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Greenwashing in Corporate Climate Claims: Normative Challenges in Indonesian Environmental and Consumer Protection Law

Sahal Hanafi*[1], Nourma Alivia Zahra El Rakhim[2]
[1] Universitas Negeri Semarang, Indonesia
[2] Universitas Diponegoro, Indonesia
email: sahalhanafii@gmail.com[1]

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Abstract

The proliferation of corporate climate claims in Indonesia has intensified concerns regarding greenwashing and the adequacy of existing legal frameworks in addressing misleading environmental representations. This study examines the normative challenges arising from the interaction between Indonesian environmental law, consumer protection law, corporate governance regulation, capital market law, and sustainable finance instruments. Employing a normative juridical method grounded in doctrinal legal analysis, the research interprets statutory provisions, implementing regulations, and judicial principles through grammatical, systematic, teleological, and comparative approaches. The findings indicate that although multiple legal instruments provide partial bases for sanctioning deceptive climate claims, definitional fragmentation and inconsistent evidentiary standards generate regulatory gaps that weaken enforcement effectiveness. Corporate climate representations should be recognized as legally binding communications subject to verifiability, fiduciary responsibility, and consumer protection standards. An integrated liability framework that harmonizes administrative, civil, and criminal mechanisms is essential to safeguard consumer autonomy, strengthen corporate accountability, and enhance the credibility of national climate governance.

Keywords: *greenwashing, corporate climate claims, consumer protection law, environmental regulation, corporate governance.*

INTRODUCTION

The rapid evolution of global climate governance over the past decade reflects a decisive shift from voluntary corporate pledges toward increasingly institutionalized regimes of disclosure, transparency, and accountability, particularly in the context of net zero commitments, sustainable finance taxonomies, and mandatory sustainability reporting frameworks. This transformation has generated an unprecedented proliferation of corporate climate claims disseminated through sustainability reports, environmental labels, and strategic public communications that frame environmental responsibility as a core competitive asset. At the same time, the expansion of such claims has intensified concerns regarding greenwashing, understood as the dissemination of misleading or unsubstantiated representations of environmental performance or climate commitments, thereby raising profound normative questions at the intersection of environmental law and consumer protection law. Contemporary scholarship identifies Southeast Asia as an emerging arena for climate accountability and corporate litigation, where doctrinal innovation is possible despite persistent institutional constraints (Kumaresan & Franta, 2025). In Indonesia, the strengthening of Enhanced Nationally Determined Contribution commitments has generated additional regulatory and reputational pressures on business actors, pressures that may paradoxically incentivize symbolic compliance strategies rather than substantive decarbonization (Raodah et al., 2026). Within this global and regional configuration, greenwashing must be understood not merely as an ethical lapse but as a structural legal problem implicating the coherence of regulatory design and the credibility of climate governance itself.

Existing research has documented diverse manifestations of greenwashing practices in Indonesia, particularly through critical examinations of corporate social responsibility narratives and environmental labeling strategies that lack proportional alignment with measurable ecological outcomes (Yonandi & Lie, 2025). Some scholars argue that greenwashing should be conceptualized as an environmental crime requiring a redesign of the environmental criminal law paradigm so that manipulative information practices, rather than solely tangible ecological harm, fall within the scope of

penal sanction (Fernando et al., 2025). Others emphasize the legal and political dimensions of green labeling, demonstrating how regulatory ambiguities and power relations facilitate the reproduction of environmentally progressive rhetoric without structural transformation (Anggriawan, 2025). A progressive legal critique further situates greenwashing within broader neoliberal economic structures that commodify climate action while perpetuating deforestation and extractive practices (Adji Samekto, 2025). In the domain of corporate governance, preliminary evidence from Southeast Asian companies suggests that sustainability related governance mechanisms can function ambivalently, either constraining opportunistic disclosure or serving as symbolic instruments that legitimize superficial compliance (Pratama et al., 2025). Within Islamic finance services, regulatory approaches to green disclosure reveal additional complexities concerning formal compliance and substantive integrity of environmental claims (Kharisma et al., 2026). Collectively, these studies illuminate the multidimensional character of greenwashing but stop short of articulating a unified normative framework capable of reconciling its environmental and consumer law implications.

