



# Legal Liability for Greenwashing in Light of Consumer Protection and Sustainable Investment

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## Abstract

This study addresses the phenomenon of greenwashing as a contemporary legal challenge affecting market integrity and the transparency of sustainable investment in Algeria. The research problem lies in how to confront these misleading practices in the absence of an explicit legislative provision criminalizing them, despite the existence of general rules within consumer protection and competition laws that can be inferred to deter such behavior. The study concludes that it is necessary to adopt a dual approach to liability combining civil compensation to redress damages suffered by consumers and competitors, and criminal deterrence to protect the economic and environmental public order, while emphasizing the importance of the integration of roles between regulatory bodies and consumer protection associations in uncovering false claims. The study concludes with a recommendation that the Algerian legislator introduce specific provisions criminalizing greenwashing and obliging institutions to adhere to international standards to ensure the credibility of environmental data, thereby achieving an effective balance between freedom of economic initiative and the consumer's right to truthful information.

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## Introduction

The relationship between the economy and the environment is one of the most complex issues in contemporary legal thought. While economic law seeks to achieve maximum profitability and competitiveness, environmental law aims to restrict these activities to protect vital ecosystems in light of the growing global environmental awareness, thereby ensuring the protection of environmental energy. This is achieved through the establishment of a new economic vision based on a strategy of transition to a green economy. (Ben Hafedh & Zeghbid, 2024, p. 89)

However, this transition toward sustainability has often not been genuine; rather, misleading practices have emerged known as "greenwashing," which is an effective communication strategy or tool through which companies aim to mislead consumers into believing that their products or policies comply with environmental standards and fair competition, while in reality the opposite is true (Meskin, 2020, p. 361), as it has become a means of deception and misinformation by restricting the consumer's right to know the product specifications.

At the international level, greenwashing is no longer merely a marketing error, but is now considered a direct threat to achieving the objectives of the Paris Agreement on climate 2015, as it diverts capital flows from genuinely environmentally friendly projects toward false ones, as the Paris Agreement has addressed the use of risk management techniques (Ben Nouli, 2021, p. 37) in measuring the effectiveness of the institution in addressing environmental and economic damages that negatively affect consumer behavior.

In Algeria, despite the fact that the Algerian Constitution, in its latest amendment of 2020, enshrines the right to a healthy environment as a constitutional right, the regulation of commercial practices related to this right (Algeria O. G., Algerian Constitution of 2020, 2020, p. 82) remains subject to general rules that may not accommodate the sophistication of modern environmental misleading methods.

The study of this subject in Algeria is of an urgent nature, especially with the issuance of legal texts encouraging green investment and renewable energies, in light of rapid economic developments, which opens the door for companies that may resort to false environmental claims in order to obtain a set of tax advantages and guarantees granted to investors, as established by the state within the framework of investment promotion laws (Abdelkader & Boulaaras, 2016, p. 30) which aim to encourage investment through an incentive policy serving investment.

Despite the advanced environmental legal framework, such as Law 03-10 relating to environmental protection, the regulation of environmental marketing claims still faces shortcomings in characterization and control, which has created an urgent need to regulate green advertising chaos in the Algerian market, especially with the state's orientation toward encouraging sustainable development investments (Algeria P. D., Law No. 03-10 relating to environmental protection within the framework of sustainable development, 2003, p. 43) and renewable energies on the one hand, and on the other hand the desire to find an accurate legal qualification of this practice within the rules of civil and criminal liability in Algerian and comparative legislation.

The main problem lies in how the Algerian legal system can accommodate the concept of and confront the phenomenon of greenwashing as a newly emerging economic and environmental crime, and to what extent the legislator has succeeded in reconciling the freedom of investment with consumer protection from misleading environmental claims in light of modern international standards.

To answer this problem, the study has been divided into two sections, where the first section addresses the conceptual and legal framework of the phenomenon of greenwashing, while the second section examines the mechanisms of legal liability and oversight of greenwashing.

The importance lies in protecting the environmental consumer from deception and ensuring fair competition between economic institutions. The importance of the study also appears in analyzing the adequacy of Algerian legal texts such as the competition law and consumer protection law in suppressing these emerging practices compared to European legislations such as the latest European Union directives 2024 on green empowerment.

