



The Greenwashing Police of Canada

The Competition Bureau is monitoring what companies can and cannot claim about environmental products. But will it really help?

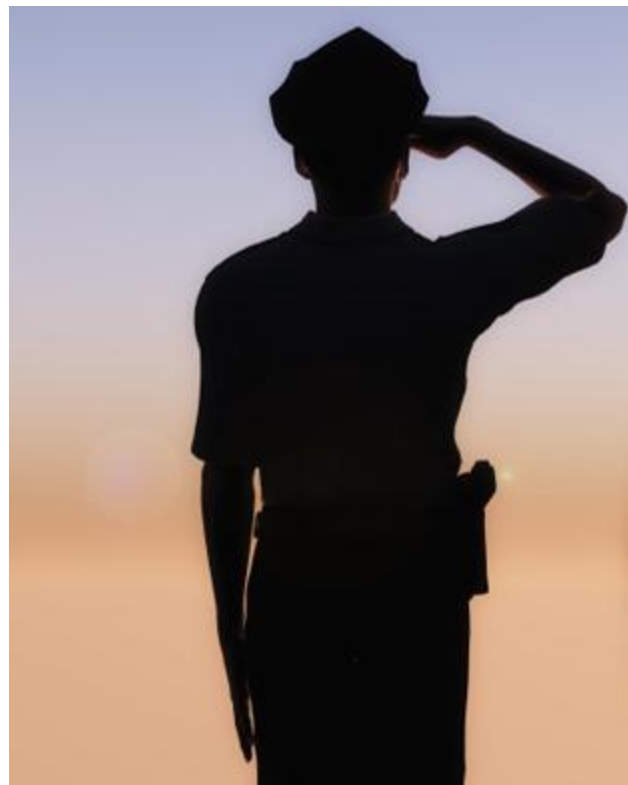
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One year ago, the Competition Bureau—the independent law enforcement agency that’s charged with keeping the Canadian marketplace fair and honest—published new guidelines to help companies better understand how to make accurate green claims about their products and services. These guidelines arrived not a moment too soon (some would argue not soon enough) considering the growth in the sector and the challenges it continues to face.

Companies were given one year to adjust to the guidelines, which discuss commonly used claims including “recyclable” and “biodegradable,” among others. Then in June 2009, the Competition Bureau started enforcing them, taking action against a number of hot tub and spa retailers for misleading consumers into believing their products were Energy Star-qualified. So can consumers—who polls show are increasingly skeptical of green claims—relax now that the agency has their back?



Rampant greenwashing

The availability of “green” products is exploding as consumers demand new ways to shrink the size of their ecological footprint. And beyond consumers, a recent study by TerraChoice Environmental Marketing found that almost 70 percent of North American companies have increased their green purchasing over the past year.

But as more and more green products hit stores, skepticism surrounding green claims and complaints about greenwashing are also on the rise. A 2008 Environics poll, for example, showed that 75 percent of Canadians believe that only some or few of the claims about green products are true. And TerraChoice's "Seven Sins of Greenwashing" report found that 98 percent of more than 2,000 green product claims misled consumers in some way. Combine the problems of consumer doubt and producer negligence and we've got a pretty toxic mix—in a sector that's striving to be anything but.

This is where the new Competition Bureau environmental labeling standard—Environmental Claims: A Guide for Industry and Advertisers—comes in. Scott McDougall, the president of TerraChoice, says that the new guidelines are "pretty darn good... [But,] what really would make a difference would be meaningful enforcement." That enforcement, he adds, also needs to be directed at the right targets. "Most consumers, when they think of greener products, are thinking about much more immediate and personal issues such as toxicity, organics and their personal environmental footprint. Enforcement in these areas would be truly meaningful for Canadians."

A boost to consumer confidence?

Now that the Competition Bureau has flexed its muscle, can we expect a transformation in the marketplace? The Competition Bureau's acting assistant deputy commissioner, Larry Bryenton, repeatedly qualified the agency's work in terms of "limited resources," which raises the question of whether Canada's consumer watchdog has the resources it needs to do its job properly.

Beatrice Olivastri, the CEO of Friends of the Earth Canada, says she would not "be surprised if the delivery of this program is highly constrained due to lack of resources. The current government is underwhelming in terms of its commitment to resources for environmental concerns."

McDougall and Olivastri say one thing is for sure: With a marketplace awash in product claims that can't be trusted, Canada requires green marketing guidelines with teeth. That just might save the green sector from itself.