Despite this growing body of scholarship, significant conceptual and doctrinal gaps remain. Comparative analysis of consumer protection enforcement in Indonesia, the Netherlands, and Singapore demonstrates that the effectiveness of addressing misleading environmental claims depends heavily on clearly articulated standards of proof and institutional coordination, both of which remain fragmented in the Indonesian context (Hariyanto & Tarina, 2025). Research framing greenwashing as environmental fraud underscores the absence of explicit regulatory definitions and the weakness of enforcement mechanisms, creating a gray zone between administrative non compliance and criminal liability (Lebie & Sihombing, 2025). However, these analyses do not systematically interrogate how Indonesian consumer protection norms concerning misleading representations interact with environmental regulatory instruments governing climate related disclosure. The resulting fragmentation produces doctrinal uncertainty regarding whether corporate climate claims should be assessed primarily as environmental compliance statements, commercial advertising representations, or hybrid normative constructs subject to overlapping regulatory standards. Such ambiguity undermines both legal certainty and the development of coherent adjudicatory criteria capable of distinguishing legitimate aspirational commitments from legally actionable misrepresentation.

The persistence of these normative ambiguities carries substantial scientific and practical consequences. From a theoretical perspective, the absence of an integrated analytical framework impedes the development of a doctrinal account that conceptualizes corporate climate claims as legally cognizable representations subject to standards of accuracy, materiality, and verifiability. From a practical standpoint, fragmented regulatory oversight constrains consumer access to remedies and limits the strategic deployment of climate related litigation, even as regional jurisprudential opportunities expand (Kumaresan & Franta, 2025). The regulatory side effects associated with Enhanced Nationally Determined Contribution implementation further illustrate how climate policy instruments, when not accompanied by precise accountability mechanisms, may unintentionally incentivize symbolic environmental positioning (Raodah et al., 2026). In this context, environmental law and consumer protection law cannot be treated as isolated regimes; their interaction determines whether greenwashing is effectively deterred or tacitly normalized within market practices.

This research positions itself at this intersection by examining greenwashing in corporate climate claims as a normative challenge arising from the structural fragmentation of Indonesian environmental and consumer protection law. Rather than focusing exclusively on criminalization strategies or macro political critiques (Fernando et al., 2025; Anggriawan, 2025), the study evaluates the internal coherence of existing statutory provisions and regulatory instruments to determine whether they provide adequate doctrinal standards for assessing the legality of climate related representations. By synthesizing insights regarding regulatory weakness and enforcement deficits (Lebie & Sihombing, 2025), governance ambivalence in sustainability oversight (Pratama et al., 2025), and the complexity of green disclosure in financial services (Kharisma et al., 2026), the analysis advances the argument that the central problem lies not merely in regulatory absence but in conceptual disharmony concerning the definition, scope, and evidentiary burden applicable to greenwashing in the context of corporate climate claims. This positioning contributes to ongoing debates concerning the recalibration of legal doctrine in response to evolving forms of informational environmental harm.

This study aims to systematically analyze the normative challenges surrounding the regulation and enforcement of greenwashing in corporate climate claims within Indonesian environmental and

consumer protection law. It seeks to construct a coherent doctrinal framework capable of clarifying the legal status of climate related representations, articulating standards of assessment grounded in principles of legal certainty and consumer protection, and identifying pathways for harmonizing overlapping regulatory regimes. Through a normative juridical methodology supported by critical synthesis of comparative and regional scholarship, the research aspires to contribute both theoretically, by refining the conceptualization of informational environmental harm, and methodologically, by offering an integrated analytical model for evaluating corporate climate claims in emerging legal systems.

RESEARCH METHODS

This study employs a normative juridical research design grounded in doctrinal legal analysis to examine the regulatory architecture governing greenwashing in corporate climate claims within Indonesian environmental and consumer protection law. The primary materials consist of statutory provisions, implementing regulations, and relevant policy instruments related to environmental protection, consumer protection, corporate disclosure, and climate commitments, which are systematically interpreted through conceptual and statutory approaches in order to assess their coherence, overlap, and normative gaps. Secondary materials include scholarly literature on greenwashing, environmental fraud, corporate governance, and climate litigation, which are critically synthesized to contextualize Indonesian law within broader comparative and regional developments. The analysis applies interpretative techniques based on principles of legal certainty, proportionality, good faith, and protection against misleading representations to evaluate the adequacy of existing norms in addressing informational environmental harm. By integrating doctrinal analysis with structured comparative insights, the methodology seeks to construct a coherent analytical framework capable of clarifying standards of liability, evidentiary burdens, and regulatory harmonization in cases involving corporate climate claims.

