



Reliability of Sustainability Claims

Addressing greenwashing through regulations

SSI REPORT



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Reliability of Sustainability Claims: Addressing greenwashing through regulations

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1.0 Introduction

1.1 What Is Greenwashing, and Why Does the Reliability of Claims Matter?

Greenwashing refers to the practice of conveying a false or misleading impression to consumers about the environmental benefits of a product, service, or company. The term was first coined in 1986 by environmentalist Jay Westervelt, who argued in an essay that the hotel industry misleadingly marketed towel reuse as an environmental initiative while, in reality, it was primarily a cost-saving tactic (Becker-Olsen & Potucek, 2013; Orange & Cohen, 2010). The term was included in the *Concise Oxford English Dictionary* in 1999, where it is described as: “disinformation spread by an organization to create an environmentally responsible public image; a public image of environmental responsibility promoted by or for an organization, which is seen as unfounded or deliberately misleading” (De Freitas Netto et al., 2020).

In practice, greenwashing involves making unsubstantiated claims—that is, statements without concrete evidence or relevance—that suggest a product or service is more environmentally friendly than it truly is. These tactics have proliferated alongside growing consumer awareness and demand for more sustainable goods.

Reliability in this context refers to the trustworthiness, relevance, and accuracy of claims. When claims are reliable, they are based on accurate and scientific data, are robust and consistent, and are backed by substantiated data and assumptions (ISEAL, 2021a; One Planet Network, 2022; UN Environment Programme [UNEP] & International Trade Centre [ITC], 2017). Reliability is crucial for building and maintaining trust with stakeholders, including consumers, companies, regulators, and the public. Ensuring reliability means implementing standards and methods for verifying the truthfulness of environmental and sustainability claims.

In essence, reliability serves as a safeguard against greenwashing. When organizations commit to making only accurate, substantiated, and transparent claims, they reduce the risk of engaging in greenwashing.

1.2 What Is a Green Claim, and Who Are the Users?

A claim is a high-level statement regarding a product’s characteristics, a production process, or a company’s practices (Consumers International & International Institute for Sustainable Development [IISD], 2023; Organisation for Economic Co-operation and Development, 2011; United Nations Economic Commission for Europe, 2022). Such claims may address economic, environmental, or social dimensions.

This brief focuses on green claims, which are a specific type of sustainability claim that focuses on the environmental attributes of a product, service, process, or organization. Green claims may appear as text, logos, symbols, or labels on packaging or in marketing materials.



The primary users of green claims can include

- **businesses and companies** that promote their products and services as sustainable to appeal to environmentally conscious consumers,
- **consumers** who rely on environmental claims to make informed purchasing decisions,
- **regulators and policy-makers** who assess the accuracy and reliability of sustainability claims and enact regulations to prevent deceptive practices, and
- **investors and financial institutions** that incorporate sustainability claims into environmental, social, and governance criteria for decision making.

1.3 Why Do We Need Regulation on Greenwashing?

Greenwashing undermines legitimate efforts to combat climate change and achieve sustainability goals (United Nations, n.d.). It also weakens consumers' trust and distorts markets by allowing misleading or unsubstantiated claims to compete with credible sustainable efforts. Governments play a critical role in preventing greenwashing by establishing regulatory frameworks that set clear requirements for green claims (One Planet Network, 2023).

The lack of coherent policies and harmonized standards has created a regulatory gap that enables the proliferation of misleading or unsubstantiated claims (One Planet Network, 2023). This gap has many implications. As some governments move to close this gap while others do not, a growing regulatory asymmetry between jurisdictions carries significant implications. Producers in countries without equivalent measures may face barriers when exporting to regulated markets, and the absence of domestic rules may weaken sustainable consumption and market demand as a driver for sustainable production and trade.

At the same time, there is growing concern around “greenhushing,” in which companies avoid communicating their sustainability efforts due to fear of scrutiny, reputational risks, or regulatory uncertainty (Hilton, 2025). This highlights the importance of designing regulatory frameworks that not only prevent misleading claims but also encourage credible and transparent communication.

Governments can prevent greenwashing by introducing clear legal frameworks and enforcement mechanisms. This will benefit consumers by improving the credibility of green claims, as well as businesses and companies by offering clear direction on how to responsibly market their products' environmental attributes. This will not only support fair competition and strengthen consumer choice but can also incentivize more sustainable production practices globally.

In an ideal scenario, green claims would be supported by independently verifiable information that is transparent and accessible to consumers, and the burden of substantiation would not disproportionately affect smaller producers or those in developing countries. Regulation is a welcome step toward this vision, as it can ensure and promote claims that are verifiable, transparent, and accessible. However, a closer analysis is needed to ensure that such measures are well designed and do not inadvertently create barriers to participation in sustainable trade.



1.4 The Report's Objective, Structure, and Methodology

In response to growing concerns about greenwashing, governments worldwide have adopted various regulatory approaches. These approaches range from broad consumer protection laws to specific guidelines on green claims and mandatory sustainability information requirements. For example,

- some countries regulate the reliability of claims in **their broader consumer protection or competition policies and laws**,
- some provide **guidelines for formulating green claims** that set specific criteria for businesses, and
- some have more **mandatory measures** on how to disclose product sustainability information or claims.

This policy brief examines a range of legislative measures to assess emerging trends, identify progress, and highlight limitations in the currently evolving regulatory landscape on greenwashing. It also explores how governments can strengthen their regulatory frameworks to ensure the reliability of claims, including the complementary role of voluntary sustainability standards (VSSs) in supporting compliance. By analyzing these developments, this policy brief aims to inform the design of effective, inclusive, and enforceable regulatory responses to greenwashing that empower consumers, support producers, and promote credible sustainability markets.

Importantly, this policy brief does not provide an exhaustive review of all existing or emerging greenwashing regulations. Instead, it offers a comparative overview of selected policy instruments to illustrate the range of regulatory approaches currently in use and the key design choices involved. Each country operates within its own legal, economic, and institutional context, and the development or reform of greenwashing regulations must take these specific conditions into account. Moreover, while this analysis identifies common regulatory elements and challenges, further research is needed to assess how these measures are being implemented in practice, particularly in terms of enforcement capacity, impact, and data availability.

Against this background, the brief is structured as follows. Section 2 provides a comparative overview of selected regulatory instruments across 12 jurisdictions, analyzing elements such as the legal basis, the type of policy response, enforcement, and implementation mechanisms. Section 3 synthesizes insights from the mapping to identify design gaps, implementation challenges, and opportunities. Finally, Section 4 concludes by offering recommendations for policy-makers on how to strengthen legal design, improve implementation, and ensure that greenwashing regulations are both credible and inclusive.



2.0 A Mapping of Policy Responses to Greenwashing

This section presents a comparative overview of policy responses addressing greenwashing across different jurisdictions. Based on the analysis of 23 regulatory instruments from Australia, Canada, Chile, Colombia, the European Union, France, India, Kenya, Peru, the United Kingdom, the United States, and Switzerland (see Appendix A), we identify the main elements that characterize the emerging regulatory landscape addressing greenwashing and the reliability of claims. While the specific design of regulations varies, a number of common elements and features can be observed. These include the type of legal instrument, type of policy response, scope, stringency, relevant definitions, requirements or principles, and enforcement and implementation approaches. Each of these elements is outlined in further detail below.

The objective of this mapping is to identify the common features and illustrate the diversity of regulatory approaches, providing insight into how governments are seeking to improve the reliability of environmental green claims and reduce the risk of greenwashing.

