

Enhancement Consumer Protection by Displaying Environment-Friendly Reasons and Contents of Natural Ingredients on Product Advertisement

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1. Overview

- The Corruption Fighting Group of Office for Government Policy Coordination has disclosed total 166 cases* upon conducting the joint inspection on 'Environment friendly & natural' message exaggerated advertisements with other concerned government departments from September 2016 to January 2017.
 - * 103 falsified or exaggerated 'environment friendly &/or natural' message advertisements, 27 illegal uses and 36 certification criteria deficiencies.
 - Out of entire disclosures, total 121 cases of requests for investigation (10 cases), cancellations of certification (27 cases) and correction orders (84 cases) were completed of necessary actions with balance 45 cases of ongoing Administrative Measures processes.
- The criteria as to whether those 'environment friendly' product advertisements are 'advantageous to environment, and/or healthy & safe', and what contents of 'natural' product ingredients are indicated in the advertisements are not clear.
 - Regulation and criteria of use for terminologies of 'Environment friendly', 'Natural' is newly established reinforcing the protection for consumers.
- The requisites for 'health and safety' are reinforced by either prohibiting or minimizing the use of harmful materials when certifying the Environment Mark for those living commodities of people such as articles for children.
 - Those civilian certifications of Environment Marks are to be distinguished from the public certification by clearly indicating the certifying institutions.
 - Protection of consumers reinforced with the programs such as enhancing the transparency by open selection of consignment institution for official GR certification & etc.

2. Background

- The market size of products indicating the 'environment friendly' & other messages is rapidly expanding in line with the consumers' increasing concern over health & environment and the growth of environment industry.
 - As the 'environment friendly' marketing activities of enterprises increase, the falsified &/or exaggerated advertisements are flooded as incurring the increased damages of mislead consumers.
- Meantime, the government has been operating the public environment friendly certification system (Environment Mark, ER Mark)* since 2005 to secure the reliability of consumer on 'environment friendly' indicated products.
 - * Environment Mark : 17,148 products of 162 sorts improved of their environment friendliness in comparison to kinds of other products. (Ministry of Environment)
 - * Good Recycled Certification : 236 recycled products of excellent performance developed in Korea (Korean Agency for Technology and Standards)
 - Damage of consumer is concerned in case of distributing the products illegally using official certifications and the products with certification criteria deficiency.
- The Joint Corruption Fighting Group of Government takes the opportunity of introducing (Enforced on July 20th, 2016) the regulation in full scale inflicting punishment against the falsified and/or exaggerated 'environment friendly' advertisements to the 「Environment Technology and Environment Industry Support Act」 as a momentum for its operation.

3. Major Aspects

- Result of Inspection
 - 1) Disclosure of falsified &.or exaggerated 'environment friendly', 'natural' indicating advertisements
 - (1) Living Commodities (Environment Technology Industry Act applied.)
 - Total 63 cases disclosed for those falsified &/or exaggerated advertisements with messages indicating 'environment friendly', 'natural' & 'non-toxic' by inspecting the living commodities of furnitures, stationeries & etc.
 - (2) Hazard Concerned Product (Environment Technology Industry Act applied.)
 - Total 25 cases disclosed for those falsified &/or exaggerated advertisements with messages indicating 'environment friendly' & etc. by inspecting the hazard concerned products containing harmful substances.

(3) Cosmetic Products (Cosmetic Act applied.)

- Total 15 cases disclosed for those falsified &/or exaggerated advertisements with messages indicating '100%', 'natural' & etc. in spite of containing compounded raw materials with ongoing process of administrative measures.

2) Illegal Use of Environment Mark and Inspection on Quality of Certified Products

(1) Illegal Use of Environment Mark

- Total 27 cases disclosed for those enterprises illegally used the environment certification marks in spite of no official certifications in hand.

