



## “This Post is Eco-Friendly”



“Our consultancy is committed to carbon neutrality.” Meaningful, harmless, or noise? Legal or illegal? The Federal Trade Commission is seeking comments on Green Guides, last published in October 2012. DHC suggests the Green Guides are woefully inadequate for today’s marketplace. As “guides”, the FTC has limited clout to stem the torrent of eco-babble competing for sales to a well-intentioned consumer.

FTC’s proposal includes 19 specific questions, including those below.

- What impact have the Guides had on the flow of truthful and deceptive information?
- Is there evidence of consumer interest in particular environmental issues?
- What evidence is available concerning the degree of industry compliance with the Guides?
- Are the Guides still needed?
- Should the commission consider rulemaking related to deceptive or unfair environmental claims?

DHC suggests it’s a stretch for the general public to provide data and evidence to support comments. There must be interest in environmental claims. Otherwise, why would there be so many? If guard rails were unnecessary – then “greenwash” would not be in today’s lexicon.

Financial risk from enforcement is negligible. FTC settlements have totaled less than \$30 million in the last five years. Two-thirds of that amount was for one case, involving LED bulbs claiming to be brighter than they were. Other settlements that included payment involved a “certified organic” claim for bath products, whether a bamboo product was “ecofriendly”. These are not the claims that capture consumer attention today. With negligible risk, there is little reason to monitor, audit – or even comply.

Companies strive to maximize intangible value, the majority of market cap in many cases. Green claims can enhance product desirability and value, capturing consumer dollars. But if “produced at a zero-waste, water-neutral facility” conveys the same value to consumers as “tastes great, less filling” – then why bother doing the heavy work to make such a statement? Without safeguards, the erosion of trust hurts the very companies that consumers are trying to reward.

The Green Guides are principles based, providing flexibility for interpretation or abuse. Categories are provided: general benefit; degradable/ biodegradable; compostable; recyclable; recycled content; source reduction; refillable; and ozone-friendly. The categories do not include issues meaningful to today’s more sophisticated consumers: carbon emissions; climate neutrality; and ecosystems and natural capital. The “S” in ESG has become more prominent, notably human rights – including the supply chain. Environmental justice straddles the “E” and the “G”. Must “green” be limited to an early concept of “environmental”?

**By the way, this post is recyclable.** Repost, share, forward, quote it. Incorporate perspectives into your own comments to the FTC. They’re due February 23, 2023. See <http://bit.ly/3WMbBmF>.