

Comments on the proposal of the Commissioner of Competition
to withdraw PGELA and encourage the use of the CAN/CSA-ISO 14021-00 standard
Contemporary Information Analysis Ltd.
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Introduction

The Commissioner of Competition of Industry Canada is proposing to withdraw the 1993 Principles and Guidelines for Environmental Labelling and Advertising (PGELA) and to replace them with the National Standard of Canada, CAN/CSA-ISO 14021-00. Contemporary Information Analysis Ltd. appreciates the opportunity to comment on the proposed change.

Our President was a leader in development and review of several of the very first environmentally improved products that were introduced to the Canadian market in 1989. Since that time this consulting firm has been involved in development and/or technical review of more than 100 environmentally improved consumer products manufactured by numerous companies, mostly Canadian but in some cases not Canadian. We believe we are the largest Canadian consultancy involved in technical review and evaluation of environmentally improved products that has consistently been completely independent of any government program or contract for the management and awarding of ecolabels.

Our work follows the codes of professional conduct of the Association of the Chemical Profession of Ontario and the Ontario Environment Industry Association.

Our President is a member of the Environment Sector Advisory Group on International Trade, reporting to the federal Minister of International Trade, and is very familiar with international trade aspects of ecolabelling programs.

It is our opinion that adoption of CAN/CSA-ISO 14021-00 will be an unnecessary barrier to introduction of environmentally improved products to the Canadian consumer marketplace. As a result, we cannot support the change which Industry Canada's Competition Bureau is considering.

There is no need to replace PGELA with CAN/CSA-ISO 14021-00

It is our opinion that PGELA has served both the marketplace and environmentally improved product manufacturers and brand owners and we see no justification for making a change at this time.

We submit that neither European countries nor the United States are actively considering adopting ISO 14021 as a *de facto* regulatory standard, as is being proposed by the Competition Bureau. Thus the argument that CAN/CSA-ISO 14021-00 is more consistent with international terminology and hence more accepted internationally is not correct.

We submit that the technical differences between PGELA and CAN/CSA-ISO 14021-00 are minor and the technical section of CAN/CSA-ISO 14021-00 could easily be added to PGELA if need for such a change could be demonstrated. However we are not aware of any situations which have arisen over the past 10 years where a product would be deemed to comply with PGELA but would not

comply with CAN/CSA-ISO 14021-00. Hence the technical differences between PGELA and CAN/CSA-ISO 14021-00 are in fact of little or no consequence.

Similarly we have no difficulty with the methodologies recommended by CAN/CSA-ISO 14021-00. Again, we believe that all responsible marketers of environmentally improved consumer products in Canada are already following these recommended methodologies. We see no difficulty in adding a section on methodologies to PGELA but see no pressing requirement or need to do so.

CAN/CSA-ISO 14021-00 will discourage introduction of environmentally improved products

The Government of Canada has consistently encouraged the introduction of environmentally improved products and to the best of our knowledge continues to do so today.

In our opinion two aspects of CAN/CSA-ISO 14021-00 will act as a barrier to marketplace introduction of environmentally improved products:

- 1) CAN/CSA-ISO 14021-00 explicitly prohibits clear labelling of environmentally improved products; and
- 2) CAN/CSA-ISO 14021-00 requires disclosure of proprietary information, including ingredient information, that need not be disclosed, and is normally not disclosed, for non environmentally improved products.

1) Labelling

CAN/CSA-ISO 14021-00 appears to explicitly prohibit the use of terms such as “environmentally friendly” and “green”. Consumers need and want a clear indication of which products are environmentally improved. PGELA allows and encourages the use of terms such as terms such as “environmentally friendly” and “green” provided a clear explanation of the reason for the environmental improvement is provided.

By banning the use of clear labels terminology, CAN/CSA-ISO 14021-00 makes it impossible for a brand owner to draw the consumer’s eye to an environmentally improved product or for a consumer to quickly find an environmentally improved product on a store shelf.

2) Disclosure of proprietary information

CAN/CSA-ISO 14021-00 requires that claims can only be made if they can be substantiated from data which are to be made available to the public. If the data is proprietary, an environmental claim must not be made.

This provision alone will completely kill the marketing of environmentally improved consumer products in Canada.

In Canada, non-food consumer products are generally not required to disclose ingredient information. Most manufacturers and distributors choose not to disclose such information. As most environmentally improved products are environmentally improved because of the presence or absence of certain ingredients, the impact of the provisions of CAN/CSA-ISO 14021-00 is that ingredient information will have to be made available to the public and to competitors for most environmentally improved products.

Most manufacturers will not do this and we predict that most environmentally improved products will be discontinued, or at least not labelled as such. This totally destroys the government's professed intention to encourage introduction of environmentally improved products.

Conclusion

It is our experience that several industry associations operating in Canada and outside of Canada are in fact generally opposed to environmental labelling of consumer products. We understand that these associations were among those consulted during development of ISO 14021. We were not consulted, despite our extensive experience in this field, and to the best of our knowledge none of our clients who use environmental labels in the marketplace were consulted.

It is our opinion that ISO 14021 was developed to serve as an intentional barrier to continued introduction of clearly labelled environmentally improved products.

It is our opinion that the Government of Canada should be encouraging, not discouraging, retail marketing of environmentally improved products.

It is also our submission that environmental labelling is receiving an excessive amount of attention, given the very small number of complaints which we believe to be filed with the Competition Bureau. As active observers of the Canadian retail marketplace, we believe that many consumer products in many categories, other than environmentally improved product categories, are labelled in a potentially misleading way or make claims, other than environmental claims, that are inaccurate. Many non-environmental product performance claims that we see in the Canadian marketplace are absolutely ridiculous. The Competition Bureau is not producing guides or adopting international standards to regulate most of these other categories of claim.

For these reasons we recommend that there be no change to PGELA or, alternatively, that PGELA be updated by incorporating only *Section 7, Specific requirements for selected claims*, of CAN/CSA-ISO 14021-00.