

Allbirds Faces Lawsuit Over Green Claims

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This summer, a plaintiff filed a class action lawsuit against Allbirds, alleging (among other things) that the company’s environmental claims – including claims about its “sustainable” practices, the “low carbon footprint” of its shoes, and its other “environmentally friendly” initiatives – are false and misleading.

The complaint – which is based largely on a PETA article – alleges that the life cycle assessment tool Allbirds uses to identify the carbon footprint of its products does not assess the environmental impact beyond the manufacturing of the shoes. Because it excludes things like the impact of wool production on the environment, it understates the environmental impact. Moreover, the complaint alleges Allbirds bases its carbon footprint figures on “the most conservative assumption for each calculation,” so that it can make more aggressive claims.



The plaintiff also argues that Allbirds makes “misleading animal welfare claims,” including by advertising “happy sheep” that live the “good life.” Based on the PETA article, the plaintiff alleges that the sheep may not be quite so content.

Although the FTC’s Green Guides provide guidance on various types of environmental claims, there isn’t a lot of clarity on the types of claims mentioned in this complaint. It’s too early to predict how this case will turn out, but this case and others like it – such as the lawsuit against Coca-Cola [we wrote about](#) this summer – suggest that plaintiffs will take advantage of that lack of clarity and continue to challenge ESG initiatives.