We will rely on the descriptive method to describe the phenomenon of greenwashing and the analytical method through analyzing Algerian legal texts related to consumer protection, the environment, and the law containing the rules applicable to commercial practices. We also relied on the comparative method by comparing Algerian legislation with French legislation such as the French law related to climate and resilience 2021 and the European Union directives (Parliament & Union, 2024) which have begun to include greenwashing as an independent economic and environmental crime, and international agreements such as the Paris Agreement on climate 2015 with regard to transparency, in order to identify legislative gaps and how to address them.

### **Introductory note to the first section: The conceptual and legal framework of the phenomenon of greenwashing**

The conceptual determination of the phenomenon of greenwashing is considered the cornerstone in building any legal responsibility; to the extent that this term is characterized by novelty in the legal lexicon, its roots are grounded in the principles of the green economy based on achieving economic development to reach long-term sustainable development, through establishing a strategy to improve green growth opportunities (Ben Hafedh & Zeghibid, 2024, p. 97) by enhancing companies' trust with the consumer. The transition from the concept of traditional commercial advertising to environmental advertising has imposed on the legislator the necessity of establishing strict standards to distinguish between truthful information and that which uses the environment as a cover to pass consumer fallacies.

In Algerian legislation, this concept intersects with several legal texts, most notably Law No. 03-10 relating to environmental protection, and Law No. 04-02 relating to commercial practices (Algeria P. D., Law No. 04-02 relating to the rules applicable to commercial practices, art. 27, 2004), through which the legislator seeks to ensure the consumer's right to truthful and non-misleading information.

The legal difficulty lies in the fact that greenwashing takes highly complex forms, ranging from the use of suggestive visual symbols to false scientific claims, as misleading advertising is divided into several forms, including covert advertising, dangerous advertising, comparative advertising, and false advertising (T & Kahina, 2021, p. 198) which are difficult for the average consumer to detect.

Therefore, this section requires first defining the nature of greenwashing and its prevalent forms in the market in the first requirement, then attempting to find an accurate legal qualification for this practice under Algerian and comparative legislation, as well as international agreements that promote environmental transparency, in the second requirement.

### **First requirement: The nature of greenwashing and its forms in commercial practices**

Determining the essence of greenwashing is considered one of the most complex tasks facing both the legal researcher and the judge, given that it is a practice that falls within the gray area between marketing intelligence and misleading commercial advertising based on deceiving the consumer by including information intended to create confusion and deception regarding the essential elements or characteristics of the product (Algeria O. G., Law No. 09-03 relating to consumer protection and fraud suppression, art. 3, 2009, p. 15), While the Algerian legislator recognizes (Zaghoudi, 2026, p. 1256) the right of the economic institution to promote its products, it imposes a fundamental restriction consisting of the integrity of information and the truthfulness of claims, which requires us to dissect this phenomenon to identify its legal elements.

Greenwashing is not merely a passing advertising lie, but rather a systematic strategy that takes multiple forms aimed at exploiting the environmental awareness of the contemporary consumer and converting it into illegitimate commercial profits, resulting in harm to green investment, as the latter contributes to reducing the negative environmental impacts caused by non-green activities (Algeria O. G., Law No. 04-02 relating to the rules applicable to commercial practices, art. 28., 2004, p. 41) From this standpoint, it was necessary to divide this requirement into two sub-sections: in the first sub-section, we address the precise legal definition of this phenomenon and its constituent elements in Algerian and comparative legislation, while the second sub-section is devoted to identifying the main forms and methods through which this deception manifests in practice, based on international and national standards.

### **First sub-section: Definition of greenwashing and its constituent elements**

The legal determination of the phenomenon of greenwashing requires deconstructing this composite term and searching for its basis in the general rules of liability and the laws related to consumer protection.

#### **First - Definition of greenwashing:**

There is no unified definition in Algerian legislation for the term greenwashing; however, it can be inferred from the rules applicable to commercial practices as "any commercial practice that relies on conveying inaccurate, incomplete, or false information about the environmental characteristics of a product or service, with the aim of misleading the consumer and directing their purchasing behavior based on false environmental implications. (Algeria P. D., Law No. 04-02 relating to the rules applicable to commercial practices, 2004, p. 41)

In comparative law, recent European Union directives have defined it as giving the consumer the impression that a product has a positive impact on the environment or is less harmful than competitors, without sufficient scientific evidence.

In Algeria, this practice intersects with Article 28 of Law 04-02, which prohibits misleading advertising that creates confusion regarding the nature of the product or its essential characteristics.

