## India's Central Consumer Protection Authority Proposes Guidelines to Regulate "Greenwashing"

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On February 20, 2024, India's Central Consumer Protection Authority (CCPA) proposed <u>guidelines</u> for the prevention and regulation of greenwashing (Greenwashing Guidelines). The guidelines would instruct service providers, product sellers, and advertisers who make environmental claims by using terms such as "clean," "green," "eco-friendly," "eco-consciousness," "good for the planet," "minimal impact," "cruelty-free," "carbon–neutral," and similar assertions.

## **Key Features**

- All environmental claims must be used with adequate qualifiers and substantiation and be "truthful and accurate," backed by certificates by statutory authorities, credible authorities, or through internal verifiable evidence.
- Comparative environmental claims that compare one product or service to another must be based on verifiable and relevant data disclosed to consumers.
- Specific environmental claims such as Carbon Neutral, Compostable, Degradable, Free-of, Sustainability claims, Non-Toxic, 100% Natural, Ozone-Safe and Ozone-Friendly, Recyclable, Refillable, Renewable, and similar assertions must be supported by disclosure about credible certification, reliable scientific evidence, or independent third-party verification.
- All substantiation for environmental claims must be disclosed either in the relevant advertisement or communication or by inserting a QR Code, URL, or any such technology or digital medium that will link to relevant information.

## Implications of the Guidelines

Under India's <u>Consumer Protection Act, 2019</u>, any person may file a complaint with CCPA alleging false or misleading advertisements. The proposed Greenwashing Guidelines open the door for consumers to file complaints regarding any false or misleading environmental claims. If the CCPA finds that an advertisement has made a false claim, then it may-

- Discontinue or modify the advertisement.
- Impose a penalty of up to 10,00,000 INR (approximately \$12,000), which may extend to

50,00,000 INR (approximately \$60,000) for every subsequent contravention.

• Prohibit the service provider or product seller from endorsing any product or service for up to one year, which may extend to three years for every subsequent contravention.

The comment period for the proposed Guidelines ended on March 21, 2024.

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