

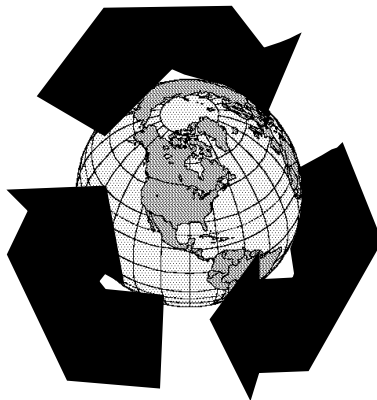


Green Advertising: The FTC's Guides

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In both the American and foreign marketplaces, environmentalism has become a rapidly growing trend. As an increasing number of consumers attempt to shift their purchasing decisions toward environmentally sound products, they find themselves overwhelmed and confused by the various environmental claims on the products and packages. Claiming that a product or package is environmentally sound is often referred to as “green advertising” or “eco-labeling.” (For a description of green advertising claims, see fact sheet C-13).

Because many environmental claims can be interpreted differently depending on the consumer, these types of claims can often be vague, misleading, or meaningless. This miscommunication affects not only consumers, but also the willingness of many companies to produce and market environmentally sound products. According to the Environmental Protection Agency, the “failure to speak a common language in environmental marketing is creating problems both for manufacturers who are producing and attempting to market environmentally oriented products, and consumers who are seeking to purchase them.”



all other forms of marketing. These claims can be either directly stated by a company or implied through the use of certain words, symbols, emblems, logos, depictions, or brand names.

The main goal of the guidelines is to protect consumers and to increase their confidence in environmental claims. By identifying types of claims that should be explained or supported by quantitative evidence, the guidelines inform the companies about how they can avoid deceiving the consumers while also preventing FTC law-enforcement actions.

The guidelines themselves do not rigidly define environmental terms, are not legally enforceable, and do not preside over state or local laws that regulate environmental marketing. However, the guidelines do provide guidance to marketers on how to conform to legal requirements found in Section 5 of the FTC Act, which prohibits “unfair or deceptive acts or practices in or affecting commerce.” A violation of the guidelines may very likely lead to investigation by the FTC and might result in corrective action.

General Concerns

The FTC has four concerns that apply to all types of environmental claims. The following information is a general description of each concern. For a more complete description of these concerns, contact the Federal Trade Commission at (202) 326-3753.

Qualifications and Disclosures

All claims and their limitations should be made clear to the consumer to prevent deception.

Federal Trade Commission's Response

On July 28, 1992, the Federal Trade Commission (FTC) issued environmental marketing guidelines to provide federal guidance on the use of environmental claims. These guidelines apply to environmental claims that are included in labeling, advertising, and

□ *Distinction Between Benefits of Product and Package*

The company should make it evident whether the claim pertains to the product, package, or both.

□ *Overstatement of Environmental Attribute*

The claim should not overstate the product's environmental benefits. For example, a claim should not imply that the environmental attribute is significant when it is minor or non-existent.

□ *Comparative Claims*

A claim that compares the environmental attributes of one product with another should make the basis of comparison clear and have substantial evidence to support the claim.

The Guidelines

**Important Note:* The following information is a brief and general summary of the guidelines and should not be used as a sole reference. The FTC suggests reading a copy of the actual guidelines for a complete understanding of the FTC's position. For a copy of the "Guides for the Use of Environmental Marketing Claims," contact the FTC at (202) 326-3753.

General Environmental Benefit Claims

Because of difficulty interpreting claims that have a wide range of meanings, claims about an environmental benefit of a product should be specific and supported by reliable evidence. If the claim can't be supported, then marketers should avoid making the claim.

A product is labeled as "Eco-Safe." If this claim is unsupported and leads the consumer to believe the product contains environmental benefits that it doesn't, then this claim would be deceptive. But, if the claim is followed by text which limits the environmental benefit to a particular attribute, then the claim would not be deceptive.

Degradable, Biodegradable, and Photodegradable

Claims of unlimited degradability should be supported by evidence that the product will completely break down and return to its basic elements within a reasonably short period of time after the product has been disposed of in the usual manner. Marketers should try to avoid deceiving the consumer about the ability of the product to degrade in a landfill and about the amount of degradability.

An agricultural mulch film is marketed as "Photodegradable" and states that the product will break down into small pieces if left uncovered in the sunlight. The company has reliable evidence that the product will actually break down within a reasonably short period of time after being exposed to sunlight. This type of claim is not deceptive. But if the claim did not mention that the product does not completely break down into its natural elements, then the claim would be deceptive.