## **Second – Constituent elements of greenwashing:**

**For this practice to be established as a legal violation, three essential elements must be present:**

1- The material element “the environmental claim”: It consists in providing vague environmental information relating to an element of the product or service that is likely to mislead or deceive the consumer, or in taking a negative stance by omitting essential data related to the product or service (Parliament & Union, 2024) and thus distorts the concept of the green economy.

2- The moral element “the deceptive intent”: It consists of the issuance of a fraudulent behavior by the institution involving a false claim (T & Kahina, 2021, p. 199) to conceal the environmental truth of the product or service through lying and deception, exploiting the consumer’s ignorance and placing them in confusion.

3- The utilitarian element “the competitive advantage”: The aim of this deception is to achieve false sustainable investment, that is, to attract investors and consumers who prefer green products, which harms competitors who comply with genuine environmental standards, especially in cases of infringement on the data and trademarks of well-known companies. (Meskin, 2020, p. 370)

### **Second sub-section: Forms and manifestations of environmental deception**

The phenomenon of greenwashing takes highly precise and complex forms, going beyond explicit falsehood to methods of insinuation and concealment, which makes the task of regulatory authorities and fraud suppression in Algeria more difficult. The most important of these forms can be summarized as follows:

#### **First – The use of vague terms and unsubstantiated claims:**

This is the most common form, where companies resort to using attractive terms such as “environmentally friendly,” “green product,” or “natural,” without providing tangible scientific evidence or conformity certifications, while concealing important information and data that would help the consumer identify the product (The legal system of electronic advertising and consumer protection in e-commerce law, 2022, p. 13), the danger here lies in the fact that these terms are not subject to a rigid legal definition but are flexible, which gives companies room for legal maneuvering.

#### **Second – Visual deception and the suggestion of sustainability:**

Economic actors resort to using suggestive packaging, through excessive use of the color green or images of forests and rivers on products of a polluting chemical nature. This visual illusion creates a mental association in the Algerian consumer between the product and nature, which is legally classified as advertising likely to mislead (Meskin, 2020, p. 373) as provided for in Article 28 of Law 04-02.

#### **Third – Hidden trade-offs and focus on a partial advantage:**

In this form, the institution promotes a single minor environmental feature, such as the use of recycled paper in packaging, while concealing the catastrophic environmental impact of the manufacturing process itself. This partial truth is considered a form of greenwashing because it hides essential information from the consumer and the investor, preventing a real assessment of the product’s carbon footprint.

#### **Fourth – False environmental symbols and labels:**

Some companies create symbols or seals resembling official labels, which generates in the consumer a belief that the product has a high level of quality due to its association with production in a particular country (Algeria P. D., Law No. 04-02 relating to the rules applicable to commercial practices, 2004, p. 41) which leads the consumer to contract regarding this product based on its origin or source, and thus falls into deception and misleading.

This moral falsification undermines the credibility of sustainable investment and misleads investors seeking genuine green projects.

### **Second requirement: The legal qualification of greenwashing in Algerian and comparative law**

After identifying the nature and forms of greenwashing, the most important legal issue emerges, which is how to qualify these practices within the existing legal rules. Legal qualification determines the nature of liability, whether civil, criminal, or administrative, which allows the judge to apply the appropriate legal provision to the case in order to ensure effective consumer protection (T & Kahina, 2021, p. 200) which criminalize misleading environmental advertising. The absence of an explicit provision in Algerian legislation bearing the term “greenwashing” requires the researcher to extrapolate dispersed provisions between the consumer protection law, the competition law, and the environmental protection law, and to compare them with the dimensions of sustainable development through the establishment of protective and incentive measures to develop investments in the green economy (Meskin, 2020, p. 372).

