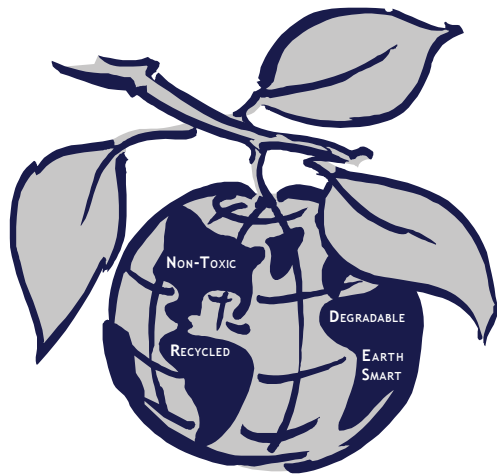


Facts for Business

Environmental Marketing Claims



Federal Trade Commission
Bureau of Consumer Protection
Office of Consumer & Business Education
1-877-FTC-HELP www.ftc.gov

October 1999

Green claims can be found in many advertisements and labels today. They're the marketing response to consumers' increasing interest in protecting the environment.

Institutional consumers also care about buying "green." Indeed, the President of the United States recently issued Executive Orders encouraging federal procurement officers to purchase recycled and environmentally preferable products.



But what do green claims really mean? And when are they considered misleading?

National guidelines issued by the Federal Trade Commission (FTC), with the cooperation of the U.S. Environmental Protection Agency (EPA), are available to help companies make sure their green claims don't run afoul of the law. The FTC Act prohibits deceptive acts or practices, including deceptive representations in advertising, labeling, product inserts, catalogs, and sales presentations.



What are the FTC Guides?

The FTC's Guides for the Use of Environmental Marketing Claims explain how the FTC Act is enforced when it comes to environmental claims. The Guides provide a framework

for the use of environmental advertising and labeling claims in the marketplace: they reduce consumer confusion, help establish a level playing field for competition, and reduce the legal risk for marketers. That's important because increasingly, local and state jurisdictions are relying on the Guides for direction on enforcement.

The Guides recommend that marketers qualify environmental claims that are broad or vague—or avoid them altogether. For example, broad claims like "environmentally safe" or "environmentally friendly" should be qualified—or avoided—because they can convey a wide range of meanings to consumers that may be difficult to substantiate.

An example of a substantiated claim from the Guides

A paperboard package with 20% recycled fiber by weight is labeled as containing "20% recycled fiber." Some of the recycled content was composed of material collected from consumers after use of the original product. The rest was composed of overrun newspaper stock never sold to customers.

The claim is not deceptive.

An example of a deceptive claim from the Guides

A lawn care product is advertised as "essentially non-toxic" and "practically non-toxic." Consumers would likely interpret these claims in the context of such a product as applying not only to human health effects but also to the product's environmental effects. Since the claims would likely convey to consumers that the product does not pose any risk to humans or the environment, if the pesticide in fact poses a significant risk to humans or environment, **the claims would be deceptive.**

Similarly, the claim "environmentally preferable" should be carefully qualified (to indicate the ways in which the product is environmentally preferable), or avoided, because it is likely to broadly convey to consumers that a product is environmentally superior to other products in all respects.

According to the Guides, marketers must be able to substantiate the reasonable interpretations that consumers draw from a claim. Specific claims that are substantiated can help consumers make informed environmental decisions when they make purchases.

The Guides give examples of how consumers may interpret various claims, and identify the kinds of claims that should be explained or qualified to avoid deception. They provide specific guidance regarding certain claims (recyclable, degradable, compostable, recycled content, source reduction, refillable, ozone friendly, non-toxic, and chlorine-free), but they do not scientifically define environmental terms or establish product performance standards.



Excerpt from the Guides on use of terms "degradable," "biodegradable" and "photodegradable"

It is deceptive to misrepresent, directly or by implication, that a product or package is degradable, biodegradable or photodegradable. An unqualified claim that a product or package is degradable, biodegradable or photodegradable should be substantiated by competent and reliable scientific evidence that the entire product or package will completely break down and return to nature, that is, decompose into elements found in nature within a reasonable short period of time after customary disposal.

Claims of degradability, biodegradability or photodegradability should be qualified to the extent necessary to avoid consumer deception about: (a) the product or package's ability to degrade in the environment where it is customarily disposed; and (b) the rate and extent of degradation.

Environmentally Preferable Purchasing

Environmentally Preferable Purchasing (EPP) promotes federal government use of products and services that have reduced impacts on human health and the environment. Such purchases are required by Executive Order 12873, Federal Acquisition, Recycling, and Waste Prevention. The Executive Order also directed the EPA to develop guidance to help federal agencies incorporate environmental preferability into their purchasing procedures.

"Environmentally preferable products are products and services [that] have a lesser or reduced effect on human health and the environment when compared to other products and services that serve the same purpose."

Executive Order 12873, Federal Acquisition, Recycling, and Waste Prevention, October 20, 1993.

How do I find out more?

For copies of the Guides, contact the Consumer Response Center by phone: toll-free at 1-877-FTC-HELP (382-4357); TDD: 202-326-2502; by mail: Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580. The Guides also are available on the World Wide Web at **www.ftc.gov** under the heading "Consumer Protection" and the subheading "Environment."