2.1 Type of Legal Instrument

The type of legal instrument refers to the legal form and institutional basis of the regulation. In many cases, greenwashing is addressed indirectly through consumer protection or competition law. In other cases, it is tackled more explicitly through advertising codes, regulatory guidelines, or sector-specific legislation, such as environmental or food-related laws.

In most jurisdictions, existing consumer or competition laws serve as the primary basis for action against greenwashing. In this sense, most countries cover greenwashing indirectly in these legal instruments. For example, Australia's Competition and Consumer Act (Schedule 2) prohibits misleading or deceptive conduct, encompassing false or unsubstantiated environmental claims. In 2025, Switzerland amended its Federal Act on Unfair Competition to explicitly prohibit making environmental-related claims that cannot be substantiated with objective and verifiable evidence.

Many countries have also issued dedicated guidelines that clarify how consumer protection and competition laws apply to environmental claims. These guidelines help businesses understand their obligations when referencing environmental attributes. Countries such as Australia, India, Kenya, Peru, and the United Kingdom have developed such guidance to support compliance with consumer and competition law provisions.

Greenwashing may also be addressed through advertising self-regulation. For example, in 2013, Colombia's National Commission for Self-Regulation Advertisement (CONARP) adopted the Self-Regulatory Code on Advertising, which includes provisions on environmental claims.

Sector-specific legislation is another approach. France's Climate and Resilience Law (Law 2021-110 of 2021) includes provisions directly targeting greenwashing, particularly in the



context of product labelling and advertising. Significantly, Article 10 of the law amends France's Code de la Consommation to prohibit advertising that falsely suggests a product or service is carbon neutral or has no environmental impact, unless this claim can be substantiated.

A notable recent development is Chile's ongoing effort to adopt dedicated legislation on greenwashing. Since 2021, Chile has been developing specific legislation designed to regulate, prevent, and sanction greenwashing practices. The European Union is also moving in this direction with its proposed Green Claims Directive, which would establish common criteria for substantiating and communicating environmental claims.

Box 1. The Role of Ecolabels and Certification Schemes in Preventing Greenwashing

Apart from regulatory measures, complementary mechanisms such as certification schemes or ecolabels can also contribute to reducing the risk of greenwashing. While these do not directly prohibit misleading claims, they can shape the conditions under which such claims are made.

For example, India's Ecomark Certification Scheme (2024) establishes environmental performance criteria for a defined list of product categories, including architectural paints, cosmetics, batteries, soaps, detergents, packaging materials, electrical and electronic goods, wood substitutes, plastic products, and textiles. While the scheme does not prohibit greenwashing directly, it sets clear standards that environmental claims must meet to qualify for ecolabelling, thereby influencing the conditions under which sector-specific claims can be made.

By establishing defined criteria and verification processes, ecolabels can support the substantiation of environmental claims and help guide how sector-specific claims are formulated and communicated.



Table 1. Types of legal instruments used to address greenwashing across jurisdictions

Country	Consumer protection/ competition law	Guidelines for making green/ environmental claims	Advertising self-regulation	Sector-specific legislation	Specific legislation
Australia	✓	✓			
Canada	✓	✓			
Chile					✓ proposed
Colombia	✓		✓		✓
European Union	✓				✓ proposed
France				✓	
India	✓	✓			
Kenya	✓	✓			
Peru	✓	✓			
Switzerland	✓				
United Kingdom		✓			
United States		✓			

Source: Authors' compilation based on the regulatory instruments reviewed in Appendix A.



Summary

When addressing greenwashing, the starting point is to determine the type of legal instrument. Governments may choose to act within existing consumer protection or competition laws, issue dedicated guidelines, adopt sector-specific legislation, implement advertising codes, or develop stand-alone laws targeting greenwashing.

These policy responses illustrate a broad spectrum of regulatory approaches, ranging from mandatory prohibitions to voluntary guidance, all aimed at enhancing the credibility and accountability of environmental claims. Approaches can be combined, and a single instrument may include multiple elements, such as prohibitions, disclosure requirements, and guiding principles.

2.2 Type of Policy Response

Apart from the type of instruments, regulatory responses understood as the specific tools to address greenwashing can be broadly classified into three categories: (i) prohibitions or bans, (ii) disclosure requirements, and (iii) non-binding guidance.

Prohibitions require companies not to make false or misleading representations or engage in misleading or deceptive conduct. At the same time, bans typically involve explicit restrictions on the use of certain environmental assertions or the advertisement of products that do not meet defined sustainability criteria. Most consumer or competition laws contain a prohibition regarding fake or misleading representations that must be considered whenever making an environmental claim. In terms of bans, for example, France's Climate and Resilience Law prohibits advertisers from claiming that a product is "carbon neutral" unless this claim can be substantiated with a life-cycle assessment and a clear disclosure of residual emissions and offsetting measures. The draft EU Green Claims Directive takes a similar approach, proposing to ban vague or generic environmental claims such as "eco-friendly" or "climate-friendly," unless they are backed by robust evidence.

Disclosure requirements oblige companies to provide specific, verifiable information about the sustainability attributes of their products or services. These requirements are designed to improve transparency and allow consumers, regulators, and third parties to assess the accuracy of environmental claims. For instance, the United Kingdom's Green Claims Code from the Competition and Markets Authority (CMA), while framed as guidance, points to underlying obligations under consumer protection law that require claims to be clear, accurate, and substantiated with accessible evidence. The EU Green Claims Directive also proposes mandatory substantiation and disclosure of environmental claims, including details on methodologies used and the coverage of the claim (such as whether it applies to the whole product, a specific part, or the entire life cycle).

Non-binding guidelines provide businesses with interpretive tools to help them align with legal obligations and good practices when making environmental claims. These may clarify expectations under broader consumer or competition law frameworks. The Australian Competition and Consumer Commission (ACCC)'s guidance on making environmental



claims (2023) and India's *Guidelines for the Prevention and Regulation of Greenwashing and Misleading Environmental Claims* (2024) serve this function. While not legally binding, they often reflect how enforcement authorities will interpret and apply existing laws in practice.

Table 2. Types of policy responses to greenwashing across jurisdictions

Country/type of policy response	Prohibitions or bans	Disclosure requirements	Guidance
Australia	✓		✓
Canada	✓		✓
Chile	✓ proposed	✓ proposed	
Colombia		✓	✓
European Union	✓	✓	
France	✓	✓	
India		✓	✓
Kenya		✓	✓
Peru		✓	✓
Switzerland	✓		
United Kingdom			✓
United States			✓

Source: Authors' compilation based on the regulatory instruments reviewed in Appendix A.

Summary

Regulatory responses to greenwashing can combine different tools. From the mapped regulations, three main types of policy responses emerge:

1. Prohibitions on false or misleading representations or bans that prevent the use of certain environmental claims unless strict criteria are met.
2. Disclosure requirements that mandate clear, verifiable information on the sustainability attributes of products or services.
3. Non-binding guidance that offers interpretive frameworks to help businesses comply with legal obligations and good practices.

These tools can be applied separately or in combination with one or more legal instruments.



2.3 Scope

The scope of regulatory and policy responses to greenwashing refers to the breadth of their application. It can be applied broadly (cross-sectoral) or be limited to specific industries (sector specific); it can capture digital transactions alongside physical ones; and it can indicate what kind of communication it covers.

