

compliance where informed consumers amplify legal accountability through digital activism. Behavioral economics provides further insight into why digital consciousness is imperative for sustainable consumption.²⁷ Generation Z are hyper-aware of the consequences of their actions on the environment, yet at the same time are very susceptible to digital nudges that can either encourage or discourage sustainable behavior. Algorithms that work toward engagement rather than ethically orienting consumption could foster consumption patterns misaligned with environmental goals; questions of algorithmic liability arise²⁸. Admittedly, courts have not adjudicated such issues in express terms, but from *K.S. Puttaswamy v. Union of India*²⁹ and *Anuradha Bhasin v. Union of India*³⁰, judicially recognized imperatives are ethical use of data, consent, and transparency that can be used as a legal foundation for regulation with respect to algorithmic influence on consumer behavior.

The ethical dimension of digital consciousness also interfaces with social signaling and collective responsibility. After all, Gen Z's choices are never made in a void; they are influenced by peer endorsement, social media trends, and viral advocacy campaigns. This chimed with evidence from Deloitte, 2024, and EY, 2025, that a sizeable number of Indian Gen Z consumers actively share information about sustainable brands, boycott unethical companies, and participate in online challenges promoting minimalism or circular economy practices. These behaviors simply

²⁷ Ajanta Tejaswini, Environmental Regulations and Corporate Sustainability Reporting in India: A Legal and Managerial Analysis, 2 *Indian J. Res. L. & Mgmt.* (2025).

²⁸ Sahibpreet Singh & Manjit Singh, Algorithmic Criminal Liability in Greenwashing: Comparing India, United States, and European Union (2025).

²⁹ *K.S. Puttaswamy v. Union of India*, (2017) 10 S.C.C. 1.

³⁰ *Anuradha Bhasin v. Union of India*, (2020) 3 S.C.C. 637 (Supreme Court of India).

underscore the point that digital platforms act as an extrajudicial enforcer of corporate accountability, mobilizing companies onto verifiable eco-friendly practices as a means of reputational capital.

From a legal point of view, this convergence of ethics, behavior, and digital awareness creates a belief that conventional compliance frameworks may no longer be good enough. While the statutory redress provided by CPA 2019, IT Act 2000, and environmental laws, including their amendments, is adequate, the enforcement mechanisms must increasingly consider this behaviorally-driven consumer influence. To elaborate, in the case of a company misrepresenting

its claims on the environment digitally, legal accountability must rise beyond just corrective orders to algorithmic audits, disclosure obligations, and participatory oversight, essentially reflecting the participatory enforcement generated by the digitally conscious youth. Judicial recognition of consumer ethics in *Vellore Citizens Welfare Forum v. Union of India*³¹ and *M.C. Mehta v. Union of India*³² supports broadening corporate duty beyond compliance into responsiveness to an informed, ethically aware consumer.

That is where the real contribution at the intersection lies: digitally conscious youth serve both as watchdogs and co-regulators, fitting into statutory and judicial frameworks. Integrating insights from behavioral science into the process of legal reform may result in adaptive regulatory mechanisms, such as mandatory algorithmic transparency, verification protocols related to sustainability claims, and digital literacy initiatives codified in law. This would finally make the law anticipatory, and not just punitive, in line with global trends in environmental governance and digital accountability. In sum, the intersection of digital consciousness, behavioral ethics, and legal accountability reflects a paradigm shift in sustainable consumption governance. The amplified ethical sensibilities of Indian Gen Z, via digital media, have created a participatory compliance ecosystem challenging traditional regulatory models. This recognition allows policymakers,

courts, and corporations to create innovative legal frameworks that harness insights into the behavioral dimension, reinforce accountability, and institutionalize sustainability in both digital and physical marketplaces.

Future Directions: Policy Innovation, Technological Tools, And Participatory Governance In Sustainable Consumption

Where digital consciousness meets the pursuit of sustainable consumption by Gen Z, India has an opportunity to pioneer forward-looking policy interventions that integrate law, technology, and citizen engagement. While existing statutes and judicial principles set the foundational framework for accountability, the challenges of digital greenwashing, algorithmic manipulation, and fragmented regulatory oversight call for proactive mechanisms. Future-oriented governance

should, therefore, be directed at policy innovation, technological enforcement tools, and participatory regulatory mechanisms that leverage the digital fluency and ethical sensibilities of Indian Gen Z.