RESULTS AND DISCUSSION

Normative Construction of Greenwashing under Indonesian Environmental and Consumer Protection Law

The normative qualification of greenwashing within Indonesian law requires a systematic interpretation of Law Number 32 of 2009 on Environmental Protection and Management, particularly Article 69 paragraph 1 letter a concerning prohibited acts causing environmental pollution, and Law Number 8 of 1999 on Consumer Protection, especially Article 8 paragraph 1 letter f prohibiting misleading statements in advertising. A grammatical reading of Article 8 paragraph 1 letter f demonstrates that any representation containing inaccurate or deceptive information regarding goods or services may constitute an unlawful act irrespective of tangible environmental harm. Scholarly analyses have argued that deceptive environmental narratives embedded in corporate social responsibility disclosures may fall within this prohibition when they materially distort consumer perception (Yonandi & Lie, 2025). A teleological interpretation linking environmental integrity and consumer autonomy suggests that climate related representations must be assessed as commercial communications subject to veracity standards rather than aspirational corporate rhetoric.

The systematic relationship between Law Number 32 of 2009 and Law Number 8 of 1999 reveals a structural overlap in the regulation of informational harm, although neither statute expressly defines greenwashing as a distinct legal category. Article 65 paragraph 2 of Law Number 32 of 2009 guarantees the right to environmental information, which implies a correlative obligation of accuracy upon corporate actors disseminating climate claims. Doctrinal commentary has emphasized that misrepresentation of environmental performance may constitute environmental fraud where regulatory silence enables symbolic compliance (Lebie & Sihombing, 2025). A historical interpretation of consumer protection norms indicates that the legislature intended to prevent asymmetry of information, thereby rendering misleading climate neutrality claims potentially actionable under existing provisions.

An examination of Government Regulation Number 22 of 2021 concerning Environmental Protection Implementation further illustrates the regulatory architecture governing environmental reporting and impact assessment. Article 489 of that regulation requires accurate and accountable environmental information in public disclosures, thereby reinforcing statutory obligations under Law Number 32 of 2009. Comparative legal scholarship indicates that jurisdictions with explicit green claim

guidelines experience greater enforcement coherence than systems relying solely on general consumer law prohibitions (Hariyanto & Tarina, 2025). The absence of a specific definitional clause on greenwashing within Indonesian regulations produces interpretative uncertainty regarding evidentiary thresholds and administrative liability.

The criminal dimension of misleading environmental claims raises doctrinal questions concerning the applicability of Articles 98 and 99 of Law Number 32 of 2009 on environmental crimes. Those provisions primarily address material pollution or environmental destruction, which complicates their extension to informational misconduct absent demonstrable ecological damage. Academic proposals advocating the criminalization of greenwashing argue for a paradigm shift in environmental criminal law to encompass deceptive communication practices that undermine regulatory objectives (Fernando et al., 2025). Such arguments necessitate a teleological reinterpretation of harm that includes distortion of environmental governance rather than physical degradation alone.

Corporate law considerations emerge under Law Number 40 of 2007 on Limited Liability Companies, particularly Article 74 concerning corporate social and environmental responsibility obligations. That provision mandates implementation but does not prescribe standards for substantive accuracy in sustainability reporting, thereby generating a normative lacuna. Empirical legal analyses of sustainability governance structures in ASEAN indicate that committees and internal oversight mechanisms may either constrain or facilitate greenwashing depending on disclosure standards (Permatasari et al., 2025). This ambiguity underscores the necessity of doctrinal clarification linking corporate governance duties with consumer protection norms.

Judicial interpretation remains limited, yet Supreme Court jurisprudence concerning misleading advertising under Article 8 of Law Number 8 of 1999 provides analogical guidance. The Court has consistently required proof of misleading content and consumer detriment, suggesting that climate claims must be evaluated through objective verification criteria. Comparative scholarship on judicial approaches to greenwashing underscores the judiciary's pivotal role in aligning private law remedies with climate governance objectives (Singh et al., 2025). The absence of explicit environmental misrepresentation cases before the Supreme Court reflects enforcement hesitancy rather than doctrinal impossibility.