In most countries, greenwashing-focused measures have a cross-sectoral approach. For example, Australia addresses environmental claims under the Competition and Consumer Act 2010, prohibiting misleading or deceptive conduct in trade or commerce. This broad legislative framework is complemented by their guidance (*Making Environmental Claims: A Guide for Business*), which applies across all sectors and is intended to help businesses ensure their environmental claims comply with consumer law. Similarly, Canada's Competition Act (2024) prohibits false or misleading environmental claims across all sectors. Notably, in addition to this cross-sectoral framework, Canada also relies on sector-specific legislation that reinforces prohibitions on false or misleading claims in particular product categories, such as the Consumer Packaging and Labelling Act and the Textile Labelling Act. In Peru, greenwashing is addressed through the Consumer Protection Code (2023) and the accompanying Environmental Advertising Guide (2023), both of which apply across industries and cover any advertising or communication that refers to environmental impacts.

The United States' Federal Trade Commission (FTC) *Guides for the Use of Environmental Marketing Claims* (Green Guides) also takes a similarly expansive approach and applies to claims made in connection with the marketing, labelling, or advertising of any product, service, or package, including in business-to-business (B2B) transactions. It is explicitly applicable across all media, including digital platforms. Another example is the EU's proposed Green Claims Directive (2023), which applies to business-to-consumer commercial practices across all sectors, focusing specifically on voluntary environmental claims and labelling. However, their application is limited to explicit claims made by traders about products or services, particularly those not already covered under other EU rules, rather than the full range of environmental messaging that companies may produce.

While cross-sectoral measures are more prominent as a response to greenwashing, some countries have also adopted sector-specific regulations to address greenwashing, focusing on sectors where greenwashing is most likely to occur and cause harm. France's Climate and Resilience Law (2021) is an example. In addition to general advertising restrictions, it introduces sectoral environmental and social labelling provisions in high-impact product categories such as textiles, electronics, and food. It also includes a ban on advertising fossil fuels and certain high-emission vehicles.

Colombia's Decree 1369 (2014) regulates environmental attributes in advertising and sets specific criteria for what constitutes a valid claim. While formally cross-sectoral, its application focuses on advertising environmental product qualities, giving it a more functional specificity. In Chile, the draft Law to Prevent and Sanction Greenwashing (2022) also applies across sectors but focuses only on sustainability advertising, whether presented in national media, online, or at public events, indicating a specific scope of communication channels.



Another dimension of the scope of these measures is whether the claims made in digital and online marketing channels are covered. In some countries, like Colombia, India, and the United States, digital and e-commerce channels are explicitly included. Colombia's Consumer Protection Statute (Law 1480), for example, consists of a dedicated chapter on e-commerce, clarifying that consumers are protected from misleading practices regardless of whether the transaction occurs online or in person. Many regulations and policies do not explicitly reference claims made on digital or e-commerce channels. However, such laws may still apply to online transactions through general prohibitions on misleading commercial practices.

Table 3. Scope of greenwashing regulations across jurisdictions

Country	Prohibitions or bans	Disclosure requirements	Guidance
Australia	✓		✓ applies to online and digital marketing
Canada	✓		✓ includes online and B2B
Chile	✓		✓ includes online and public communications
Colombia	✓		✓ includes e-commerce
European Union	✓ focus on consumer-facing claims		✓ implicitly as all forms of business-to-consumer communication are covered
France		✓ advertising, product labelling, fossil fuel sector	✓ implicitly
India		✓ fixed sectors included	✓
Kenya	✓ focus on consumer goods		✓



Country	Prohibitions or bans	Disclosure requirements	Guidance
Peru	✓		✓ digital included
Switzerland	✓		
United Kingdom	✓ focus on consumer-facing claims		✓ included online advertising and digital sales
United States	✓		✓ all forms of advertising including digital and B2B

Source: Authors' compilation based on the regulatory instruments reviewed in Appendix A.

Summary

In terms of scope, while most countries take a cross-sectoral approach to regulating greenwashing, a few are beginning to introduce targeted rules for high-impact sectors, particularly focusing on product labelling, certification, and advertising. Likewise, while coverage of digital marketing and online transactions is not always explicit, there is a growing trend toward ensuring these are captured within the scope of consumer protection and advertising regulations.

As the landscape continues to evolve, scope is likely to become more differentiated, with countries layering sector- and digital-specific obligations on top of broader cross-sectoral consumer law frameworks to protect consumers.

2.4 Stringency

Another key dimension to consider is stringency—that is, whether the measures are binding legal instruments (imposing enforceable obligations on companies and other stakeholders) or non-binding voluntary frameworks (offering guidance to raise awareness and promote good practices to avoid greenwashing).

Binding laws and regulations are on one end of the spectrum. France and Switzerland, for example, have adopted binding measures targeting misleading environmental claims and mandating substantiation based on verifiable data. Colombia, Kenya, India, and Peru also demonstrate a relatively high degree of regulatory strength, having enacted binding consumer protection or advertising laws that explicitly cover environmental claims and include penalties for non-compliance. The EU's Green Claims Directive and Empowering Consumers for



Green Transition Directive also set legally enforceable requirements for environmental claims and sustainability labelling. Binding regulations can better deter greenwashing and misleading claims because they carry legal consequences, and companies risk losing market access for non-compliance.

On the other hand, some countries have taken a more voluntary approach and implemented non-binding measures against greenwashing. For instance, Australia, Canada, India, Kenya, and the United Kingdom have issued guidance documents or codes of conduct developed by competition and consumer protection authorities that outline principles for truthful and transparent environmental marketing—but they lack legal enforceability. In the United States, the FTC’s Green Guides provide detailed interpretive guidance but are non-binding, with enforcement typically depending on general consumer protection laws rather than direct legal obligations under the guides themselves. Guides alone can promote awareness and shape market behaviour, but they provide limited recourse against greenwashing unless supported by broader consumer protection law.

Some countries combine both approaches. For example, Australia, Canada, India, and Kenya each have dual frameworks: legal instruments setting enforceable standards, complemented by guidance or voluntary schemes to support implementation and build business understanding. This dual structure suggests an incremental approach of using soft law to prepare actors for stricter compliance requirements.

Table 4. Stringency of greenwashing regulations across jurisdictions

Country	Binding	Non-binding	Type of instruments
Australia	✓	✓ guidance	Competition and Consumer Act and ACCC greenwashing guidance
Canada	✓	✓ guidance	Competition Act and bureau guidance
Chile	Proposed		Draft law under discussion
Colombia	✓		Consumer protection and advertising law
European Union	✓		Directives and proposed regulations EU consumer protection directive amending the Unfair Commercial Practices Directive (2005/29/EC) and the Consumer Rights Directive (2011/83/EU) (adds/clarifies rules and bans on misleading green claims and information requirements)



Country	Binding	Non-binding	Type of instruments
France	✓		National consumer and environmental law
India	✓	✓ voluntary certification	Consumer Protection Act and voluntary certification (Ecomark)
Kenya	✓	✓ guidance	Consumer Protection Act and a guidance
Peru	✓		Consumer protection and environmental marketing laws
Switzerland	✓		Unfair competition law
United Kingdom		✓	CMA green claims code
United States		✓	FTC's Green Guides

Source: Authors' compilation based on the regulatory instruments reviewed in Appendix A.

Summary

Regulatory frameworks addressing greenwashing vary in their level of stringency, ranging from legally binding obligations to voluntary or interpretive guidance. From the mapped regulations, there are three stringency themes:

- Binding instruments establish enforceable legal obligations and penalties for false or misleading environmental claims, typically through consumer protection, competition, or environmental law. These might provide better accountability and deterrence.
- Non-binding guidance provides interpretive tools or good practice recommendations to help businesses align with existing legal obligations but lacks direct enforcement obligations. Guidance primarily focuses on educating stakeholders on best practices, and these alone might be insufficient to stop greenwashing.
- Mixed approaches combine binding rules and non-binding guidelines, allowing regulators to promote awareness while maintaining a legal basis for enforcement.