(2) Inspection of Environment Mark Certified Product Quality

- Total 33 cases disclosed for those products unsuitably manufactured not in compliance with the certification criteria as the result of inspection conducted on the products attaching environment marks.

(3) Inspection of GR Mark Certified Product Quality

- Total 3 cases disclosed and completed the cancellation of their certifications for those products not fulfilling the certification criteria requirements as the result of inspection conducted on the products attaching GR Marks.

● Problems and Improvement Plan

1) Improvement of 'environment friendly' & other message indicating advertisement system

Item	Current	Improvement
Definition of 'environment friendly'	<ul style="list-style-type: none"> ▪ Difficulty of enforcing punishment with no regulation on definition. 	<ul style="list-style-type: none"> ▪ Terminologies w/'environment friendly product' defined & 7 scopes of criteria environment improvement regulated. ▪ To indicate 7 scopes of criteria for 'environment friendly' message indicating advertisements.
Criteria on using absolute expressions like 'non-toxic' & etc.	<ul style="list-style-type: none"> ▪ No criteria of use available. 	<ul style="list-style-type: none"> ▪ Regulated to indicate the chemical ingredients not contained.
Effect Anticipated	<ul style="list-style-type: none"> - Misleading of consumer & confusion in market order. - Increase of disguised environment friendly products 	<ul style="list-style-type: none"> - Consumer's right to know and option assured. - Protect model environment friendly enterprises.

2) Improvement of 'natural & native' message indications & advertisement system

Item	Current	Improvement
Living Commodities & etc.	<ul style="list-style-type: none"> No criteria of use for 'natural & native' indications & advertisements. 	<ul style="list-style-type: none"> To indicate the name of ingredients, contents & etc. for 'natural & native' message indications & advertisements.
Cosmetic Products	<ul style="list-style-type: none"> No regulation defining 'natural cosmetic products' available. No official certification system existing. 	<ul style="list-style-type: none"> Regulation defining 'Natural cosmetic products' newly established. Official certification system introduced.
Effect Anticipated	<ul style="list-style-type: none"> Misleading of consumer & confusion in market order. Increase of environment friendly disguised products. 	<ul style="list-style-type: none"> Consumer's right to know and option assured. Protect natural product manufacturing enterprises.

3) Improvement of environment friendly mark certification systems (Environment Mark & GR Mark)

Item	Current	Improvement
Environment Mark Certification Criteria & etc.	<ul style="list-style-type: none"> Focused only on 'environment improvement' when certifying the Environment Mark. Difficulty distinguishing w/public certification in case of civilian certifications. 	<ul style="list-style-type: none"> Requisites for 'health & safety' of consumer reinforced for public certifications. To indicate the certifying institution for civilian certifications.
Official GR Mark Certification	<ul style="list-style-type: none"> Public GR Mark certification system operated per the Notice of Ministry of Industry. Resources Circulation Industry Certification Institute was assigned of certification work. 	<ul style="list-style-type: none"> Legal ground for GR Mark certification prepared. Open competition promoted in selecting the certification work assigning institution.
Effect Anticipated	<ul style="list-style-type: none"> Consumer reliability on certified product insufficient. Misleading consumer on civilian certifications. 	<ul style="list-style-type: none"> Activation of public certifications enhancing the reliability. Consumer protection reinforced.

- Future Plan
 - The investigation on actual situation of environment friendly disguised products is ongoing as assigned to the Korea Environment Industry & Technology Institute, a subordinate public institution attached to the Ministry of Environment.
 - In the future to reinforce the control operation utilizing the special law enforcement officers of each department, and strengthen the system level of punishment including the increase of formal criminal complaint filings and imposing fines in addition to the correction order upon disclosures of illegal activities.
 - As well, to promote preventing the damages of enterprises in good faith by activating the Preliminary Review System allowing the enterprises request to the Korea Environment Industry & Technology Institute for review prior to the execution of 'environment friendly' message indicating advertisements.

4. Source

- Ministry of Environment (www.me.go.kr)