

For Release

FTC Issues Revised "Green Guides"

Will Help Marketers Avoid Making Misleading Environmental Claims

October 1, 2012 **Y** in **Tags:** <u>Consumer Protection</u> <u>Bureau of Consumer Protection</u> <u>housing</u> <u>product quality</u> <u>retailing</u> <u>Manufacturing</u> <u>Consumer Goods (Non Food & Beverage)</u> <u>Construction</u> <u>Advertising and Marketing</u> <u>Environmental Marketing</u>

The Federal Trade Commission issued <u>revised "Green Guides"</u> that are designed to help marketers ensure that the claims they make about the environmental attributes of their products are truthful and non-deceptive.

The revisions to the FTC's Green Guides reflect a wide range of public input, including hundreds o consumer and industry comments on previously proposed revisions. They include updates to the existing Guides, as well as new sections on the use of carbon offsets, "green" certifications and se and renewable energy and renewable materials claims.

"The introduction of environmentally friendly products into the marketplace is a win for <u>consumers</u> <u>who want to purchase greener products</u> and producers who want to sell them," said FTC Chairman Jon Leibowitz. "But this win-win can only occur if marketers' claims are truthful and substantiated. The FTC's changes to the Green Guides will level the playing field for honest business people and it is one reason why we had such broad support."

In revising the Green Guides, the FTC <u>modified and clarified sections of the previous Guides and</u> <u>provided new guidance</u> on environmental claims that were not common when the Guides were last reviewed. *Revisions to Previous Guidance*. Among other modifications, the Guides caution marketers not to make broad, unqualified claims that a product is "environmentally friendly" or "eco-friendly" because the FTC's consumer perception study confirms that such claims are likely to suggest that the product has specific and far-reaching environmental benefits. Very few products, if any, have all the attributes consumers seem to perceive from such claims, making these claims nearly impossible to substantiate.

The Guides also:

- advise marketers not to make an unqualified degradable claim for a solid waste product unless they can prove that the entire product or package will completely break down and return to nature within one year after customary disposal;
- caution that items destined for landfills, incinerators, or recycling facilities will not degrade within a year, so marketers should not make unqualified degradable claims for these items; and
- clarify guidance on compostable, ozone, recyclable, recycled content, and source reduction claims.

New Sections. The Guides contain new sections on: 1) certifications and seals of approval; 2) carbon offsets, 3) free-of claims, 4) non-toxic claims, 5) made with renewable energy claims, and 6) made with renewable materials claims.

The new section on certifications and seals of approval, for example, emphasizes that certification and seals may be considered endorsements that are covered by the <u>FTC's Endorsement Guides</u>, a includes examples that illustrate how marketers could disclose a "material connection" that might affect the weight or credibility of an endorsement. In addition, the Guides caution marketers not to use environmental certifications or seals that don't clearly convey the basis for the certification, because such seals or certifications are likely to convey general environmental benefits.

Finally, either because the FTC lacks a sufficient basis to provide meaningful guidance or wants to avoid proposing guidance that duplicates or contradicts rules or guidance of other agencies, the Guides do not address use of the terms "sustainable," "natural," and "organic." Organic claims made for textiles and other products derived from agricultural products are covered by the U.S. Department of Agriculture's National Organic Program.

The FTC first issued its Green Guides in 1992 to help marketers avoid making misleading environmental claims. It revised the Guides in 1996 and 1998, and proposed further revisions in October 2010 to take into account recent changes in the marketplace. The guidance they provide includes:

- general principles that apply to all environmental marketing claims;
- how consumers are likely to interpret particular claims, and how marketers can substantiate these claims; and
- how marketers can qualify their claims to avoid deceiving consumers.

The Guides issued today take into account <u>nearly 340 unique comments</u> and more than 5,000 total comments received since the FTC released the proposed revised Guides in the fall of 2010. They also include information gathered from three public workshops and a study of how consumers perceive and understand environmental claims.

The Green Guides are not agency rules or regulations. Instead, they describe the types of environmental claims the FTC may or may not find deceptive under Section 5 of the FTC Act. Under Section 5, the agency can take enforcement action against deceptive claims, which ultimately can lead to Commission orders prohibiting deceptive advertising and marketing and fines if those ordere are later violated. The FTC has brought <u>several actions in recent years</u> related to deceptive recyclability, biodegrada

The FTC has brought <u>several actions in recent years</u> related to deceptive recyclability, biodegrada bamboo, and environmental certification claims as part of its overall effort to ensure that environmental marketing is truthful and substantiated.

Consumer and Business Education. The FTC today also released several business and consumer education resources designed to help users understand the Guides. These include: 1) <u>"Environmental Claims – Summary of Green Guides,"</u> a four-page summary of the changes in the Guides; 2) <u>"The Green Guides," a video explaining highlights of the changes</u>; 3) a new <u>page on the FTC Business</u> <u>Center, with links to legal documents</u>, the Guides and other "green" content; 4) a <u>Business Center</u> <u>blog post</u>; and 5) <u>related consumer information</u>.

The Commission vote approving the Guides was 5-0. They will be published in the Federal Register notice shortly and are not subject to public comment.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online <u>Complaint Assistant</u> or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides <u>free information on a variety of consumer topics</u>. Like the FTC on <u>Facebook</u>, follow us on <u>Twitter</u>, and <u>subscribe to press releases</u> for the latest FTC news and resources.

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