2.5 Definitions

The definition of greenwashing and related terms, such as environmental claims, varies across regulations, and there is also variation in where these definitions are placed or included. In many cases, definitions are not included in the main legal text but rather in accompanying guidance or interpretive documents. Although these definitions are not legally binding, they still shape how requirements are understood and applied in practice by enforcement agencies and companies.

For example, Australia's ACCC guidance (2023) defines greenwashing as any environmental claim that is false or misleading, typically where a business presents itself, its products, or services as better for or less harmful to the environment than they really are. The guide further provides a detailed definition of environmental claims, stating that they cover product statements about various impacts related to energy use, waste management, emissions, biodiversity, and deforestation. However, these definitions are not included in Australia's Competition and Consumer Act 2010, which contains only general prohibitions on misleading or deceptive conduct. A similar approach is taken in Canada, the United Kingdom, Peru, and India. These definitions, while not binding, help clarify enforcement priorities and expectations.

Chile's draft law is among the few that propose formal legal definitions in a binding legal instrument. It defines greenwashing as sustainability advertising carried out in violation of the provisions of this law and separately defines environmental claim as any statement about actions or practices considered beneficial to the environment, issued in national media or public forums. It also introduces a third term, "sustainability advertising," which refers to communications promoting the responsible or sustainable practices of a company, product, or brand. Once adopted, this would offer a rare example of legislation that formally defines greenwashing.

In contrast, countries like Switzerland, Colombia, and the European Union (the Green Claims Directive in particular) do not have any formal definition of greenwashing. The EU's proposed Green Claims Directive (2023), for example, mentions the rise of unclear or not well-substantiated environmental claims but does not provide a definition of either greenwashing or environmental claims. It does, however, list practices commonly associated with greenwashing, such as the use of sustainability labels without certification schemes, or claims that apply only to part of a product but are presented as applying to the whole. In the United States, FTC's Green Guides (2012) focus more on the form and substantiation of environmental claims than on the definition of greenwashing per se, as it broadly defines and provides guidance on terms like biodegradable, recyclable, and non-toxic, and warns against vague or poorly substantiated claims.

**Table 5.** Definitions of greenwashing and environmental claims across jurisdictions

Country	Definition of greenwashing	Definition of environmental claim/other related term	Location of definition (law/guidance)
Australia	✓	✓	Guidance
Canada	✓	✓	Guidance
Chile	✓	✓	Draft law
Colombia	No mention	No mention	N/A
European Union		<p>✓ indirectly; defines labels and certification, lists types of claims (e.g., climate neutral, eco-friendly) that require substantiation</p> <p>✓ it introduces a legal definition of “environmental claim”</p>	Draft legislation in the Unfair Commercial Practices Directive (2005/29/EC) definitions (via amendment)
France	No mention	No mention	N/A
India	✓	✓	Guidance
Kenya	✓	✓	Guidance
Peru	✓	✓	Guidance
Switzerland	No mention	No mention	N/A
United Kingdom	No mention	✓	Guidance
United States	No mention	✓	Guidance

Source: Authors' compilation based on the regulatory instruments reviewed in Appendix A.



Summary

Few countries include formal definitions of greenwashing within binding legal instruments. Where definitions do exist, they are most often found in guidance documents or draft proposals rather than enacted law. These interpretive definitions nonetheless serve as essential tools for enforcement and business compliance, clarifying the types of environmental claims that are considered deceptive or unverifiable. As regulatory frameworks evolve, more jurisdictions may move toward codifying definitions directly into law, as Chile is proposing, to reduce ambiguity and strengthen accountability in environmental marketing.

2.6 Requirements/Principles

Another important element to consider is the set of requirements and/or principles that a given instrument may establish. Across the mapped jurisdictions, regulations and guidance documents outline core provisions to ensure that environmental claims are accurate, verifiable, and not misleading. Although the level of detail and legal enforceability varies, common themes emerge around truthfulness, substantiation, clarity, and transparency.

Truthfulness

Almost all jurisdictions require that environmental claims be factually correct and not create a false impression for consumers. For example, under Australia's Competition and Consumer Act, businesses must not make false or misleading representations or engage in deceptive conduct. In Colombia, the Consumer Protection Statute (Law 1480) establishes consumers' right to complete, truthful, and transparent information, while Peru's Consumer Protection Code mandates that information be truthful, sufficient, and timely.

Substantiation

Many regulations require that claims be backed by adequate and proper evidence before being made. Canada's Competition Act imposes explicit obligations on businesses to substantiate product-related environmental claims through adequate and proper testing, with the burden of proof on the person making the representation. The proposed EU Green Claims Directive would require life-cycle-based substantiation, relying on widely recognized scientific evidence and relevant international standards. In Colombia, advertisers must base claims on recognized technical and scientific procedures and provide documentation to the regulator upon request. Notably, Switzerland's Federal Act on Unfair Competition states that a person acts unfairly if they make environmental claims that cannot be substantiated using objective and verifiable criteria.



Clarity

Regulations often emphasize that claims must be specific, unambiguous, and easy for consumers to understand. One of the principles set out in the United Kingdom's Green Claims Code is that claims must be clear and unambiguous. Peru's Environmental Advertising Guide recommends clarity as one of the principles for advertisers, which means that claims should be specific and easy to understand and avoid vague or broad statements that could mislead consumers. India's Guidelines for the Prevention and Regulation of Greenwashing similarly require that clarity and unambiguity be considered when making claims. Accordingly, any environmental claim must clearly indicate what aspect of the good or service it refers to. This ensures that consumers are not misled about the extent of the environmental benefit.

Transparency

Rules frequently prohibit the omission of material information that could mislead consumers. Australia's ACCC guidance (2023) stresses that omitting key details or qualifications can be as misleading as making a false statement. The EU proposal requires disclosure of the scope of the claim (e.g., whole product, part, or process) and any trade-offs, such as offsetting versus direct emission reductions. Colombia's Decree 1369 regulating the use of advertising alluding to qualities, characteristics or environmental attributes of products obliges advertisers to specify whether an environmental attribute relates to the product, its packaging, or a component.

In addition to these common themes, some regulations also address the issue of fair comparisons. In this sense, where comparative claims are made, regulations require them to be objective, accurate, and based on comparable products or methodologies. For instance, the United States' FTC's Green Guides require substantiation for comparative claims and clarity about what is being compared. Peru's guidance emphasizes that comparisons must be objective, accurate, and based on comparable products or features, without distorting or mocking competitors, while Colombia's decree requires disclosure of the characteristics of both products.

Lastly, some jurisdictions address forward-looking claims, such as "carbon neutral by 2030." India's Guidelines on Greenwashing, for example, establish that aspirational or forward-looking environmental claims, such as commitments to achieve carbon neutrality or reduce environmental impact in the future, must be made only when a clear and actionable plan outlines how the stated objectives will be achieved. The EU Green Claims Directive would require transparency about methodologies, interim targets, and potential environmental trade-offs.



Table 6. Core requirements and principles across jurisdictions

Country	Truthfulness	Substantiation	Clarity	Transparency	Comparisons	Future claims
Australia	✓	✓	✓	✓	✓	✓
Canada	✓	✓	✓	✓	✓	✓
Chile (proposed)	✓	✓	✓	✓		
Colombia	✓	✓	✓	✓	✓	
European Union	✓	✓	✓	✓	✓	✓
France		✓	✓	✓		
India	✓	✓	✓	✓	✓	✓
Kenya	✓	✓	✓	✓		
Peru	✓	✓	✓	✓		
Switzerland	✓	✓				
United Kingdom	✓	✓	✓	✓	✓	
United States	✓	✓	✓	✓	✓	

Source: Authors' compilation based on the regulatory instruments reviewed in Appendix A.



