

For Immediate Release

NAD EXAMINES ADVERTISING FOR GP PLASTICS CORP. 'POLYGREEN' PLASTIC BAGS

NAD Recommends Marketer Modify, Discontinue Certain 'Green' Marketing Claims

New York, NY – Dec. 8, 2008 – The National Advertising Division of the Council of Better Business Bureaus has recommended that GP Plastics Corp., the maker of PolyGreen plastic bags for the newspaper industry, modify or discontinue certain advertising claims for its PolyGreen plastic bags. The company has said it will appeal NAD's findings to the National Advertising Review Board.

The claims at issue were challenged before NAD, the advertising industry's self-regulatory forum, by Mexico Plastic Company, doing business as Continental Products, a competing provider of plastic bags for the delivery of newspapers.

Claims at issue included:

- *PolyGreen plastic bags are "100% oxo-biodegradable"*
- *PolyGreen plastic bags are "disposable through ordinary channels" and go "[f]rom front lawn, to waste bins to the landfill"*
- *"A greener tomorrow is in the bag."*
- *"The result is obvious – bag it with PolyGreen and increase your margins while saving the planet."*
- *"So why not deliver on what your customers and state and local governments are or will be demanding."*
- *"You won't notice any difference but the environment will."*
- *"The greatest thing to ever hit the earth."*
- *"Eco-Friendly Plastic Newspaper Bags"*
- *PolyGreen plastic bags are "environmentally friendly."*
- *"We are very excited about the prospect of eliminating anything relative to our newspaper that could have a negative affect on our environment."*
- *"Our bags are completely recyclable"*

GP Plastics represented that its plastic bags are manufactured using "oxo-biodegradable" technology. Oxo-biodegradation refers to a two-step process. The first is oxidation, by which the plastic material's polymers first start to break down into smaller molecular units under exposure to oxygen and heat. The second step involves the further breaking down of the molecular units into carbon dioxide, water and biomass through reaction with naturally occurring microorganisms.

NAD noted that the proprietary additive and technology utilized by GP Plastics is designed to accelerate degradation of its plastic bag, thereby providing a plastic product that potentially offers a legitimate environmental benefit as compared to conventional polyethylene plastic bags. However, NAD observed that there was no evidence in the record that consumers understood "oxo-biodegradable" to have a different meaning, or a different impact on the environment, than products that are "biodegradable."

NAD noted that the advertiser's claim that PolyGreen bags "are disposable through ordinary channels" should similarly be supported by competent and reliable scientific evidence that the entire plastic bag "will completely break down and return to nature ... within a reasonably short period of time after customary disposal." However, NAD determined that the evidence in the record did not support that claim.

NAD recommended that the advertiser discontinue the claim that PolyGreen bags are “100% oxo-biodegradable” and otherwise modify its advertising to avoid conveying the message that PolyGreen bags will quickly or completely biodegrade when disposed of through “ordinary channels,” e.g., when placed in a landfill.

NAD further recommended that the advertiser discontinue claims such as “eco-friendly” and “environmentally friendly” as well as the promise of a “green tomorrow” and “saving the planet” because the claims overstate the evidence with respect to the degradation of the plastic bags. Finally because there was no testing of the PolyGreen plastic bags or evidence demonstrating that product is compatible with the traditional plastic bag recycling stream, NAD recommended that the advertiser discontinue its recyclable claims.

The company, in its advertiser’s statement, said it is a strong supporter of truthful advertising and appreciated the opportunity to participate in the NAD’s self-regulatory process.

However, the company said, it is “disappointed with the NAD’s conclusion that the evidence submitted by GP Plastics did not adequately support GP Plastic’s claims for the oxo-biodegradable and recyclable properties of its plastic bags and disagrees with the NAD’s decision. Accordingly, GP Plastics intends to appeal all findings adverse to GP Plastics in the NAD’s decision to the National Advertising Review Board”

NAD's inquiry was conducted under NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising. Details of the initial inquiry, NAD's decision, and the advertiser's response will be included in the next NAD/CARU Case Report.

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About Advertising Industry Self-Regulation: The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation. NARC is the body that establishes the policies and procedures for the CBBB’s National Advertising Division (NAD) and Children’s Advertising Review Unit (CARU), as well as for the National Advertising Review Board (NARB) and the Electronic Retailing Self-Regulation Program (ERSP).

NAD and CARU are the investigative arms of the advertising industry’s voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children’s advertising industry, while NAD/NARC/NARB’s sole source of funding is derived from membership fees paid to the CBBB. ERSP’s funding is derived from membership in the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.