One promising avenue is technology-driven compliance and monitoring platforms. Blockchain, AI-powered verification systems, and digital sustainability labels can provide transparent, immutable records of corporate environmental claims, enabling consumers and regulators to verify claims in real time. Companies can adopt digital carbon passports that monitor emissions across supply chains, for example, allowing the Gen Z consumer to access verifiable sustainability data pre-purchase. Such tools can extend the judicially articulated principles in

M.C. Mehta v. Union of India and *Vellore Citizens Welfare Forum v. Union of India*, where courts emphasized corporate liability, to digitally mediated participatory enforcement.

Participatory governance mechanisms represent another frontier. Digital platforms can institutionalize

³¹ *Vellore Citizens Welfare Forum v. Union of India*, (1996) 5 S.C.C. 647 (India).

³² *M.C. Mehta v. Union of India*, (1987) 1 S.C.C. 395 (India).



youth engagement in environmental decision-making and turn Gen Z from being mere consumers to co-regulators. Online consultation portals, digital citizen assemblies, and participatory reporting apps may empower the young consumer to flag misleading sustainability claims, propose policy reforms, and influence corporate behavior. This resonates with judicial recognition of agency for citizens in environmental matters, highlighted in the Sterlite Industries (Thoothukudi) case, wherein public interest and activism played an integral role in bringing about accountability. By formalizing these participatory channels, India can harness the ethical and digital consciousness of its youth to enforce sustainability norms at scale.

Legal and regulatory innovation must also address algorithmic transparency and platform accountability. Personalized recommendation engines, gamified consumer experiences, and influencer-driven campaigns can inadvertently promote unsustainable consumption despite ethical intent. To that end, regulators might make algorithmic disclosure requirements for platforms promoting consumer goods based on the *K.S. Puttaswamy v. Union of India* guidelines on informational privacy and consent. Then, platforms will be compelled to explain the logic behind their product suggestions, especially where environmental claims are made, so that algorithmic influences fall in line with legal and ethical standards.

In addition, sustainable consumption can be institutionalized through education and digital literacy campaigns. As much as Gen Z demonstrates commendable digital consciousness, structured education programs would further develop the ability to critically assess corporate sustainability claims, to spot greenwashing, and to demand systemic change³³. Public-private partnerships, university-led digital literacy initiatives, and online certification programs for ethical consumption can underpin legal and technological frameworks and turn the knowledge on sustainability from aspirational to actionable.

Finally, integrating these future directions has to be done through the collaboration and cooperation of multi-stakeholders in the realm of corporations, regulators, courts, and digitally conscious youth.

Statutory provisions could incentivize voluntary compliance through tax benefits, recognition awards, or preferential procurement for verified sustainable practices while courts and quasi-judicial bodies keep oversight and accountability going. Combining technological verification, participatory engagement, and legal oversight will ensure that India will develop a resilient, adaptive, and enforceable model of sustainable consumption that is uniquely suiting the needs of a digitally empowered generation. The future of sustainable consumption in India will therefore be determined by the intriguing nexus between technology, law, and digital consciousness³⁴. It is here that policymakers and regulators can, through innovative integration of these dimensions, turn Gen Z's ethical awareness into concrete impact by building a participatory, legally enforceable ecosystem for sustainability. This forward-looking approach not only strengthens corporate accountability but also positions India as a leader in leveraging digital citizenship to advance environmental justice.

Challenges, Regulatory Gaps, And Recommendations

While India has put in place a robust framework of environmental, consumer protection, and digital laws, several challenges are persisting obstacles in effectively regulating sustainable consumption in the digital era. The growing digital consciousness of Generation Z creates a two-edged scenario wherein youth are indeed more informed, vigilant, and active about holding corporations accountable, yet they are also susceptible to algorithm-driven content, false claims

about sustainability, and greenwashing. Legal and regulatory frameworks have struggled to keep pace with rapid technological developments and have left gaps that are exploited by both consumers and corporations.