Summary

Greenwashing regulations often lay down requirements and principles for environmental claims. Common themes emerge from an analysis of different jurisdictions:

- **truthfulness:** Claims must be factually correct and avoid creating a misleading overall impression.
- **substantiation:** Claims should be backed by robust, preferably independent and scientific, evidence before being made.
- **clarity:** Claims must be clear, unambiguous, and understandable for consumers.
- **transparency:** No omission of material information, scope, and limitations of claims should be disclosed.

In addition to these common themes, some regulations also address:

- **fair comparisons:** Comparative claims must be objective, accurate, and based on comparable products or processes.
- **future-oriented claims:** Aspirational claims must be supported by realistic, verifiable plans and interim targets.

These principles or requirements, whether included in binding laws or non-binding guidance, collectively aim to improve the credibility, accountability, and consumer trust in environmental claims.

Box 2. UNEP's Guidelines for Providing Product Sustainability Information

The UNEP *Guidelines for Providing Product Sustainability Information* identify five fundamental principles to ensure that environmental claims are credible and not misleading:

- **reliability:** Claims should be based on robust, science-based evidence and sound methodologies.
- **relevance:** Information should reflect the most significant environmental impacts, focusing on key hotspots across the product life cycle.
- **clarity:** Claims should be clear, specific, and easy to understand, avoiding vague or ambiguous language.
- **transparency:** Underlying data, assumptions, and methodologies should be disclosed.
- **accessibility:** Information should be presented in a way that is readily accessible and usable by consumers and other stakeholders.

These principles provide a useful reference point for policy-makers seeking to design regulatory frameworks that ensure credible and meaningful sustainability claims.

Source: UNEP & ITC, 2017.



2.7 Enforcement

The effectiveness of regulatory frameworks against greenwashing depends largely on how they are enforced. Enforcement mechanisms determine whether prohibitions, disclosure requirements, and guidance translate into compliance. Based on the mapping, four key dimensions can be identified: (i) competent national authorities, (ii) sanctions and penalties, (iii) compliance monitoring mechanisms, and (iv) rights of action and dispute resolution.

Competent national authorities: Most countries have entrusted the enforcement of greenwashing-related rules to existing consumer protection or competition authorities, rather than creating new institutions.

Sanctions and penalties: Sanctions vary widely across jurisdictions in terms of severity and scope. Some countries rely on significant financial penalties and court-enforced orders. For instance, under the Australian Consumer Law, fines can reach up to AUD 50 million, or 30% of corporate turnover, while the EU Green Claims Directive proposes fines up to 4% of turnover. France's Climate and Resilience Law and Canada's Competition Act also foresee heavy monetary penalties, complemented by corrective measures such as withdrawal of misleading advertisements. Colombia and Peru rely primarily on administrative fines and corrective measures, such as the suspension of advertisements.

Compliance monitoring mechanisms: Several authorities have developed active monitoring powers to ensure compliance. ACCC, CMA, FTC, and EU competent authorities can launch investigations, demand information, and issue substantiation notices. France's Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) and Peru's National Institute for the Defense of Competition and Protection of Intellectual Property (Indecopi) conduct inspections and market surveillance of environmental claims in advertising. In other cases, compliance relies on self-regulation or voluntary cooperation. For example, Switzerland's Commission for Fairness and Colombia's National Commission for Self-Regulation Advertisement (CONARP) operate through peer review and soft enforcement. Across jurisdictions, a trend toward hybrid models emerges, in which administrative oversight is complemented by guidance, education campaigns, and cooperation with industry associations.

Right of action and dispute resolution: Access to redress is an essential part of enforcement. Most frameworks allow consumers, competitors, and civil society organizations to submit complaints to administrative authorities or courts. In some jurisdictions, it is possible to access the judicial system, while others rely mainly on administrative proceedings. Alternative dispute resolution mechanisms, such as conciliation and mediation, are available in some countries (Peru, Kenya, India, and the United Kingdom) but are typically voluntary and complementary to formal enforcement.

**Table 7.** Enforcement mechanisms across jurisdictions

Country	Competent national authority	Sanctions and penalties	Compliance monitoring mechanisms	Right of action/dispute resolution
Australia	✓	✓	✓	✓
Canada	✓	✓	✓	✓
Chile		✓		✓
Colombia	✓	✓	✓	✓
European Union	✓	✓	✓	✓
France		✓		
India	✓	✓	✓	✓
Kenya	✓	✓	✓	✓
Peru	✓	✓	✓	✓
Switzerland				✓
United Kingdom	✓	✓	✓	✓
United States	✓	✓	✓	✓

Source: Authors' compilation based on the regulatory instruments reviewed in Appendix A.



Summary

Enforcement approaches to greenwashing combine administrative, civil, and, in some cases, criminal elements. From the mapping, four key enforcement features can be distinguished:

- Competent authorities are mostly consumer or competition agencies.
- Sanctions range from administrative fines and corrective measures to civil penalties and, in some jurisdictions, criminal liability.
- Compliance mechanisms vary from proactive investigations and market monitoring to preventive guidance and industry self-regulation.
- Consumers, competitors, and civil society have avenues to seek redress, either through administrative complaints, courts, or mediation.

2.8 Implementation

Implementation of greenwashing regulations encompasses not only the adoption of legal or policy measures but also the mechanisms, actors, and resources that enable their effective enforcement. Across jurisdictions, implementation can be analyzed through three dimensions, in addition to those already discussed above.

The first dimension is stakeholder support and engagement, which reflects the level of support and acceptance from industry, consumer groups, civil society, and other actors. Stakeholder engagement is the formal and informal consultations between policy-makers and affected actors during policy design and rollout. Inclusive engagement can improve legitimacy and increase the technical feasibility of requirements by ensuring obligations reflect operational realities. For instance, the Central Consumer Protection Authority in India conducted consultations with a wide range of stakeholders, including legal experts, advertising and standards bodies, industry associations, and consumer activists and organizations, to inform their guidance on environmental claims, helping ensure that expectations align with market practices (PIB Delhi, 2024). This type of engagement supports better understanding and smoother enforcement.

Engagement may also be crucial at the national transposition stage for supranational regulations, like the EU Empowering Consumers Directive, which must now be transposed into national law by member states by March 2026, with full application from September 2026. This process involves multiple rounds of stakeholder consultation to adapt EU standards to local legal frameworks. At the same time, a strong level of support from stakeholders or the early involvement of a multistakeholder group can often facilitate uptake and compliance. Limited support or perceived administrative burdens can delay or weaken enforcement efforts.

Second, a critical implementation challenge and opportunity is how regulatory frameworks interface with market-based mechanisms, particularly third-party certification and VSSs. When these mechanisms are transparent, independent, and methodologically robust, they can serve



as credible evidence to substantiate environmental claims. Policy-makers must therefore be cautious of how these third-party instruments might interact with the regulations. An example of this is the EU Empowering Consumers Directive, which mentions that environmental and sustainability labels may only be displayed if they are based on certification systems that meet recognized criteria, such as independent monitoring and transparent governance. This reduces the risk of greenwashing and strengthens consumer trust in green claims.

