

Central Consumer Protection Authority Issues Guidelines for 'Prevention and Regulation of Greenwashing and Misleading Environmental Claims'

In the exercise of its mandate to regulate matters relating to misleading advertisements that are prejudicial to the interests of the public and consumers, the Central Consumer Protection Authority (CCPA) has issued guidelines for the Prevention and Regulation of Greenwashing and Misleading Environmental Claims to address the issue of greenwashing and misleading environmental claims. These Guidelines seek to foster truthful practices where environmental claims are truthful and meaningful, thus enhancing consumer trust and encouraging sustainable business practices.

The notable suggestions include:

- Specific environmental claims must be supported by disclosure about credible certification and reliable scientific evidence.
- Words such as sustainable, natural, organic, regenerative, and similar assertions shall not be used without adequate, accurate, and accessible qualifiers.
- Adequate disclosures are essential for environmental claims such as 'natural,' 'organic,' and 'pure.'

After considering the suggestions, the Central Consumer Protection Authority (CCPA) unveiled the guidelines titled "Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024" to prevent greenwashing and misleading environmental claims and

ensure transparency and accuracy in advertisements related to environmental sustainability.

The guidelines are drafted in the wake of the rapid increase in advertisements of green (environmentally friendly) products and the growing number of environmentally aware consumers. "Greenwashing" is a term that plays on the word 'whitewashing' and refers to the marketing tactic where companies falsely claim or exaggerate the environmental benefits of their products or services, often using vague or unsubstantiated terms such as "natural," "eco-friendly," or "green." Therefore, many unscrupulous companies exploit consumers' growing environmental sensitivity by creating an illusion of ecological responsibility. This deceptive practice misleads well-intentioned consumers and diverts attention from broader environmental efforts. These guidelines are progressive regulations intended to harmonize the proactive efforts of manufacturers and service providers to address environmental issues and rising consumer interest in environmentally positive goods and services.

These guidelines are designed not to stifle the environmental efforts of manufacturers and service providers but to ensure that such claims are transparent and made with integrity. Companies are encouraged to highlight their ecological initiatives, provided these claims are backed with proper disclosures and credible evidence. The primary goal of these guidelines is to shield consumers from misleading information while promoting genuine environmental responsibility within the business community. By mandating that companies substantiate their environmental assertions, the guidelines seek to foster a marketplace where

environmental claims are truthful and meaningful, thus enhancing consumer trust and encouraging sustainable business practices.

A Few Significant Highlights of the Guidelines:

1. Definition of Environmental claims [section 2(e)]
2. Definition of greenwashing [section 2(f)]
3. Application of the guidelines [section 3]
4. Clear guidelines on Prohibition against engaging in greenwashing or misleading environmental [section 4]
5. Substantiation and adequate disclosure clauses [Section 5]

Key Features of the Guidelines:

1. **Clear Definitions:** The guidelines define terms related to greenwashing and environmental claims, ensuring that businesses and consumers have a common understanding.
2. **Transparency Requirements:** Manufacturers and service providers are required to substantiate their environmental claims with credible evidence. This includes providing detailed information on the methodology and data used to support such claims.
3. **Prohibition of Misleading Terms:** The use of vague or misleading terms such as "eco-friendly," "green," and "sustainable" without proper substantiation is sought to be prohibited.
4. **Third-Party Certifications:** Third-Party Certifications are also accepted to substantiate environmental claims.
5. **Adequate Disclosures:** Companies are required to provide clear and accessible disclosures of material information. Claims must specify the aspect they refer to (good, manufacturing process, packaging,

etc.) and be supported by credible certification or reliable scientific evidence.

The Central Consumer Protection Authority (CCPA) seeks to work closely with industry stakeholders, consumer organizations, and regulatory bodies to ensure effective implementation and compliance with the guidelines in the interest of consumers and the public. The guidelines are available on the Department of Consumer Affairs website [Greenwashing_Guidelines.pdf](http://ConsumerAffairs.nic.in/Greenwashing_Guidelines.pdf) (ConsumerAffairs.nic.in).

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