



Green-Wise, not Green-Washed

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Walk into any grocery store, hardware or even department store these days and you will be presented with a wide variety of “green” products — products that are “eco-labeled” as being friendly to the environment. Some products sporting these labels are authentically good and safe for people and the environment. However, as understanding has deepened of the environmental impact of consumers’ purchasing and consumption decisions and they strive to make more conscientious choices, unscrupulous marketers are taking advantage of this desire to do the right thing by promoting product as green when in reality it is not.

This article is intended to help consumers ferret through the environmental hype, referred to as green washing, and learn what it really means to be green. For the purposes of this

article, an eco-label is defined as any mark, seal or label that gives the consumers the impression the product may be better or safer for them and the environment than a product that does not have such a label. Eco-friendly is defined differently by just about every person so in this article, eco-friendly means products or services that have limited or no negative impact on people or the environment during their manufacturing, installation, operation or consumption.

What is green washing?

Green washing is the marketing practice of making false, misleading, overstated, vague, improbable or exaggerated claims, with words, images or product brand names, relative to the eco-friendly attributes or benefits of a product or service. For example, an appliance manufacturer claims its

product is eco-friendly because it “does not contain ozone depleting CFCs” (chlorofluorocarbon, historically used in refrigerants). CFCs were largely banned in the United States in 1987, thus this claim has no merit.

Additionally, making statements that deliberately leave out or mask environmental shortcomings of a product or service is a form of green washing. For example, an automobile manufacturer promotes a hybrid vehicle that gets 20 miles to the gallon as “fuel efficient.” Given that there are numerous vehicles on the market today that achieve 30-60 miles per gallon, the vehicle manufacturer’s claim of fuel efficiency is overtly obscuring its product’s shortcomings.

What is being done to protect you?

Historically, there has been more to gain (financially and otherwise) than there has

been to lose from green washing, which encouraged many companies to use such claims as a strategic competitive advantage over their rivals. However, these opportunities are slowly coming to an end.

In 1992 the Federal Trade Commission issued the Guides for the Use of Environmental Marketing Claims, or "Green Guides," under Section 5 of the FTC Act, which prohibits unfair and deceptive marketing practices. The guides outline general principles that

apply to all environmental marketing claims and provide guidance on specific green claims, such as what can be labeled biodegradable, compostable, recyclable, recycled content and ozone safe. These guides were subsequently updated in 1996 and again in 1998.

Enforcing these guides has been hampered by two issues. One, the Green Guides are only administrative interpretations of the law; they do not have the force and effect of law.

However, technically if a company makes claims about the attributes or benefits of their products that are inconsistent with the guides, the FTC can take action under Section 5 of the FTC Act.

Second issue is that consumer protection has not been a top priority of the U.S. Administration. Despite numerous marketing violations, not one company was prosecuted for a violation between 2000 and 2008. Fortunately there has been a marked change in

policy, with seven companies prosecuted during 2009 and 2010.

What lays in the future?

In January 2008 the FTC started soliciting input, through a variety of workshops and public comment on revisions to the 1998 edition of the Green Guides. The comment period closed on Dec. 10, 2010 and a revised set is expected to be issued this spring. The proposed revised Green Guides can be found at www.ftc.gov/os/fedreg/2010/101006greenguidesfrn.pdf.

Of the proposed changes, the publications will directly address the basis of manufacturers' and marketers' claims relative to the content or performance of products as well as the legitimacy of "eco-labeling" to ensure the labels accurately describe the environmental benefits or attributes of the product, such as "made with renewable materials," "renewable energy" or "renders carbon-offsets." Environmental claims relative about packaging, such as "recyclable" or



"biodegradable," will also be tightened. As a result, a package such as a No. 6 plastic, may only be labeled recyclable if the majority of municipalities actually have recycling for the material (many municipalities only recycle Nos. 1- 5 plastics).

Under the revisions, companies whose claims or labels do not comply with the FTC Guides can be forced to do one or more of the following: refund a consumer

for purchased products that have been found to have false or misleading claims, suspend advertising campaigns that contain false claims, issue corrective advertisements and submit written reports to the FTC illustrating revised and compliant advertising claims.

Lastly, the revised guides address the legitimacy of environmental certifications and seals of approval and warn marketers not to use unqualified certifications/seals that do not specify the basis for the certification. Currently, there are as many as 350 separate labels in use. According to Kevin Tuerff, co-founder of EnviroMedia, "Having one comprehensive national seal to identify green products would limit consumer confusion and also hold advertisers accountable to one set of standards."

Based on a 2010 survey conducted by EnviroMedia/Opinion Research Corp., 65 percent of Americans say having one seal for all green products would give them more confidence they are buying green. Only 26 percent said it would not. Additionally, 41 percent of respondents think the primary enforcer of green product claims should be a third-party certification system, versus 26 percent who think it should be the government (FTC).

Progress is being made in clarifying, both for consumers and marketers, what it means to be green.

The second installment of this article will look at how to avoid green washing by understanding green certifications and seals as well as include resources for researching products based on their authentic green attributes.