India's guidelines require environmental claims to be backed by "verifiable evidence," explicitly allowing independent third-party certifications as admissible substantiation; the Ecomark scheme sets product-specific certification criteria. Our analysis indicates that many frameworks do not mandate specific VSSs by name; rather, they set criteria for recognition, demanding that schemes be independent, transparent, and technically sound. This avoids regulatory pressure while still promoting rigorous substantiation. Some criteria for reliable VSSs include: information disclosure, stakeholder engagement, clear sustainability claims, transparency, continual improvement, and strong traceability for key commodities (ISEAL, 2021b; Sarmiento et al., 2025).

Lastly, implementation hinges on data and information needs. Robust implementation depends on the availability of credible, verifiable data about environmental performance and impacts. Regulators, companies, and third-party verifiers all require access to consistent, high-quality data to substantiate claims and monitor compliance. In many regulations, environmental claims must be backed by verifiable scientific evidence and methodologies, such as life-cycle assessments or robust testing protocols. For example, EU proposals aim to ensure that environmental claims and sustainability labels are based on transparent scientific methods and accredited verification.

However, data collection remains a practical challenge, especially for companies with complex or informal supply chains. Smaller producers and small and medium-sized enterprises (SMEs) are often disproportionately affected, as they most often lack the resources and infrastructure to generate and manage detailed environmental data. Supporting data infrastructure, such as shared databases, simplified reporting tools, and technical assistance, can help address these gaps, making compliance more equitable and effective.

**Table 8.** Implementation features of greenwashing regulations across jurisdictions

Country	Stakeholder engagement and support	VSS/certification recognized	Data and information needs specified
Australia	✓		✓
Canada	✓		✓
Chile			✓ draft bill aims to regulate “greenwashing” advertising; detailed data-specification depends on final text
Colombia			✓
European Union	✓ via national transposition processes; varies by member state	✓ planned label/ verification criteria in the proposal for Green Claims Directive	✓
France			✓
India			✓
Kenya			✓
Peru			
Switzerland			✓
United Kingdom	✓ CMA has been engaging stakeholders for clarification on supply-chain responsibility		✓
United States		✓ FTC treats certifications/seals as claims; sets conditions for their use	✓

Source: Authors’ compilation based on the regulatory instruments reviewed in Appendix A.



Summary

The implementation of greenwashing regulations also encompasses the mechanisms, actors, and resources that enable their effective enforcement. Three elements to consider:

- **stakeholder engagement and support:** Consultations with industry, consumer protection agencies, consumer groups, and civil society help make requirements workable and improve awareness and compliance.
- **integration of sustainability standards:** Many frameworks related to greenwashing do not mandate specific schemes, but set credibility criteria (e.g., independent governance, transparent methodology) for labels or third-party certification to be used as evidence.
- **data:** Effective implementation relies on access to reliable, verifiable data and methods (e.g., testing protocols, scientific evidence, life-cycle approaches) to substantiate and monitor claims.

These implementation factors, alongside enforcement mechanisms, influence how consistently rules are applied and how effectively they reduce greenwashing in practice, particularly for SMEs and complex supply chains where data and compliance capacity may be limited.



3.0 Analysis and Discussion of Findings

3.1 Analysis by Category

In an ideal scenario, green claims would be supported by independently verifiable evidence and communicated to consumers in a transparent and accessible manner, without placing a disproportionate substantiation burden on smaller producers or actors in developing countries. Regulation is a welcome step toward this vision, but its design choices matter. This section analyzes the mapped elements of the previous section through that lens and identifies key considerations for strengthening policy design and implementation.

Type of Legal Instrument

The mapping shows that most jurisdictions rely on existing consumer protection or competition law as the primary legal basis for addressing greenwashing, often complemented by non-binding guidance or sector-specific measures. This approach allows governments to avoid regulatory duplication and builds on established enforcement institutions. However, the analysis also reveals a design limitation. Broad consumer law prohibitions are intentionally general, but this generality can cause uncertainty about how environmental claims should be substantiated in practice. Guidance documents help interpret these obligations, yet their non-binding nature can result in uneven application and legal ambiguity, particularly for companies operating across jurisdictions.

Dedicated or sector-specific legislation reflects a trend toward greater regulatory specificity. These instruments provide an opportunity to reduce interpretive uncertainty. At the same time, overly prescriptive legal rules risk reducing flexibility and adaptability, especially where data availability varies across sectors and regions.

Key consideration: Legal instruments should strike a balance between general applicability and operational clarity, ensuring that obligations are sufficiently precise to guide compliance while remaining adaptable to different market contexts and levels of data availability.

Type of Policy Response

Across jurisdictions, regulatory responses rely on a combination of prohibitions or bans, disclosure requirements, and non-binding guidance. Prohibitions set clear limits on unacceptable claims, while disclosure requirements aim to operationalize transparency. Guidance plays an important interpretive role but lacks enforceability on its own. The mapping suggests that these tools are rarely used in isolation and are most effective when applied in combination.

Key consideration: Policy-makers should ensure coherence across policy tools, with prohibitions defining unacceptable practices, disclosure requirements clarifying what information must be provided, and guidance explaining how compliance can be achieved practically.



Scope

The predominance of cross-sectoral scope reflects an effort to ensure broad consumer protection and regulatory consistency. This approach reduces fragmentation. At the same time, the analysis highlights the emergence of sector-specific measures in high-impact sectors, such as textiles and food. These targeted approaches acknowledge that risks of greenwashing differ significantly across sectors.

A purely cross-sectoral approach may overlook these differences, potentially imposing uniform requirements that are easier to meet for large firms with integrated data systems than for small producers embedded in complex value chains.

Key consideration: Scope can be strengthened by combining cross-sectoral rules with sector-specific guidance.

Stringency

The mapping shows a broad spectrum of stringency across jurisdictions, ranging from binding legal obligations to non-binding guidance and self-regulatory approaches. Binding instruments establish enforceable requirements and penalties for misleading environmental claims, providing a clear basis for deterrence and accountability. Non-binding guidance, by contrast, plays a primarily interpretive and educational role, shaping how existing consumer or competition law is understood and applied.

This variation in stringency has important implications for both credibility and inclusiveness. While binding rules strengthen legal certainty and market discipline, they may also raise the cost of compliance, particularly where substantiation and disclosure obligations are demanding. Where guidance is used without binding obligations, the opposite risk emerges—that firms may lack strong incentives to comply, and enforcement may be uneven.

Our mapping indicates that many jurisdictions combine binding rules with guidance, reflecting an incremental regulatory model in which soft law supports the application of hard law. This mixed approach can enhance implementation by clarifying expectations while retaining enforceability, but only if guidance is closely aligned with and supports legal obligations.

Key consideration: Higher stringency improves accountability, but when binding obligations are not accompanied by clear evidentiary pathways and implementation support, they risk disproportionately burdening smaller firms and producers in complex value chains. A balanced approach combines enforceable rules with practical guidance and compliance infrastructure.

Definitions

The mapping indicates that most regulatory frameworks do not rely on formal legal definitions of “greenwashing.” Instead, definitions are typically provided in guidance documents or inferred from lists of prohibited practices and regulated claim types. This approach



preserves flexibility and allows regulators to respond to new marketing practices without amending legislation.

However, the absence of binding definitions also creates uncertainty, particularly for companies operating across multiple jurisdictions. Without clear boundaries around what constitutes an environmental claim, a sustainability label, or a misleading practice, businesses must rely on interpretation, increasing the risk of inconsistent enforcement.

The mapping suggests that regulators are increasingly moving away from defining greenwashing as an abstract concept and toward regulating specific claim types, forms of communication, and evidentiary expectations. This functional approach is better suited to operational enforcement than broad conceptual definitions.

