

Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs

LOK SABHA
UNSTARRED QUESTION NO. 3752
TO BE ANSWERED ON 18.12.2024

GREENWASHING PRACTICES IN INDUSTRIES

3752. SHRI SRIBHARAT MATHUKUMILLI:

Will the Minister of **CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) the details of corporations, industries and companies in India that have committed to achieve net zero emissions along with their specific timelines and targets;
- (b) whether the Ministry has identified any instances of companies or industries engaged in misleading or inaccurate advertising practices that portray them as environmentally or climate friendly and if so, the details thereof;
- (c) the measures taken by the Ministry to address greenwashing practices in industries to safeguard consumer interests and ensure transparency;
- (d) whether the Government proposes that corporations claiming net zero goals should report on short-term achievements as part of their progress towards net zero; and
- (e) the details of incentives provided by the Government to corporations that are manufacturing sustainable or eco-friendly products?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री
(श्री बी.एल. वर्मा)

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L.VERMA)

(a) to (e) : Department of Consumer Affairs is continuously working for consumer protection and empowerment of consumers by enactment of progressive legislations. With a view to modernize the framework governing the consumer protection in the new era of globalization, technologies, e-commerce markets etc. Consumer Protection Act, 1986 was repealed and Consumer Protection Act, 2019 was enacted.

Section 2(28) of the Consumer Protection Act, 2019 defines “misleading advertisement” in relation to any product or service, as an advertisement, which— (i) falsely describes such product or service; or (ii) gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or (iii) conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or (iv) deliberately conceals important information.

Under the provisions of the Consumer Protection Act, 2019, the Central Consumer Protection Authority (CCPA), an executive agency, came into existence on 24.07.2020. It is designed to intervene, to prevent consumer detriment arising from unfair trade practices and to initiate class action(s), including the enforcement of recalls, refunds and return of products. Its core mandate is to prevent and regulate false or misleading advertisements which are prejudicial to the public interest.

The CCPA has notified the “Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022” on 9th June, 2022. These guidelines inter-alia provide for; (a) conditions for an advertisement to be non-misleading and valid; (b) certain stipulations in respect of bait advertisements and free claim advertisements; and, (c) duties of manufacturer, service provider, advertiser and advertising agency. According to these guidelines, endorser includes an individual or a group or an institution making endorsement of any goods, product or service in an advertisement whose opinion, belief, finding or experience being the message which such advertisement appears to reflect. These guidelines states that due diligence is required for endorsement of advertisements such that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive. It clarifies that where, Indian professionals, whether resident in India or otherwise, are barred under any law for the time being in force from making endorsement in any advertisement pertaining to any profession, then, foreigner professionals of such profession shall also be not permitted to make endorsement in such advertisement.

The CCPA has published “Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024” on 15th October, 2024 to prevent greenwashing and misleading environmental claims, ensuring transparency and accuracy in advertisements related to environmental sustainability. “Greenwashing” or “misleading environmental claims” is a 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.” This deceptive practice not only misleads well-intentioned consumers but also diverts attention from broader environmental efforts. The primary goal of these guidelines is to shield consumers from misleading information while promoting genuine environmental responsibility within the business community.

Further to strengthen consumer protection, the CCPA issued the “Guidelines for Prevention and Regulation of Dark Patterns, 2023” on 30th November, 2023. These guidelines address and regulate 13 specific dark patterns identified in the e-commerce sector, aiming to prevent deceptive practices that mislead consumers.

Also, the CCPA has issued “Guidelines for Prevention of Misleading Advertisement in Coaching Sector, 2024” on 13th November, 2024 in order to prevent coaching centers from making false or misleading claims/advertisements to promote the sale of goods or service and engage in deceptive or unfair practices.

As per Section 21(2) of the Consumer Protection Act, 2019, in case of false or misleading advertisement, the CCPA may impose penalty on manufacturer or endorser upto Rs. 10 lakhs and Rs 50 lakhs in case of repeated violations.

Bureau of Indian Standards (BIS) introduced the framework on ‘Online Consumer Reviews — Principles and Requirements for their Collection, Moderation, and Publication’ on 23rd November, 2022. This framework safeguards consumer interests by addressing fake and deceptive reviews in e-commerce. While the standards are voluntary, they apply to all online platforms that publish consumer reviews and are guided by principles such as integrity, accuracy, privacy, security, transparency, accessibility and responsiveness.