A structured normative mapping clarifies the interaction between statutory provisions relevant to greenwashing as follows:

Table 1. Normative Mapping of Indonesian Legal Provisions Relevant to Greenwashing in Corporate Climate Claims

Legal Instrument	Relevant Article	Normative Content	Potential Application to Climate Claims
Law No. 8/1999	Art. 8(1)(f)	Prohibition of misleading statements	Misleading net zero or carbon neutral advertising
Law No. 32/2009	Art. 65(2)	Right to environmental information	Duty of accuracy in sustainability reports
Law No. 40/2007	Art. 74	CSR obligation	Substantive integrity of environmental disclosures
Gov. Reg. 22/2021	Art. 489	Accountability in environmental reporting	Verification of climate performance data

Source: Compiled and systematized by the author based on Law No. 8 of 1999 on Consumer Protection; Law No. 32 of 2009 on Environmental Protection and Management; Law No. 40 of 2007 on Limited Liability Companies; Government Regulation No. 22 of 2021 on Environmental Protection Implementation; and relevant doctrinal analyses (Lebie & Sihombing, 2025; Hariyanto & Tarina, 2025).

The table demonstrates normative convergence across regulatory regimes while simultaneously revealing definitional fragmentation that complicates enforcement coherence. Theoretical perspectives

on green marketing delineate a distinction between legitimate environmental promotion and deceptive sustainability branding, which bears directly upon statutory interpretation (Hasdiansa, 2025). When climate related claims exaggerate emissions reductions or offset schemes without verifiable metrics, they may infringe Article 9 of Law Number 8 of 1999 concerning false advertising. Research examining consumer responses in Indonesia indicates that perceived greenwashing materially affects consumer trust and economic behavior, reinforcing the legal significance of informational accuracy (Wang et al., 2025). Normative analysis thus confirms that consumer detriment need not manifest in environmental damage but may arise from distorted purchasing decisions.

The investment law dimension under Law Number 25 of 2007 intersects with environmental disclosure obligations, particularly where green investment incentives are granted based on sustainability claims. Legal scholarship addressing green investment practices highlights vulnerabilities in verification mechanisms that permit symbolic compliance (Ayuningtias, 2025). Where incentives are obtained through inaccurate climate representations, the principle of good faith embedded in Article 1338 of the Civil Code may be invoked to challenge contractual legitimacy. Such doctrinal integration situates greenwashing within both public regulatory and private contractual frameworks.

International legal developments further inform interpretation through comparative analysis of climate law in East and Southeast Asia, which increasingly incorporates disclosure based accountability mechanisms (Lin, 2025). The United Nations Guiding Principles on Business and Human Rights and broader human rights jurisprudence underscore corporate responsibility for truthful environmental communication affecting community rights (Saputra et al., 2026). Informational environmental harm may also intersect with agricultural productivity and ecological sustainability, demonstrating the broader systemic impact of distorted climate narratives (Saputra & Dauda, 2025). Normative construction within Indonesian law must therefore reconcile domestic statutory provisions with evolving transnational standards that conceptualize greenwashing as a legally cognizable form of environmental misrepresentation.

Corporate Climate Claims, Governance Structures, and Liability Standards

Corporate climate claims must be examined within the framework of corporate governance obligations established under Law Number 40 of 2007 on Limited Liability Companies, particularly Article 66 paragraph 2 letter c concerning annual reports and Article 74 concerning social and environmental responsibility. A systematic interpretation of these provisions indicates that disclosure is not merely procedural but intrinsically connected to substantive accountability, especially where environmental performance forms part of corporate representation to investors and consumers. Empirical legal scholarship demonstrates that sustainability related corporate governance mechanisms in Southeast Asia often operate as symbolic compliance structures when oversight lacks enforceable verification standards (Pratama et al., 2025). Such findings reinforce the doctrinal proposition that climate claims embedded in annual reports may constitute legally relevant representations subject to scrutiny under both corporate and consumer protection law.

The normative tension between disclosure and liability becomes evident when climate related statements are framed as aspirational commitments rather than measurable obligations. Article 66 paragraph 3 of Law Number 40 of 2007 requires that annual reports present true and fair information, a formulation that invites teleological interpretation linking transparency with protection of stakeholder reliance. Scholarly analyses suggest that greenwashing frequently arises from the strategic use of vague terminology such as carbon neutral or environmentally friendly without standardized metrics (Hasdiansa, 2025). The absence of binding methodological standards for emissions accounting within corporate law complicates the evidentiary burden required to establish misrepresentation.