Key consideration: Rather than focusing solely on defining greenwashing as a concept, regulatory clarity may be better achieved by clearly specifying claim types, expectations related to evidence, and prohibited practices.

Requirements and Principles

There is strong convergence around core principles: truthfulness, substantiation, clarity, and transparency. However, requirements for substantiation are often framed at a high level, with limited guidance on acceptable evidence or methodologies.

Key consideration: Translating principles into claim-specific or sector-specific evidentiary guidance would reduce uncertainty and support consistent enforcement.

Enforcement

Enforcement is largely entrusted to existing consumer protection and competition authorities. Effective enforcement requires not only accessible complaint mechanisms and supportive guidance, but also clear investigative and sanctioning powers, as well as a more proactive supervisory role by authorities. Beyond formal enforcement tools, consumer awareness remains a critical and often overlooked element of combatting greenwashing. Regulations are less effective when consumers are unaware of their rights, the meaning of environmental claims, or how to raise complaints.

Key consideration: Strengthening public awareness and transparency around enforcement processes can therefore play a complementary role in deterring misleading claims and improving overall compliance.

Implementation

The mapping shows that the effectiveness of greenwashing regulation depends not only on legal design but also on how rules are operationalized in practice. Implementation capacity varies significantly across jurisdictions and is shaped by four interrelated elements: stakeholder support, stakeholder engagement, links with certification and voluntary standards, and access to reliable data.



Where stakeholder engagement and guidance are present, regulatory requirements are more likely to reflect market realities and be understood by businesses. Where these elements are weak, even well-designed legal obligations can remain underused or contested.

The treatment of third-party certification and VSSs is particularly important for implementation. In systems where certification can be used as evidence, firms have access to ready-made verification infrastructures. Where this link is absent or unclear, companies must rely on bespoke data collection and private verification, increasing costs and reducing consistency.

Data availability is the central operational constraint across all regimes. Substantiation and transparency requirements depend on traceable, verifiable information across often complex global supply chains. Without investment in data systems and producer-level support, especially for smallholders and SMEs, even strong legal frameworks risk excluding large parts of the market.

Key consideration: Implementation depends as much on verification methods and data infrastructure as on legal obligations. Greenwashing regulation is most effective when legal requirements are paired with practical compliance mechanisms that make credible evidence accessible across the value chain, thereby increasing the ease of implementation.

3.2 Discussion of Findings

Mapping policy responses reveals significant progress in how governments are seeking to address greenwashing and strengthen the reliability of environmental claims. However, the findings also point to persistent gaps between the design—as highlighted above—and implementation of these measures.

Three main themes emerge from the analysis: (i) opportunities in the design of regulatory measures, (ii) the challenge of implementation, particularly in terms of data collection and data reliability, and (iii) the complementary role of VSSs.

Design: Opportunities for improvement

The mapping confirms growing recognition of greenwashing as a regulatory concern. Most countries have established a set of core principles, including truthfulness, clarity, and transparency, that represent a shared understanding of what a reliable claim should entail. Yet, while these principles are an essential starting point, they often remain high level and abstract, leaving key design elements underspecified. This has direct implications for how effectively rules can be implemented and how equitably they operate across markets.

While truthfulness and transparency are widely endorsed, few instruments define what constitutes “adequate and proper evidence” for substantiation. Methodological guidance on aspects such as data sources and verification procedures remains vague or discretionary. In addition, limited attention is given to the relevance of the claim, including whether it reflects the most significant environmental impacts across the product life cycle. As a result, the principle of substantiation, or the concept of “substantiation with credible evidence,” creates legal uncertainty and risks inconsistent enforcement.



Some jurisdictions—for example, Canada and the EU—have started to close this gap by specifying requirements for testing or life-cycle-based substantiation. For the EU, for example, the Green Claims Directive proposes that a company making an explicit claim such as “climate neutral,” “recyclable,” or “reduced CO₂ footprint” would have to substantiate it using an assessment that considers impacts from a life-cycle perspective, relies on recognized scientific evidence, and clarifies whether the claim applies to the whole product or only a part/stage of the life cycle (European Commission, 2023). Others, however, leave the requirement largely open-ended. Without clear thresholds, companies may rely on weak or self-declared evidence, undermining the effectiveness of the regulation.

In short, most frameworks converge on sound principles (truthfulness, clarity, substantiation, and transparency); however, the pathways to “credible evidence” are not always specified. Many texts set objectives rather than methods, which preserves flexibility but creates compliance uncertainty and inconsistent enforcement.

Implementation: The challenge of data collection and the need to support producers

While the regulatory measures addressing greenwashing define high-level requirements for substantiation and disclosure, the capacity to meet these obligations varies greatly along the value chain. Collecting credible, verifiable, and comparable data remains a major barrier for many actors.

Most frameworks apply the same substantiation burden to all companies, regardless of size or supply-chain position. This one-size-fits-all approach risks creating disproportionate impacts on smallholders and SMEs, which may lack the resources, digital infrastructure, or technical support to generate complex evidence.

Governments can play a critical role in addressing these gaps by supporting producers and farmers in collecting reliable data through technical assistance, shared data infrastructure, and simplified reporting tools, while ensuring they also benefit from improved market access and recognition of their sustainability performance.

Support for Implementation: The complementary role of VSSs

Some greenwashing regulations refer to the use of VSSs or third-party certifications as evidence to substantiate environmental claims. However, the mapping shows that few regulatory frameworks clearly define how such schemes should be assessed, recognized, or integrated into compliance systems. As a result, certification is often treated as admissible evidence in principle but without clear parameters for what makes it credible in practice.

Despite this regulatory ambiguity, VSSs already play an important operational role. Many schemes provide traceability systems, monitoring protocols, audit procedures, and data collection frameworks that directly support the substantiation and transparency requirements found in greenwashing regulations. In complex international supply chains, these systems often represent the only structured mechanism for generating consistent, verifiable sustainability information.



In this sense, VSSs can function as a bridge between high-level legal principles and practical verification, translating abstract requirements such as truthfulness, substantiation, and transparency into operational processes. However, for this role to be effective and trustworthy, regulators need to go beyond merely allowing certification and instead articulate clear recognition criteria. The criteria should address governance, independence, audit quality, methodological rigour, data transparency, assurance mechanisms, and procedures for handling non-compliance. It should also examine the message conveyed by products that comply with VSSs and the reliability of sustainability communication for VSS-compliant products.

Clarifying the regulatory role of VSSs would not only improve the credibility of green claims but also reduce compliance costs and uncertainty, particularly for producers operating in fragmented value chains and for those already compliant with VSSs. It would enable certification systems to serve as part of the regulatory infrastructure rather than as parallel, loosely connected tools.

In this context, IISD will be publishing further analysis in 2026 on how VSS-based sustainability claims can be made more reliable, including guidance on governance, verification, and the type of information relayed in the message of the claim. This forthcoming work will provide practical insights for consumers, policy-makers, and standard-setting bodies seeking to align private assurance systems with public regulatory objectives.

Box 3. Private Sector Perspectives on Implementing Greenwashing Regulations: Insights from India on the Role of VSSs

Authored by the Centre for Responsible Business

In 2024, the Central Consumer Protection Authority of the Indian government issued *Combatting Greenwashing: India's Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims* to address growing concerns about deceptive environmental practices. The guidelines aim to clarify what constitutes a credible green claim, improve transparency, and build consumer trust (IISD & Centre for Responsible Business, 2025).