### **First sub-section: Qualification within commercial practices and fraud suppression in Algeria**

Given the absence of a specific provision criminalizing greenwashing in its modern terminology in Algeria, both the judiciary and legal doctrine tend to qualify these practices based on the general rules governing the integrity of economic transactions and the protection of consumer consent. This qualification can be summarized in three complementary legal approaches:

#### **First – Qualification of greenwashing as misleading advertising under the law of commercial practices:**

This qualification is considered the most accurate from a technical perspective, as Article 28 of Law No. 04-02 relating to the rules applicable to commercial practices stipulates the prohibition of any advertising likely to mislead the consumer by any means (Ben Hafedh & Zeghbid, 2024, p. 102), when an institution claims sustainability or carbon neutrality without basis, it commits “misleading advertising” because it affects the essential characteristics of the product or service. This deception leads the consumer to make a purchase decision based on fictitious data, which renders the contract affected by a defect of consent such as mistake or fraud, and consequently causes harm to the consumer, prompting them to seek annulment of the contract. (Algeria P. D., Law No. 04-02 relating to the rules applicable to commercial practices, art. 28, 2004, p. 41)

#### **Second – Qualification of greenwashing as a fraud offense under the consumer protection law:**

In a stricter context, greenwashing is classified under Law No. 09-03 relating to consumer protection and fraud suppression as a crime of deception in the nature or essential characteristics. Article 03 of the same law imposes on the economic operator the obligation of conformity (Meskin, 2020, p. 376), that is, the product must correspond to the declared information. If a product bears a label suggesting that it is organic or environmentally friendly while it contains harmful chemical substances, this constitutes a case of informational non-conformity, which opens the way for criminal liability on the charge of misleading advertising to the consumer regarding the product’s specifications, through the existence of the material element of the crime represented by the perpetrator causing the contracting party to fall into error regarding the origin and characteristics of the goods, as well as the moral element represented by criminal intent, which is an internal intention harbored by the perpetrator (Algeria P. D., Law No. 09-03 relating to consumer protection and fraud suppression, 2009, p. 202) leading to the commission of the offense of misleading advertising.

#### **Third – Qualification as a breach of the duty of environmental information under the environmental protection law:**

From the perspective of environmental law, Law No. 03-10 relating to environmental protection within the framework of sustainable development, in its Article 06, establishes the principle of information (Algeria P. D., Law No. 09-03 relating to consumer protection and fraud suppression, 2009, p. 15) where this principle is considered not merely a right for the citizen, but also an obligation on institutions, especially those that carry out activities with an impact on the environment. Accordingly, providing misleading environmental information such as greenwashing is qualified as an abuse of the right to environmental information and a breach of the legal obligations that impose transparency, (T & Kahina, 2021, p. 202) regarding the ecological impact of economic activity, as transparency aims to provide access to various

information and reports that affect the environmental public order, which in turn falls within the green economy.

### **Second sub-section: Legal qualification in comparative legislations and international agreements**

Comparative legal systems have realized that traditional consumer protection rules are no longer sufficient to deter advanced environmental deception, which has required the development of specific legal qualifications that correspond to the seriousness of greenwashing on the economy and the climate.

#### **First – Qualification in French legislation of greenwashing under the climate and resilience law:**

The French legislator is considered one of the most stringent in qualifying greenwashing; pursuant to Law No. 2021-1104, greenwashing has been explicitly included among deceptive commercial practices in the consumer law (T & Kahina, 2021, p. 203) The depth of this qualification lies in the fact that the French legislator no longer limits itself to proving falsehood, but considers that the mere use of environmentally friendly terms without providing a detailed report constitutes an environmental economic crime, through shifting the burden from proving damage to proving lack of transparency, which has made greenwashing a fundamental breach of the obligation of truthfulness in environmental advertising.

#### **Second – Modern trends in European Union legislation**

The European Union has adopted a radical qualification through Directive 2024/825, where it established a blacklist of practices that are automatically classified as greenwashing, (Algeria P. D., Law No. 03-10 relating to environmental protection within the framework of sustainable development, 2003, p. 43) the most important of which are:

1- Qualification as consumer deception: when sustainability labels are displayed that are not based on an approved certification system or are not issued by public authorities (Ben Nouli, 2021, p. 30).

2- Qualification as an unjustified general claim: the use of expressions such as environmental awareness or nature-friendly without proof of legally recognized outstanding environmental performance. This is known as false advertising, as this type of advertising is likely to mislead the consumer and place them in error that leads them to contract.

#### **Third – Qualification in light of international agreements: at the international level, we do not find direct punitive provisions from the international community, but this qualification is binding on companies, including:**

1- Paris Agreement on climate 2015: Article 13 relating to the enhanced transparency framework qualifies greenwashing as an obstacle to assessing international efforts to reduce emissions (French Republic, 2021) ; therefore, the provision of misleading environmental data by companies is qualified as a breach of climate integrity.