Financial sector regulation adds another layer of complexity through Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance. Article 10 of that regulation obliges financial institutions to prepare sustainability reports, thereby formalizing climate related disclosure as a regulatory expectation. Research on green disclosure in Islamic finance services identifies significant gaps between formal compliance and substantive environmental integrity, particularly where verification mechanisms remain internal and opaque (Kharisma et al., 2026). The doctrinal implication is that regulatory reporting duties cannot be equated automatically with substantive truthfulness absent independent validation.

Green bonds and sustainable investment instruments further illustrate the intersection of environmental claims and financial liability. Under Law Number 8 of 1995 on Capital Markets and relevant implementing regulations, issuers must disclose material information accurately to investors. Legal analyses of green bonds in Indonesia highlight the risk of green financial crime when sustainability labels are employed without rigorous project evaluation (Serfiyani et al., 2025). Misleading climate claims within bond prospectuses may therefore trigger administrative sanctions and civil liability under capital market law.

The relationship between corporate reputation and firm value introduces an additional normative dimension, particularly where greenwashing affects investor perception. Empirical research indicates that corporate reputation can moderate the financial consequences of greenwashing, yet reputational harm does not preclude legal responsibility for deceptive disclosure (Febrina & Kuraesin, 2025). Article 97 of Law Number 40 of 2007 imposes fiduciary duties upon directors to act in good faith and with due care, which may encompass ensuring accuracy in sustainability communications. A systematic interpretation of fiduciary obligations supports the argument that knowingly exaggerated climate claims could constitute a breach of duty.

Sector specific practices, such as those observed in the palm oil industry, demonstrate how environmental narratives may diverge from actual land use practices governed by Law Number 39 of 2014 on Plantations. Empirical legal analysis reveals that green labeling within the palm oil sector often coexists with continued deforestation activities, creating dissonance between representation and regulatory compliance (Ahmar et al., 2025). Article 108 of Law Number 32 of 2009 criminalizes the provision of false information in environmental documents, which may analogically extend to sustainability reports submitted to authorities. This interpretative extension situates sectoral greenwashing within existing statutory prohibitions against environmental misrepresentation.

The interaction between sustainability committees and corporate oversight mechanisms warrants doctrinal scrutiny under principles of accountability and internal control. Comparative research across ASEAN five countries demonstrates that sustainability committees can mitigate greenwashing when endowed with independent authority and transparent reporting lines (Permatasari et al., 2025). Indonesian corporate governance codes, although not statutory, influence judicial interpretation of due diligence standards under Article 97 of Law Number 40 of 2007. Weak internal governance structures may therefore aggravate liability where misleading climate claims are disseminated without adequate review.

A comparative mapping of liability standards across regulatory regimes clarifies doctrinal intersections as follows:

Table 2. Comparative Liability Standards for Misleading Climate Claims under Indonesian Regulatory Regimes

Regulatory Regime	Legal Basis	Liability Trigger	Enforcement Mechanism
Corporate Law	Law No. 40/2007 Art. 97, 66	Breach of fiduciary duty through inaccurate reporting	Civil liability of directors
Consumer Law	Law No. 8/1999 Art. 8	Misleading environmental advertising	Administrative and civil sanctions
Capital Market Law	Law No. 8/1995	False material disclosure in prospectus	OJK sanctions and investor claims
Environmental Law	Law No. 32/2009 Art. 108	False environmental information	Criminal and administrative penalties

Source: Compiled and analyzed by the author based on Law No. 40 of 2007; Law No. 8 of 1999; Law No. 8 of 1995 on Capital Markets; Law No. 32 of 2009; Financial Services Authority Regulation No. 51/POJK.03/2017; and related scholarship (Pratama et al., 2025; Serfiyani et al., 2025; Kharisma et al., 2026).

This mapping illustrates overlapping yet fragmented liability pathways that require doctrinal harmonization to prevent regulatory arbitrage. The effectiveness of these liability standards depends upon evidentiary clarity concerning emissions data and sustainability metrics. Climate litigation scholarship identifies emerging opportunities in Southeast Asia to challenge corporate climate narratives through strategic use of disclosure obligations (Kumaresan & Franta, 2025). Indonesian courts, guided by Supreme Court Regulation Number 1 of 2016 on Environmental Case Procedures, possess procedural mechanisms capable of accommodating scientific evidence related to emissions accounting. Judicial willingness to interpret disclosure duties expansively will significantly influence deterrence capacity.