To better understand how value chain actors interpret these guidelines and what support they require for compliance, in-depth interviews were conducted with high-level experts, multinational companies, regulatory bodies, and corporate foundations. These discussions shed light on how Indian businesses are responding to these new guidelines. In these discussions, VSSs were recognized as useful reference points for businesses seeking to improve transparency and compliance.

Respondents acknowledged that while statutory regulations set the minimum threshold, VSSs can help raise the bar, facilitate industry alignment, and allow for earlier adaptation to evolving expectations.

Voluntary mechanisms were also seen as more agile and quicker to implement than formal regulatory processes, making them especially useful in emerging or fast-evolving sectors.



To enhance the alignment and relevance of VSS, respondents suggested the following:

- sector-specific adaptation of VSSs to local contexts
- the integration of VSS tools with government compliance initiatives
- the use of voluntary benchmarks as a first step before mandatory enforcement
- greater harmonization between national guidelines and widely adopted international frameworks and regulations

VSSs were also seen as potentially valuable in facilitating quicker resolution of green claim disputes, especially in sectors such as advertising, where rapid corrective action is critical.

Respondents highlighted that VSS organizations themselves could play a more proactive role by aligning methodologies with regulatory expectations and supporting businesses in communicating environmental performance without increasing greenwashing risks.

Overall, Indian businesses perceive VSSs not as substitutes for regulation, but as complementary mechanisms that can operationalize high-level legal principles such as substantiation, transparency, and accountability, provided that alignment and capacity-building measures are strengthened.



4.0 Conclusion and Recommendations

This report has mapped and analyzed how governments around the world are responding to the challenge of greenwashing. On the one hand, there is clear progress: more jurisdictions recognize the problem of misleading environmental claims, regulatory instruments are emerging, and common principles such as truthfulness, clarity, substantiation, and transparency are increasingly embedded in policy. However, the relevance of claims is not consistently addressed. A claim may be truthful, clear, and substantiated, yet still be misleading if it focuses on marginal improvements rather than the most significant environmental impacts. On the other hand, the design and implementation of those measures remain uneven: pathways to credible evidence are often underspecified, data collection remains a challenge in terms of implementation, and the role of VSSs could be further clarified.

In an ideal scenario, every green claim would be supported by evidence that is independently verifiable and communicated to consumers in a transparent and accessible manner, while ensuring that the burden of substantiation does not fall disproportionately on smaller producers or actors in developing countries. Regulation has the potential to move us toward that vision, but only if it is designed for both credibility and inclusiveness.

Based on the mapping and analysis, several recommendations emerge considering the opportunities in the design of regulatory measures, the challenge of implementation, and the complementary role of VSSs to support compliance.

In terms of **design**:

- **strengthen the design of substantiation requirements:** Policy-makers should move beyond high-level principles and provide clearer guidance on what constitutes credible substantiation. This includes indicating acceptable data sources and verification approaches, allowing equivalent methods where appropriate. Where flexibility is retained, regulators should explain how evidence will be assessed in practice to reduce legal uncertainty and inconsistent enforcement.
- **adopt proportionate approaches:** Greenwashing measures should be designed to reflect differences in company size, sector, and position in the value chain. A one-size-fits-all approach to substantiation risks disproportionately affecting smallholders and SMEs. Proportionate requirements and simplified evidence pathways can help ensure that regulation improves credibility without excluding smaller or less-resourced actors.

In terms of **implementation**:

- **invest in data infrastructure and producer support:** Effective implementation depends on the availability of reliable, verifiable data. Governments should support producers in collecting and managing sustainability data through technical assistance, shared data platforms, and simplified reporting tools. Emerging approaches, such as Digital Product Information Systems, can play an important role by enabling the structured exchange of sustainability data throughout the product life cycle, improving traceability and transparency. Support measures should be framed not only as a



compliance exercise but as a means of enabling producers to access markets and benefit from credible sustainability claims.

- **combine enforcement with guidance and awareness raising:** Strong enforcement mechanisms are essential, but they should be complemented by clear guidance and proactive engagement with businesses and consumers. Consumer awareness remains a critical, and often overlooked, element of effective greenwashing regulation. Consumers and market actors must be aware of their rights and avenues for redress.
- **promote cooperation and experience sharing:** As greenwashing regulation continues to evolve, policy-makers should seek greater coherence across jurisdictions to reduce fragmentation and compliance burdens, particularly for producers engaged in international trade. Sharing experiences, aligning approaches where possible, and learning from emerging practices can help improve both the effectiveness and fairness of regulatory responses.

Regarding VSSs' role to **support** compliance:

- **clarify the role of VSSs:** Regulators should move beyond treating certification as broadly admissible evidence and instead define when and how VSSs can be used to substantiate claims, including minimum requirements for VSSs, in their governance, independence, audit quality, data transparency, and procedures for addressing non-compliance. IISD will publish further research in 2026 on improving the reliability of VSS-based sustainability claims, including practical recommendations for VSSs on strengthening governance and independence, verification and audit quality, methodological rigour, data transparency, handling of non-compliance, and ensuring that consumer-facing messages accurately reflect what is verified.
- **set recognition criteria rather than endorsing specific schemes:** A criteria-based approach can encourage credible assurance without creating regulatory strictness or a focus on a single scheme while helping businesses understand what is considered reliable substantiation.

Taken together, these recommendations point toward a regulatory approach that balances credibility with inclusiveness. Well-designed greenwashing measures can strengthen consumer trust, support fair competition, and incentivize sustainable practices, provided they are accompanied by clear rules and supportive implementation that consider the realities faced by producers across global value chains.



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Appendix A. List of Greenwashing Regulations and Policy Instruments Reviewed

Country	Year	Regulation
Australia	2010	Competition and Consumer Act, Schedule 2, Consumer Law
Australia	2023	Making Environmental Claims: A Guide for Business
Canada	2024	Competition Act as amended by Bill C-59
Canada	2024	The Deceptive Marketing Practices Digest — Volume 7
Canada	2025	Environmental claims and the Competition Act
Chile	2022	Draft Law to Prevent and Sanction Greenwashing
Colombia	2011	Law 1480 – Consumer Protection Statute (Estatuto del Consumidor)
Colombia	2014	Decree 1369 of 2014 regulating the use of advertising alluding to qualities, characteristics or environmental attributes of products (Decreto 1369 de 2014 por el cual se reglamenta el uso de la publicidad alusiva a cualidades, características o atributos ambientales de los productos)
Colombia	2013	Self-Regulatory Code on Advertising (Código Colombiano de Autorregulación Publicitaria)
European Union	2022	Empowering Consumers for the Green Transition Directive (already passed, guidance in 2025, transposition in 2026)
European Union	2023	Green Claims Directive (proposal)
France	2021	Climate and Resilience Law (Loi no 2021-1104 du 22 août 2021)
India	2019	Consumer Protection Act
India	2024	Guidelines for the Prevention and Regulation of Greenwashing and Misleading Environmental Claims
India	2024	Ecomark Certification Scheme introduced under Ecomark Rules
Kenya	2022	Consumer Protection Act (Cap 501)
Kenya	2022	Competition Act
Kenya	2012	Consumer Protection Guidelines



Country	Year	Regulation
Peru	2023	Consumer Protection Code (Código de Protección y Defensa del Consumidor)
Peru	2023	Environmental Advertising Guide (Guía de Publicidad Ambiental)
Switzerland	1986	Federal Act on Unfair Competition (as amended in 2025)
United Kingdom	2021	Competition and Markets Authority (CMA)'s Green Claims Code
United States	2012	Federal Trade Commission (FTC) Guides for the Use of Environmental Marketing Claims (Green Guides)

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