2- Principles of the Organisation for Economic Co-operation and Development: green washing is qualified as a breach of the principles of ethical commercial practices, which exposes the economic institution to environmental accountability regarding environmental performance (Parliament & Union, 2024) with regard to protecting the consumer from the set of negative effects caused by the economic institution when carrying out its activity.

#### **Second section: Mechanisms of legal liability and oversight of greenwashing**

Legal protection for the consumer and the investor is not complete merely by establishing definitions and qualifications of the phenomenon of greenwashing; rather, the success of the legislative system depends on the effectiveness of the sanction and oversight mechanisms adopted by the state to confront violators. Environmental liability in this context goes beyond the traditional concept of fault to become a strategic tool for protecting environmental public order and responding to market requirements through developing and improving the product in order to attract a greater number of consumers and meet their environmental preferences (T & Kahina, 2021, p. 198) and achieving the green economy.

The transformation of greenwashing from mere commercial deception into a threat to sustainable investment requires the activation of dual liability; on the one hand, civil liability emerges as a mechanism to compensate for damages suffered by the consumer due to false or misleading advertising, through compensation that includes the actual loss incurred as well as the loss of profit.

On the other hand, criminal liability imposes deterrent sanctions to suppress misleading practices whenever the elements of the offense are established.

In Algeria, the burden of oversight of this phenomenon is shared by the judiciary, market regulatory bodies, and consumer protection associations, which creates procedures and mechanisms ultimately aimed at ensuring the credibility of the transition to the green economy (Issa, 2021, p. 79) which has been adopted by the state in order to achieve economic and social development and improve the standard of living.

Accordingly, we will devote the first requirement of this section to studying liability claims resulting from environmental deception, while the second requirement will address the supervisory and institutional role of the competent bodies in limiting this phenomenon and enhancing sustainable investment standards.

### **First requirement: Liability claims resulting from environmental deception**

Once the occurrence of greenwashing is established and legally qualified as misleading advertising or consumer deception, the legal liability of the economic operator arises in its various forms. Confronting environmental deception in Algerian legislation is not limited to punitive sanctions alone, but extends to include the protection of the private interests of affected parties through the rules of civil liability, both tortious and contractual (Issa, 2021, p. 80), as the greatest challenge facing the judiciary today is not only proving environmental falsehood, but also assessing the moral and material damages suffered by the consumer who paid a higher price for a fictitious environmental value, or the damage suffered by fair competitors who lost their market share in favor of deceptive companies, which allows these competitors to resort to the judiciary by filing an action for unfair competition aimed at compensating for the damage resulting from the unlawful diversion of customers or harm to the consumer (Boudiaf, 2025, p. 194).

Legal protection here oscillates between two main axes: civil protection, which aims to restore contractual balance and compensate for damage through compensation or contract rescission, and criminal protection, which aims to protect economic and environmental public order through deterrent sanctions proportional to the extent of the unlawful profits achieved through this deception (Ben Hafedh & Zeghbid, 2024, p. 94) as it is considered an unfair practice pursuant to Article 28 of Law No. 02-04.

Accordingly, we will divide this requirement into two sub-sections by devoting the first sub-section to the study of the provisions of civil liability and the mechanisms capable of compensating the consumer and the environmental investor, while the second sub-section will address criminal liability and the sanctions prescribed in Algerian and comparative legislation to suppress greenwashing practices.

### **First sub-section: Civil liability for greenwashing (fault, damage, and compensation)**

Civil liability for greenwashing is based on the general rules of tort and contractual liability, but it acquires a particular nature in this field since the fault lies in the falsification of environmental information, and the damage is often moral or economic, linked to loss of trust.

#### **First – The element of fault through breach of the duty of truthful information:**

The fault in greenwashing consists in the economic operator's breach of its legal obligation to provide truthful and complete information to the consumer. In Algerian law, this fault is based on Article 15 of Law 04-02 relating to commercial practices through misleading advertising, and Article 03 of Law 09-03 relating to lack of conformity (Zaghoudi, 2026, p. 1255), this fault becomes more profound in cases where the company uses false credibility through non-certified environmental labels, as the provisions of the Paris Agreement stipulate the analysis and interpretation of available environmental data and information (Meskin, 2020, p. 373) by all possible means to address damages, as this constitutes a civil fault that entails liability, even in the absence of explicit deception.

