



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Chair

**Statement of Chair Lina M. Khan
Regarding the Regulatory Review of the Guides
For the Use of Environmental Marketing Claims
Commission File No. P954501**

December 14, 2022

People decide what to buy, or not to buy, for all kinds of reasons. One of those reasons increasingly seems to be environmental impact. Before making a purchase, many American consumers want to know how a product contributes to climate change, or pollution, or the spread of microplastics. Businesses have noticed. Walk down the aisle at any major store—you’re likely to see packages trumpeting their low carbon footprint, their energy efficiency, or their quote-unquote “sustainability.”

For the average consumer, it’s impossible to verify these claims. People who want to buy green products generally have to trust what it says on the box.

That’s why it’s so important for companies making these claims to tell the truth. If they don’t, it distorts the market for environmentally friendly products. It puts honest companies, who bear the costs of green business practices, at a competitive disadvantage. And it harms consumers who want to make conscientious decisions about what products to buy and what businesses to support.

The Commission has a strong track record of suing companies for deceptive environmental claims. It has reached several multi-million-dollar settlements just in the past few years.¹ And, since 1992, the FTC has published the Guides for the Use of Environmental Marketing Claims.² The “Green Guides,” as we call them, are administrative interpretations of the FTC Act as applied to environmental claims. They help companies avoid running afoul of the law’s ban on deceptive advertising. And they clarify the boundaries for fair, legal competition.

To be effective, the Green Guides have to keep up with developments in both science and consumer perception. That’s why the Commission is commencing a regulatory review of the guides.

¹ *United States v. Walmart Inc.*, Case No. 1:22-cv-00965 (D.D.C. Apr. 8, 2022), https://www.ftc.gov/system/files/ftc_gov/pdf/2023173WalmartComplaint.pdf; *United States v. Kohl’s Inc.*, Case No. 1:22-cv-00964 (D.D.C. Apr. 8, 2022), https://www.ftc.gov/system/files/ftc_gov/pdf/2023171KohlsOrder.pdf; *FTC v. Truly Organic Inc.*, Case No. 1:19-cv-23832 (S.D. Fla. Sept. 18, 2019), https://www.ftc.gov/system/files?file=documents/cases/truly_organic_stipulated_final_order_0.pdf.

² The most recent revisions to the Guides occurred in 2012. *See* Guides for the Use of Environmental Marketing Claims, 77 Fed. Reg. 62122 (Oct. 11, 2012).

At a broad level, the questions focus on whether any aspects are outdated and in need of revision. For example, recent reports suggest that many plastics that consumers believe they're recycling actually end up in landfills. One question, then, is whether claims that a product is recyclable should reflect where a product ultimately ends up, not just whether it gets picked up from the curb. I'm particularly interested in receiving comments, including consumer perception research, on relatively emerging environmental topics.

I'd like to thank staff for their hard work on this matter, and I encourage members of the public to submit comments to make sure their voice is heard.
