



CCPA Guidelines on Greenwashing

Greenwashing is the practice of making false or misleading claims about a product, service, or company's environmental impact.

Greenwashing can take many forms, including:

- **Misleading labels:** Using labels like "green" or "eco-friendly" without clear definitions
- **Vague claims:** Making vague or non-specific statements about a company's operations
- **Minor improvements:** Claiming that a small improvement has a big impact
- **Deceptive packaging:** Using deceptive packaging, such as labelling a plastic package as recyclable when it's not
- **Efficiency claims:** Claiming to be more energy efficient without providing evidence

Greenwashing can be harmful as it misrepresents or misleads consumers. It can also be a way for business entities to continue polluting while profiting from consumers who want to support sustainability.

The term "greenwashing" was coined by environmentalist Jay Westerveld in 1986 after he noticed a hotel in Fiji asking guests to reuse towels to save money, rather than water.

In the recent times, major cases of greenwashing include the Volkswagen scandal in the year 2015, where the company manipulated emission tests to appear environmentally friendly.

The Central Consumer Protection Authority (CCPA) under the has issued The Guidelines for Prevention and Regulation of Greenwashing and Misleading Environmental Claims, 2024 (the Guidelines). They aim to enhance consumer trust and encourage sustainable business practices by curbing false claims or exaggerations of environmental benefits of products or services. The guidelines are in furtherance to The Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022.

Some of the important provisions of the Guidelines are as under:

Definition of Greenwashing in Advertising

- The Guidelines define greenwashing as any deceptive or misleading practice where relevant information is concealed, exaggerated, or vague claims are made regarding the environmental benefits of a product or service.
- This can involve the use of misleading words, symbols, or imagery that highlight positive environmental aspects while concealing the harmful attributes

Allowance for Hyperbole

- The Guidelines permit the use of "obvious hyperboles" or "puffery," which are common in advertising, as long as they do not amount to deception or misleading the consumer.



- For instance, claims about growth being based on "sustainable principles" would not be considered misleading.
- However, more specific claims, like stating that all products are manufactured in sustainable manner would need to be substantiated.

Use of Generic Environmental Terms

- Generic terms such as "clean," "green," "eco-friendly," and "sustainable" are only allowed if companies can provide evidence to support such claims.
- Advertisements must use accurate qualifiers and disclosures, ensuring that these terms are not vague or misleading.

Clarification of Technical Terms

- When using technical terms such as "environment impact assessment" or "greenhouse gas emissions," business entities must explain their meaning and implications in a way that is easily understood by consumers.
- The Guidelines emphasize the importance of making these terms clear and accessible to the public.

Adequate Disclosure

- Any person making any environmental related claim shall disclose all information thereto either by way of URL or QR Code for instant verification.
- While making disclosures based on researched material, disclosure shall not be limited only to positive attributes but also provide unfavorable aspects.
- Any environmental claim shall be very specific as to whether the claim is about the goods or services as a whole or in part or its manufacturing process or manner or use of raw materials in manufacture or packaging or disposal or the process involved in providing services, as the case may be.
- Comparative environmental claims on different products or services shall be based on verifiable and relevant data.
- More specific environmental claims—such as "compostable," "non-toxic," or "plastic-free"—must be supported by reliable scientific evidence, certifications, or third-party verification.
- Aspirational and futuristic claims shall be made only if clear actionable plans have been developed as to how such claims can be achieved.



Applicability of the Guidelines

- The Guidelines apply to all environmental claims made by manufacturers, service providers, or advertisers, and extend to advertising agencies and endorsers involved in promoting such products or services.
- The Guidelines strictly prohibit engaging in greenwashing and misleading environmental claims.

In short, the Guidelines also provide that the following shall be kept in mind while making environmental claims:

- Truthfulness and accuracy.
- Clarity and unambiguity
- Fair and meaningful comparisons
- Relevant and evidenced – whether claimed or shown as imagery.
- Endorsement, certifications shall be credible and verifiable.