## **Second – The specificity of consumer environmental damage**

### **Damage in greenwashing cases takes two forms:**

1- Consumer damage: through the existence of material damage represented by financial loss, by paying a higher price for a fictitious environmental advantage, as well as the existence of moral damage through the presence of bad faith (Nasser, 2020, p. 185) with the intent to deceive or mislead the public.

2- Damage to competitors “unfair competition”: greenwashing harms honest companies that comply with genuine environmental standards and incur higher production costs, as deception leads to the diversion of customers toward deceptive companies, which justifies filing an action for unfair competition under Algerian law (Algeria P. D., Law No. 04-02 relating to the rules applicable to commercial practices, 2004, p. 41).

### **Third – Causal link and compensation mechanisms:**

The injured party must prove that the decision to purchase or invest was made based on false environmental inducement, which led the consumer to acquire that product. In this regard, modern jurisprudence tends toward limiting deceptive practices in a way that achieves a form of balance between the parties to the relationship (Algeria P. D., Law No. 09-03 relating to consumer protection and fraud suppression, 2009, p. 15), as for compensation in the offense of misleading advertising, the injured party, if a trader, may file an action for unfair competition, while if a consumer, they resort to the rules of civil liability. Compensation is not limited to monetary compensation only; the judge may also order compensation in kind, which is considered the best form of compensation (Ben Nouli, 2021, p. 35). as the Algerian legislator has allowed the seizure of the tools used in greenwashing and the confiscation of all goods and products resulting from it.

## **Second sub-section: Criminal liability for greenwashing in Algerian and comparative legislation**

Criminal liability is considered the most effective tool in curbing environmental deception, because greenwashing does not only affect the individual interest of the consumer, but also threatens economic public order and the environmental security of the state. This liability is based on the existence of the elements of the offense and the determination of appropriate sanctions.

### **First – Elements of the criminal offense of greenwashing**

To initiate public prosecution against an institution practicing greenwashing in Algeria, the following elements must be present:

1- The legal element: It is based on the principle “no crime and no penalty or security measure without a law” in Article 1 of the Penal Code (T & Kahina, 2021, p. 199). It also finds its basis in Articles 15 and 17 of Law 04-02 relating to commercial practices (Algeria P. D., Ordinance No. 03-03 relating to competition, 2003, p. 43) and Articles 03 and 18 of Law 09-03 relating to consumer protection and fraud suppression<sup>45</sup> (Boudiaf, 2025, p. 190).

2- The material element: It consists of a positive act, namely advertising or offering that includes false or misleading environmental data, or a negative act consisting in concealing information that leads the consumer into confusion and deception regarding essential elements or characteristics of the product (Nasser, 2020, p. 196).

3- The moral element: It consists of criminal intent, meaning the awareness of the economic operator that its environmental claims do not correspond to reality and the direction of its will to mislead the public in order to achieve unlawful profit. In economic crimes, the moral element is characterized by a broader concept, as it is presumed in economic offenses (Algeria P. D., Law No. 24-06 amending and supplementing Ordinance No. 66-156 containing the Penal Code, 2024) to include gross professional fault or negligence in verifying the accuracy of data.

## **Second – Sanctions prescribed in Algerian law:**

### **Sanctions in Algerian legislation vary between principal penalties and complementary ones:**

1- Financial fines: Law 04-02 provides for fines that may reach a percentage of turnover, and in the consumer protection law 09-03, we find aggravated fines in cases of deception regarding the nature of the product.

2- Complementary penalties “moral deterrence”: These are considered the most damaging to companies practicing greenwashing. Complementary penalties include confiscation of the product or service and publication of the conviction judgment in the national press, which leads to moral damage to the brand through its exposure to the public and customers, in addition to confiscation of the seized goods subject to the advertisement and the issuance of an administrative decision for the temporary closure of the commercial establishment that committed the offense of misleading advertising (Algeria P. D., Law No. 04-02 relating to the rules applicable to commercial practices, 2004)

### **Third – Comparison with international punitive trends “French law as a model”:**

The French legislator has deepened criminal sanctions for greenwashing through the Climate and Resilience Law 2021, making the financial fine reach up to 80% of the cost of the misleading advertising campaign, and even allowing for the possibility of imposing a ban from public procurement contracts on companies that repeatedly engage in environmental deception (Algeria P. D., Law No. 09-03 relating to consumer protection and fraud suppression, 2009, p. 15) This approach aims to make the cost of the offense much higher than the profit achieved from greenwashing, which is lacking in some Algerian penal provisions whose fines remain classical and do not keep pace with the profits of large companies.