Compostable

A claim that a product can be composted should be supported by evidence that the product, within a reasonable period of time, can safely become part of usable compost, a humus-like material that enriches the soil and returns nutrients to the earth. Consumers should not be deceived about the availability of a nearby compost facility that will accept the product, the ability to become compost in a landfill, and the safety of composting the product in a home composting pile.

A coffee filter is marketed as "Compostable." This claim is not deceptive if the company provides evidence that the product can safely be turned into usable compost within a short period of time at a facility or in a home composting pile. But if the filter releases unsafe, toxic chemicals when composted, then the claim would be deceptive.

Recyclable

A product should not be marketed as "recyclable" if it can't be collected, separated, or recovered from the waste stream. Companies may make general claims about a product's recyclability when the entire product usually can be recycled. If the product has both recyclable and non-recyclable parts, then these limitations should be stated. For example, if minor parts of the product significantly limit the amount of recyclability, then a claim that does not state these limitations would be deceptive to the consumer. Also, marketers may need to state the limited recyclability of products that are not usually accepted at recycling facilities.

A nationally marketed bottle claims to be “recyclable.” Although there are facilities to accept the material, these facilities are not available to most consumers. This claim is deceptive because most consumers would assume that the product is accepted by recycling programs in their area. To avoid deception, the product should include a statement such as “Check to see if recycling facilities exist in your area.” If the product does not claim to be “recyclable” but does contain the Society of the Plastics Industry (SPI) recycling code, the product would not be considered misleading or deceptive. (The SPI code is used as an identification symbol for recyclers and is not considered a marketing claim.)

Recycled Content

Generally, there are two types of recycled content materials: pre-consumer and post-consumer. Pre-consumer scrap comes from the manufacturing process, such as industrial trimmings and other materials used to make the product. Post-consumer scrap comes from consumers, such as newspaper, glass, and aluminum cans. Marketers should make the distinction between pre-consumer and post-consumer scrap. Also, marketers should be able to prove that the pre-consumer content would have otherwise been part of the waste stream. If the entire product comes from recycled material, then marketers may make an unlimited claim. But if the product is only partially made of recycled materials, the claim should include the amount of recycled materials in terms of weight. There are no minimum standards for the amount of recycled content that a product must contain before it can be labeled as “recycled.”

A greeting card’s weight is composed of 30 percent scrap collected after the consumer’s use and 20 percent scrap generated from manufacturing the card. The marketer may claim that the product contains “50 percent recycled content” if they can prove that the manufacturing scrap would not have normally been re-used as feedstock and would have been part of the waste stream.

Source Reduction

Source reduction claims can refer to a reduction in the weight, volume, or toxicity of the product or package. These types of claims should be clarified to prevent deceiving the consumer about the amount of reduction or basis for comparing the amount.

A product’s label claims that the package generates “10 percent less waste.” This claim is deceptive because it is unclear whether the claim refers to a previously used package or to a competitor’s package. The claim can be clarified, for example, by stating, “Package produces 10 percent less waste than the previously used package.”

Refillable

Claims that a package is “refillable” should not be made unless there is either a system to collect and return the package for refilling, or a method to refill the package by purchasing the product in another package. It should not be up to the consumer to find a means to refill the package.

A container is labeled as “Refillable five times.” The company provides support that the product can withstand being refilled at least five times. However, this claim would be deceptive if the company did not provide a system to collect the container for refilling.

Ozone Safe or Ozone Friendly

If the product contains *any* ozone depleting substances that are listed in the Clean Air Act, then the product should not be labeled as “ozone safe” or “ozone friendly” or “containing no CFCs”. In addition, these types of claims should only be made if they can be supported.

A product is labeled as “Containing no CFCs,” but the product does contain hydrochlorofluorocarbons (HCFC), a less damaging ozone depleting substance. Because most consumers would interpret the claim to mean that the product causes no damage to the ozone layer, this claim would be deceptive. A less deceptive claim would read “Product causes 95 percent less damage to the ozone layer than previously marketed product.”

Consumer Questions or Concerns

Local solid waste authorities, county recycling coordinators, and consumer protection groups can help to reduce uncertainty about environmental claims. Waste authorities and recycling coordinators can tell consumers what types of materials and products are being accepted and what waste management method the community is using. Questions or concerns about environmental advertising claims can also be addressed by contacting:

Correspondence Branch
Federal Trade Commission
Washington, DC 20580
(202) 326-3753



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