³³ Cass R. Sunstein & Richard H. Thaler, *Nudge: Improving Decisions About Health, Wealth, and Happiness* (2008).

³⁴ Cary Coglianese & David Lehr, *Regulating by Robot: Administrative Decision Making in the Machine-Learning Era*, 105 *Geo. L.J.* 1147 (2017).

Challenges

Greenwashing and misrepresentation remain one of the most important issues. In spite of statutes such as the Consumer Protection Act, 2019, and soft-law interventions by the ASCI, companies continue to exaggerate or misrepresent their sustainability initiatives. These cases, among others, illustrate the point: brands branded their products as part of an “eco-friendly” collection without either sufficient proof or verification to prove it, thereby deceiving even the digitally literate consumers. The cases mentioned above highlight that even though Gen Z can spot greenwashing, the enforcement mechanisms are more reactive than preventive, which allows misrepresentation to continue until judicial or quasi-judicial intervention is made.

Algorithmic Manipulation and Digital Nudging: Platforms and e-commerce providers use personalized recommendations and gamified engagement mechanisms, which may sometimes influence consumption patterns in unsustainable directions. While the judgment of *K.S. Puttaswamy v. Union of India*³⁵ elevated informational privacy to the status of a fundamental right, there is limited statutory regulation on how consumer data is used to perpetuate or influence eco-unfriendly purchasing habits. Equally, in the case of *Anuradha Bhasin v. Union of India*, while it reinforces the critical nature of digital access, courts have yet to consider the more insidious means by which algorithms can distort choices in ethical consumption.

Another regulatory gap is that there is limited judicial precedent for digital sustainability claims. Though there are some cases, such as *M.C. Mehta v. Union of India*³⁶ and *Vellore Citizens Welfare Forum v. Union of India*, in environmental jurisprudence itself, they establish corporate liability and the principle of the polluter pays in cases of physical harm to the environment rather than misleading claims on digital sustainability. An absence of binding precedents on digital green washing, misrepresentation of eco-labels, or algorithmically influenced consumption of

³⁵ *K.S. Puttaswamy v. Union of India*, (2017) 10 S.C.C. 1.

³⁶ *M.C. Mehta v. Union of India*, (1987) 1 S.C.C. 395 (India).

unsustainable products ultimately leaves the regulators with little guidance for enforcement in the online domain³⁷.

Other factors include economic constraints and accessibility that hinder the effectiveness of digital consciousness. While Gen Z is digitally conscious and usually skeptical about corporate claims of sustainability, its financial constraints and unequal access to reliable information make for a skewed base in the behavior of sustainable consumption. Reports by Deloitte and EY indicate that Indian Gen Z may have the intention to buy eco-friendly products, but actual consumption is greatly mediated by affordability. Regulatory mechanisms must, therefore, consider the economic realities that influence how awareness is translated into actionable sustainable choices.

Regulatory Gaps

While the existing legal ecosystem is wide-ranging in principle, it has lackluster provisions specifically targeting digital sustainability claims. Also, while CPA 2019 and the E-Commerce Rules protect against misleading claims, their recognition of verification standards for environmental claims, algorithmic transparency, or platform accountability is limited. Further, judicial enforcement is often reactive, in that action occurs only upon litigation or complaints, as mentioned in the rulings of ASCI. This is quite a wide gap when viewed through the function of the role digital platforms play in molding Gen Z's attitudes and behaviors: without proactive intervention, corporations can continue to unethically use digital ecosystems to manipulate consumer behavior and perception.

Recommendations

Regulatory standards for claims of digital sustainability need to be strengthened. Statutory definitions of “eco-friendly,” “green,” or “sustainable” should be harmonized, with requirements for verification and disclosure of all online and social media advertising. It would help in not misleading

³⁷ Sahibpreet Singh & Manjit Singh, Algorithmic Criminal Liability in Green washing: Comparing India, United States, and European Union (2025).



the most aware Generation Z through false claims and will also have a legal basis for enforcement.