### **Second requirement: The supervisory and institutional role in limiting greenwashing**

The effectiveness of the legal provisions repressing the phenomenon of greenwashing remains dependent on the existence of a vigilant supervisory system capable of detecting methods of deception and misleading practices that cannot be exhaustively enumerated (Meskin, 2020, p. 368), Greenwashing is not only fought in courtrooms after damage has occurred, but is primarily addressed through preventive and supervisory mechanisms prior to and during the process of offering goods and services. In Algeria, this supervisory role is distributed among official administrative bodies that possess regulatory and inspection authority, aiming to protect the consumer through the activation of a body of environmental laws to establish appropriate means of monitoring and tracking in order to develop the green economy (Boudiaf, 2025, p. 196).

Confronting this phenomenon requires coordination between administrative oversight exercised by the state through fraud suppression agents and competition regulatory authorities, and social oversight led by consumer protection associations, in addition to self-regulation imposed by institutions on themselves through the adoption of governance standards and social performance indicators for environmental protection (Algeria P. D., Law No. 09-03 relating to consumer protection and fraud suppression, 2009, p. 15) by protecting consumers from the damages resulting from their misleading activities. This institutional integration is capable of purifying the market from false environmental claims and ensuring that its environmental capacities are directed toward genuine investments that contribute to the development of sustainable green sectors (Alaoua & Azzouz, 2017, p. 243) by driving industry toward strategic specializations and diversifying the national product based on the analysis of green economy indicators.

Accordingly, in this requirement we will address the mechanisms of official oversight and the role of consumer protection associations in monitoring environmental deception in the first sub-section, then we will review the importance of activating corporate social responsibility and adopting international standards as preventive tools to limit this phenomenon in the second sub-section.

### **First sub-section: The role of administrative bodies and consumer protection associations in monitoring environmental deception**

Confronting greenwashing requires dynamic oversight that combines the rigor of administration with the vitality of civil society, as false environmental claims are often concealed behind technical data that is difficult for the average consumer to detect.

### **First – Administrative oversight:**

The Ministry of Trade in Algeria, through its provincial directorates and external services for fraud suppression, plays a central role in monitoring the “conformity” of environmental claims.

1- Inspection and investigation authority: Fraud suppression agents, pursuant to Law 09-03, have the authority to enter shops and warehouses and take samples of products bearing “green” labels in order to verify their authenticity in laboratories affiliated with the ministry in charge of consumer protection and fraud suppression. (FrenchRepublic, 2021)

2- Monitoring of trademarks and informational data: Article 50 of Law 04-02 obliges traders to provide all documents proving the accuracy of advertising, and in cases of greenwashing, the administration may require scientific evidence supporting the claim of environmental friendliness; in case of failure, a report of a misleading advertising violation is issued (T & Kahina, 2021, p. 200).

3- The role of the Competition Council: The Competition Council intervenes as a regulatory authority to ensure that greenwashing does not lead to a breach of fair competition or hinder the entry of companies that genuinely comply with environmental standards (Ben Hafedh & Zeghbid, 2024, p. 101).

### **Second – The role of consumer protection associations as a counter-power:**

Consumer protection associations in Algeria, such as the Algerian Organization for Consumer Protection and Guidance and its Environment, play a role that goes beyond awareness to field and legal monitoring:

1- Early warning: These associations monitor suspicious advertising campaigns in markets or through misleading electronic advertising, as it constitutes a claim contrary to reality (Issa, 2021, p. 86) with the aim of misleading the consumer by distorting reality, as these associations alert public authorities to such practices.

2- Filing civil actions: The Algerian legislator, in Article 23 of the consumer protection law, has granted accredited associations the right to litigate in defense of the collective interests of consumers.

Accordingly, an association may bring an action against a company practicing greenwashing even if no individual consumer has filed a complaint, since environmental deception affects a public interest.

3- Comparative testing: Some associations conduct independent tests on green products and publish the results to the public in order to inform the consumer of all essential details of the product or service, ensuring good faith in contracting (Zaghoudi, 2026, p. 1257) which creates moral and economic pressure that pushes companies to comply with truthfulness.

