

Sustainability Investment News

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## Shareowner Engagement Leads to FTC Ruling on Mercury Labeling

*by Robert Kropp*

Dialogue with GE by **As You Sow** results in mercury cleanup instructions on packaging of compact fluorescent light bulbs.

SocialFunds.com -- Because of their energy efficiency, compact fluorescent light bulbs (CFLs) have become increasingly popular with consumers in recent years. However, as **Amy Galland, Research Director of As You Sow**, said, "As more CFLs entered the market we have been concerned that consumers do not fully appreciate the potential dangers if a CFL is broken. There is mercury vapor in these bulbs and even though it is a small amount, it requires that they be cleaned up in a special way – not like an incandescent bulb."

"We believed that product labeling regarding mercury content and cleanup instructions would be an excellent way to ensure consumer safety," Galland continued.

As an owner of General Electric (GE), **As You Sow** decided in 2008 to address the environmental and health and safety issues associated with CFLs by filing a shareowner resolution with the company. Subsequent dialogue convinced the company that an industry-wide effort was necessary to mitigate the business risks, and in 2009 the company began working with the National Electrical Manufacturers Association (NEMA). This week, the Lamp Section of NEMA announced that its members would voluntarily reduce the maximum allowable mercury content in CFLs.

GE also filed comments with the FTC in December 2009, and in July, the Federal Trade Commission (FTC) ruled that CFL manufacturers must include in their packaging information on the proper handling and cleanup of a CFL when it breaks in the home, and launched a web site with instructions for cleanup and safe disposal of CFLs.

Timothy Smith, Senior Vice President of Walden Asset Management, said, "This FTC ruling is a testament to the power of the shareholder process when investors, nonprofit organizations, corporations, and the government come together to take action on consumer protection."