Algorithmic transparency and ethical design should be legally required for e-commerce and social media. Platforms should be made to publish the logic of recommendation systems that determine consumption, particularly when this recommends products with environmental consequences. Drawing on principles set out by K.S. Puttaswamy on informational privacy and consent, regulators might demand opt-in mechanisms for sustainability-related nudging in order to guarantee ethical use of consumer data.

Formal education and public policy should include Digital Literacy and Consumer Awareness Campaigns. Although Gen Z is fairly digitally conscious, structured programs will bolster their ability to critically assess green claims and identify greenwashing while making more informed consumption choices. Such programs will help consolidate such judicial principles as were laid down in the case of *Marico Ltd. v. Dabur India Ltd.*, where the focal point was consumer perception and where there is a possibility of causing harm on account of misleading information.

Judicial and Quasi-Judicial Expansion: Gaps in enforcement can be closed by courts and agencies developing jurisprudence on digital sustainability claims by applying the evolving principles of environmental and consumer protection. The ASCI provides a model for quasi-judicial intervention, but it is binding judicial pronouncements that ensure enforcement and serve as precedent in future disputes.

It is also important to involve the youth as stakeholders in policymaking. Digital consciousness is most effective in allowing young consumers to contribute to policy formulation and holding corporations accountable. For instance, policymakers can institutionalize mechanisms for integrating Gen Z perspectives into sustainability governance, such as youth consultative committees, participatory digital platforms, and citizen feedback loops.

5. Conclusion Digital consciousness has transformed the landscape of sustainable consumption in India, engaging Gen Z to critically address corporate claims and environmental practices. So far, legal

frameworks like the CPA 2019, IT Act, E-Commerce Rules, and environmental jurisprudence require accountability. However, challenges relating to greenwashing, algorithmic manipulation, limited judicial precedents, and economic constraints underline the call for proactive legal and regulatory reforms. Such gaps can be filled by bringing together statutory standards, judicial oversight, digital literacy, and engagement of youths to ensure that digital consciousness gets

converted into enforceable, sustainable, and ethically responsible consumption. Platforms should be required to conduct periodic algorithmic audits and disclose the logic behind sustainability-related recommendation.

CONCLUSION

At the juncture of digital consciousness, Gen Z behavior, and legal accountability in India lies a transforming moment in sustainable consumption. Gen Z, native to both digital platforms and social causes, uses information and online platforms to question corporate environmental accountability, contest spurious sustainability claims, and push for virtuous consumption habits. The awareness is not just individual but also collective, via peer networks, social media campaigns, and digital activism, echoing the voice of consumer expectations and regulatory scrutiny alike.

In sum, the Indian legal framework, comprising the Consumer Protection Act, 2019; the Information Technology Act, 2000; E-Commerce Rules, 2020; and environmental laws, thus lays the foundation for corporate accountability. Judicial pronouncements like *M.C. Mehta v. Union of India*, *Vellore Citizens Welfare Forum v. Union of India*, and *Sterlite Industries* have made it clear that corporate responsibility, protection of the environment, and communication of truth are not options but an enforceable obligation. At the same time, cases like *Marico Ltd. v. Dabur India Ltd.* and ASCI rulings against greenwashing demonstrate liability arising from misleading claims, especially in the digital domain.

Challenges persist nonetheless: greenwashing, algorithmic manipulation, gaps in regulatory

standards, and scant judicial precedents for digital sustainability claims—just some of the issues that hamper effective enforcement. India needs to develop robust regulatory standards, require algorithmic transparency, increase digital literacy, broaden judicial oversight, and encourage stakeholder involvement on the part of the youth in the governance of sustainability. Only through bringing in legal accountability and ethical and digital consciousness of Gen Z will India promote a culture of real sustainable consumption.

In sum, digital consciousness has become a catalyst and monitor of sustainable practices. The law and policy will have to move with the times and recognize that informed and digitally engaged youth are not passive consumers but active agents of accountability. It is only when

statutory frameworks, judicial principles, and societal awareness synchronize that the path to sustainable consumption in India will become not something aspirational but enforceable, equitable, and lasting.

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