### **Second sub-section: Activating corporate social responsibility and adopting international standards as preventive mechanisms**

Combating greenwashing in modern legal thought has gone beyond mere punishment and repression to include the adoption of self-regulatory strategies within institutions. A company’s commitment to genuine sustainability requires a shift from green marketing to green governance based on measurable and verifiable international standards.

#### **First – The role of corporate social responsibility in curbing deception:**

Corporate social responsibility, as a mode of operation of the institution, is one in which all concerns are integrated (Algeria P. D., Law No. 09-03 relating to consumer protection and fraud suppression, 2009, p. 15) with transparency to improve the image of the economic institution as a voluntary commitment that goes beyond the minimum required by law and enters the realm of ethical consideration. In Algeria, the concept has begun to take root as a tool to enhance trust between the company and stakeholders and to increase its credibility. Corporate social responsibility contributes to preventing greenwashing through:

1- Transparency in sustainability reports: The legislator obliges the economic institution to publish accurate data regarding its use and consumption of environmentally harmful resources, making any false claim about the advertised product or service constitute advertising that misleads the consumer (Algeria P. D., Law No. 04-02 relating to the rules applicable to commercial practices, 2004, p. 41).

2- Restoring the value of human dignity in economic activity: Linking profitability with environmental preservation transforms sustainability from a marketing slogan into part of the manufacturing and production strategy, creating job opportunities and social equality, thereby achieving green investment through combating poverty and unemployment and improving individuals' income levels, thus raising the standard of living (Algeria P. D., Ordinance No. 03-03 relating to competition, 2003, p. 43).

### **Second – Adoption of international standards for environmental labeling:**

To eliminate the disorder caused by vague terms such as “natural” and “ecological,” legal systems have resorted to adopting the standards of the International Organization for Standardization, where the “ISO 14021” standard relating to self-declared environmental claims by companies sets strict conditions for considering environmental advertising truthful (Boudiaf, 2025, p. 187).

1- Algerian technical standards: The Algerian Accreditation Body and the Algerian Institute for Standardization seek to align national specifications with international standards (Boudiaf, 2025, p. 188).

which provides a legal reference for the Algerian judge when ruling in greenwashing cases; if the environmental claim violates international standards, it is considered legal deception.

2- Independent environmental auditing: The resort of companies to neutral external bodies to certify their environmental claims constitutes the strongest guarantee for protecting the consumer from deception, as these bodies grant environmental certification to products that do not cause harm to the environment and comply with environmental standards for consumer products (Issa, 2021, p. 82).

### **Conclusion**

After analyzing the conceptual and legal framework of the phenomenon of greenwashing and examining the mechanisms of legal liability established in Algerian and comparative legislation, it is observed that combating greenwashing is not a legal luxury, but a fundamental guarantee for the success of Algeria in transitioning toward a genuine green economy that ensures the rights of present generations without compromising the rights of future generations.

From the above, a set of findings and recommendations regarding the protection of the consumer and sustainable investment from the risks of greenwashing can be drawn.

### **First – Findings:**

1- Despite the legislator's adoption of provisions protecting the consumer from misleading advertising in Law No. 04-02 and Law No. 09-03 relating to consumer protection and fraud suppression, it lacks an explicit provision defining “greenwashing” and establishing strict controls for environmental claims, which leaves loopholes for economic operators.

2- The study has shown that legal deterrence of greenwashing can only be achieved through the activation of dual liability, as civil compensation remedies consumer damage, while criminal deterrence protects economic and environmental public order.

3- It has been shown that traditional administrative oversight alone is no longer sufficient, and that countervailing power such as consumer protection associations and international standards related to environmental labels, advertising, and self-declared environmental claims has become a necessity to detect environmental deception.

## **Second – Recommendations:**

- 1- We propose the inclusion of an explicit provision in the law relating to consumer protection and fraud suppression that criminalizes greenwashing as an independent form of deceptive commercial practices, along with the establishment of a blacklist of unjustified environmental claims.
- 2- Urging the Algerian Accreditation Body to establish a national protocol for auditing environmental claims and granting an environmental conformity label to products that meet international standards.
- 3- Training judges on the technical aspects related to environmental claims to ensure proper legal qualification of these complex cases, and increasing the value of fines to correspond to the scale of profits achieved through deception.
- 4- Strengthening the role of civil society by facilitating the right of litigation for consumer protection associations and providing them with financial and technical support to enable them to conduct independent tests and comparisons.

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