Regulatory developments in East and Southeast Asia indicate a trend toward integrating climate disclosure with broader governance reforms (Lin, 2025). The Indonesian regulatory framework remains characterized by sectoral compartmentalization, which enables corporations to navigate between consumer, environmental, and financial regimes without unified scrutiny. The ENDC implementation framework established through Presidential Regulation Number 98 of 2021 on Carbon Economic Value introduces carbon market mechanisms that rely heavily on accurate emissions reporting. Scholarly analysis warns that without rigorous verification, such mechanisms may inadvertently institutionalize symbolic compliance (Raodah et al., 2026).

The normative assessment of corporate climate claims must therefore reconcile fiduciary duties, disclosure obligations, and consumer protection standards within a coherent liability framework. Theoretical reflections on corporate sustainability governance emphasize that effective green governance requires alignment between internal compliance systems and external regulatory enforcement (Hadi et al., 2026). Where corporate climate narratives diverge from verifiable environmental performance, liability should attach not merely as reputational sanction but as enforceable legal consequence. Such an integrated approach advances doctrinal clarity and strengthens the credibility of climate governance within Indonesian law.

Consumer Protection, Criminalization Debates, and Progressive Legal Responses

The doctrinal debate concerning the criminalization of greenwashing engages directly with the structure of Law Number 8 of 1999 on Consumer Protection and Law Number 32 of 2009 on Environmental Protection and Management, particularly where misleading climate claims intersect with public harm. Article 62 paragraph 1 of Law Number 8 of 1999 provides criminal sanctions for violations of Article 8, thereby opening the possibility of penal liability for deceptive environmental advertising. Scholarly arguments advocating explicit criminalization contend that existing provisions remain underutilized due to conceptual hesitation in recognizing informational environmental harm as legally cognizable injury (Santoso & Tobing, 2025). A teleological reading of consumer protection objectives suggests that sustainability era misrepresentations should be treated as serious infringements of economic autonomy rather than minor marketing irregularities.

The proposal to reconceptualize greenwashing as environmental crime requires engagement with Articles 98 and 99 of Law Number 32 of 2009, which traditionally focus on pollution and ecological destruction. Academic commentary urges a redesign of the environmental criminal law paradigm so that deception undermining environmental governance falls within the ambit of punishable conduct (Fernando et al., 2025). Such doctrinal expansion would align criminal liability with the preventive function of environmental law, emphasizing risk creation through misinformation rather than solely material damage. Resistance to this approach often rests on legality principles under Article 1 paragraph 1 of the Criminal Code, necessitating careful statutory interpretation to avoid overextension.

Political legal analyses reveal that green labeling practices are embedded within broader regulatory and economic power structures that may discourage aggressive enforcement (Anggriawan, 2025). Article 44 of Law Number 32 of 2009 mandates governmental supervision of environmental compliance, yet institutional fragmentation weakens coordinated oversight. Empirical observations in sectors such as palm oil demonstrate how symbolic sustainability narratives coexist with ongoing deforestation governed by Law Number 39 of 2014 on Plantations (Ahmar et al., 2025). This disjunction between representation and regulatory reality underscores the socio legal dimension of enforcement deficits.

Consumer harm arising from greenwashing extends beyond economic loss to include distortion of sustainable development objectives recognized in Presidential Regulation Number 59 of 2017 on Sustainable Development Goals Implementation. Research on ESG scoring within the ASEAN region indicates that inflated sustainability disclosures may artificially enhance corporate ratings despite persistent carbon emissions (Jamil et al., 2026). Article 4 of Law Number 8 of 1999 guarantees consumers the right to accurate information, which may be interpreted as encompassing truthful climate performance metrics. Judicial acknowledgment of ESG manipulation as misleading representation would strengthen doctrinal coherence between sustainability governance and consumer law.

Comparative perspectives demonstrate that courts in other jurisdictions increasingly treat climate related misrepresentation as actionable under private law doctrines of misrepresentation and unfair commercial practices. Analytical work on consumer protection and climate change emphasizes the judiciary's capacity to integrate environmental objectives within traditional consumer remedies (Chan et al., 2025). Indonesian courts possess analogous authority under Article 1365 of the Civil Code concerning unlawful acts, which may provide a tort based pathway for challenging deceptive climate claims. The doctrinal potential of tort law complements statutory consumer protection mechanisms.

