

NAD Provides Guidance on “Sustainable” Claims

Gonzalo E. Mon

March 15, 2024

Yesterday, we looked at an [NAD case](#) involving claims by Amyris Clean Beauty that it used “clean ingredients and clean formulas” and considered what lessons other advertisers who want to make “clean” claims should take away from the decision. As part of that same case, NAD also looked at various “sustainable” claims made by the advertiser. Today, we’ll consider what lessons advertisers should take away from that part of the decision.

Amyris made the following claim: “Our 100% sugarcane derived squalane is ethically and sustainably sourced.” To support the claim, the company relied on a certification from Bonscuro, a leading global sustainability platform that sets standards for sugarcane. The certification is based on an assessment of each step in the sugarcane’s chain of custody in the production process. Based on that certification, NAD determined that the claim was substantiated.

Next, NAD examined the support for the advertiser’s claim that “all of our ingredients are also ethically and sustainably sourced.” To support this claim, Amyris relied on its Supplier Code of Conduct which requires all of its suppliers to assure that, among other things, they engage in ethical practices (including labor practices) and that they source their ingredients in a way that minimizes deleterious impacts to the environment.

NAD noted that it has previously found that supplier codes of conduct can support aspirational claims related to sustainability efforts. For example, in [this case](#), the advertiser referred to its Supplier Code of Conduct as evidence that reducing its carbon emissions is a focus of its sustainability efforts and that those efforts are growing and evolving, an aspirational claim. NAD thought the evidence was enough to support the advertiser’s claims.

In this case, though, NAD questioned whether the Supplier Code of Conduct could support “a broad, unqualified claim that all of the ingredients in the product *are* ethically and sustainably sourced.” It determined that while the Code might demonstrate a “commitment to ensuring that ingredients are ethically and sustainably sourced, it does not, standing alone, demonstrate that all ingredients are, in fact, ethically and sustainable sourced.” Therefore, NAD recommended that the company either stop or modify the claim “to better fit the evidence in the record.”

This case suggests that certifications from reputable organizations that engage in thorough assessments can be helpful in substantiating sustainability claims. Although supplier codes of conduct can also be helpful to substantiating certain sustainability claims, those claims will need to be worded carefully to avoid conveying a broader claim than the advertiser can reasonably support.