The influence of neoliberal economic structures upon environmental regulation has been identified as a factor enabling symbolic compliance strategies that prioritize corporate image over substantive reform (Adji Samekto, 2025). Progressive legal theory advocates interpretative approaches that foreground ecological justice and intergenerational equity in construing statutory provisions. Article 28H paragraph 1 of the 1945 Constitution guarantees the right to a good and healthy environment, which may inform constitutional interpretation of consumer and environmental statutes. Constitutional contextualization strengthens the normative foundation for addressing greenwashing as a rights related concern.

A structured classification of enforcement pathways clarifies the interaction between administrative, civil, and criminal mechanisms:

Table 3. Classification of Enforcement Pathways for Greenwashing under Indonesian Law

Enforcement Pathway	Legal Basis	Nature of Harm Addressed	Potential Sanction
Administrative	Law No. 32/2009 Art. 76	Inaccurate environmental reporting	Revocation of permits
Civil	Civil Code Art. 1365	Economic loss from misrepresentation	Compensation damages
Criminal	Law No. 8/1999 Art. 62	Deliberate misleading advertising	Imprisonment and fines
Constitutional Review	Constitutional Court Authority	Violation of environmental rights	Norm annulment

Source: Constructed by the author based on Law No. 32 of 2009; Law No. 8 of 1999; Indonesian Civil Code Article 1365; Constitutional Court authority under the 1945 Constitution; and supporting literature (Santoso & Tobing, 2025; Chan et al., 2025; Fernando et al., 2025).

This classification demonstrates that doctrinal resources exist across multiple levels of the legal system, although practical coordination remains limited. The hospitality and service sectors provide additional empirical insight into consumer perception and behavioral response to perceived greenwashing. Cross national research involving Indonesia indicates that consumer trust declines significantly when environmental claims are perceived as exaggerated or unverifiable (Wang et al., 2025). Such findings reinforce the causal link between informational distortion and measurable consumer harm, satisfying elements of Article 8 of Law Number 8 of 1999. Judicial recognition of empirical consumer response data may enhance evidentiary robustness in litigation.

Investment law also intersects with consumer and environmental protection where green investment schemes rely on promotional climate narratives. Law Number 25 of 2007 on Investment, particularly Article 15 concerning investor obligations to implement environmental responsibility, may

be interpreted as imposing congruence between promotional claims and operational practice. Studies on green investment challenges emphasize regulatory vulnerabilities that permit inflated sustainability branding (Ayuningtias, 2025). Integrating investment law obligations with consumer protection standards would reduce opportunities for regulatory arbitrage.

International human rights law developments further contextualize greenwashing within broader frameworks of environmental protection and accountability. Contemporary scholarship underscores the linkage between environmental integrity and human rights protection, particularly in contexts of displacement and ecological vulnerability (Saputra et al., 2026). Informational distortion concerning climate mitigation efforts may indirectly affect agricultural productivity and socio economic stability in Southeast Asia, as indicated by empirical environmental data analyses (Saputra & Dauda, 2025). Recognition of these transnational dimensions supports a progressive interpretative approach that treats greenwashing not merely as deceptive marketing but as conduct with systemic ecological and societal implications, thereby reinforcing the need for coherent doctrinal evolution within Indonesian law.

CONCLUSION

The analysis demonstrates that greenwashing in corporate climate claims constitutes a structurally embedded normative problem within Indonesian law, arising from fragmentation between environmental regulation, consumer protection law, corporate governance standards, investment law, and financial disclosure regimes. Although Law Number 8 of 1999 on Consumer Protection, Law Number 32 of 2009 on Environmental Protection and Management, Law Number 40 of 2007 on Limited Liability Companies, and related implementing regulations provide dispersed doctrinal entry points for addressing misleading environmental representations, the absence of explicit definitional clarity and harmonized evidentiary standards weakens enforcement coherence and facilitates regulatory arbitrage. The interpretative reconstruction advanced in this study, grounded in principles of legal certainty, good faith, proportionality, fiduciary duty, and constitutional environmental rights, reveals that corporate climate claims must be treated as legally cognizable representations subject to verification across administrative, civil, and criminal pathways. Strengthening liability standards, integrating disclosure obligations with consumer protection norms, and aligning domestic doctrine with emerging regional and international accountability trends are necessary to prevent informational environmental harm from undermining climate governance credibility and public trust.

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