



► **A BUILDER'S GUIDE TO
GREEN PRODUCT CLAIMS**

How to avoid greenwashing while promoting the environmental benefits of your homes and renovations

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DISCLAIMER

This booklet is intended to give general information only and is not legal advice. Readers should consult any relevant legislation, including the federal *Competition Act*, the Competition Bureau of Canada and their own lawyers for advice on their specific situation.

The Competition Bureau offers general information on its website and through its Information Centre. It will also give legally binding written opinions on proposed plans or documents for a fee. See Section F for more details and contact information.

B. WHAT IS A 'GREEN CLAIM'?

A green claim is any statement about any environmental attribute, characteristic or performance outcome – promised, stated or implied. It applies to all types of advertising, promotion, or direct dealings with the customer.

This *Guide* specifically deals with the type of claim covered in *PLUS 14021*: the 'self-declared' environmental claim. These are representations that any person or company makes about the products or services that it offers for sale¹.

Representations can include:

- claims you make on behalf of your own products/services
- claims from others (e.g., product/material manufacturers' claims about their products' environmental performance) that you communicate to customers through displays. Literature or sales presentations
- claims you make based on environmental labelling programs your company participates in

Images, logos, symbols, product names, graphic illustrations, photographs, etc., can all be considered in determining what is being claimed, and whether it is supported or misleading.

▶ SYMBOLS AND ILLUSTRATIONS MUST BE RELATED TO THE PRODUCT

The *PLUS 14021* guideline says that an illustration of a tree would be acceptable for wood products certified to a sustainable forest management standard, but an illustration of a fish has no connection to a can of lead-free paint, as "there is no direct link between the removal of lead from paint and the marine environment".

C. WHAT'S THE LAW?

1) The *Competition Act*²

The main legislation addressing misleading claims in Canada is the *Competition Act*. This long-standing legislation:

- prohibits making a representation to the public 'in any form whatever', that is 'false or misleading in a material respect' – *Subsection 74.01(1)(a)*
- states that, where a claim is made about the performance, efficacy or length of life of a product, the person making the representation must be able to support it based on an 'adequate and proper' test – *Subsection 74.01(1)(b)*
 - the test must have been conducted prior to making the claim.
 - also, the government does not have to prove that anyone was actually misled by the claim to take enforcement action.
- allows both the general impression conveyed by a representation and its literal meaning to be taken into account when determining whether or not the representation is false or misleading in a material respect – *Subsection 74.03 (5)*

¹ It also applies to representations made by someone who does not directly offer the products or services for sale, but may benefit financially (e.g., someone who makes recommendations for 'green' products or services and receives a commission if this results in a sale.)

² Provisions of the Consumer Packaging and Labelling Act and the Textile Labelling Act may also apply.

- prohibits the unauthorized, untrue or misleading use of tests and testimonials – *Subsection 74.02*

While the *Competition Act* provides for administrative penalties for a person or company that makes (or permits the making of) a false or misleading representation, if this is done 'knowingly or recklessly', then it can also be prosecuted as a criminal matter.

Few enforcement actions have been undertaken so far on environmental claims, but that may well increase given growing amount of greenwashing in different parts of the economy.

2) PLUS 14021 Guideline

In Canada since 1999, *CAN / CSA-ISO 14021* deals with self-declared claims³. Published in 2008, the Canadian Standards Association's *PLUS 14021, Environmental Claims: A Guide for Industry and Advertisers* contains principles and best practices that apply to all commercial activity in Canada, including new home builders, renovators and their marketing people⁴. As a guideline, the new document has no force in law and the Competition Bureau is not bound to follow it. However, it is expected to help set the bar

for 'acceptable' environmental representations for the main *CAN-ISO 14021* standard, for the Bureau, and inform enforcement actions related to deceptive advertising complaints made to Advertising Standards Canada.

The *PLUS 14021* guideline identifies a number of general requirements affecting all claims, including:

- You can't use the term 'Sustainable' any more, or its variations, except in a few very tightly controlled circumstances
- You can't make vague or non-specific claims without including clear explanatory statements of what they really mean
- You can't make claims about environmental performance unless they are based on 'adequate and proper tests'
- There are very strict limits on when you can say a product 'contains no ___ (fill in the substance, toxin, contaminant, etc.)', or is '___-free'.

It also sets out principles for using many other common environmental terms.

▶ RETAILERS SUGGESTED CERTIFICATIONS THEIR PRODUCTS DIDN'T HAVE

Hot tubs and/or spas for sale in Canada, including their installation, are not eligible for certification under the ENERGY STAR® labelling program. However, nine retailers used a variety of energy efficiency claims in the sale and promotion of a specific brand of hot tubs, conveying the impression that their products were eligible for certification by that program.

A Competition Bureau of Canada investigation concluded that these representations were materially false or misleading, and influenced consumers in their decision to purchase the products.

In June 2009, seven of the retailers signed consent agreements with the Competition Bureau to stop making the claims, to take corrective actions, and to cooperate in the ongoing investigation. The last two retailers agreed early in 2010.

³ This is one of the ISO 14020 Series of Standards: others include *CAN / CSA-ISO 14024*, which addresses environmental labelling programs, and *CAN / CSA-ISO 14025*, which deals with environmental profile declarations.

⁴ This takes the place of the Bureau's own *Principles and Guidelines for Environmental Labelling and Advertising*, first released in 1993, providing considerably more detail.

▶ STRICTER MEASURES

Canadian law firm Heenan Blaikie has said that “in some ways the (new Environmental Claims) Guide simply maintains the status quo – false or misleading claims are not acceptable, and an advertiser must support its claims with adequate and proper tests. But, mired in the technical detail, there are some pretty specific and exacting requirements to which marketers should consider before diving in to paint the town, or at least their product, green ... (and) as a guide to best practices, it does suggest stricter measures than you may have taken previously in advertising.”⁵

D. WHAT DO NEW HOME BUILDERS AND RENOVATORS NEED TO THINK ABOUT?

The bottom line is: the *Competition Act* applies to you. You are responsible for what you claim, including any claims you carry forward from your suppliers or from product or home labelling programs you participate in.

Any environmental claims you make must be truthful, accurate and verifiable. If you make specific performance claims, these must be based on a recognized

test that has already been done, such as an energy performance rating generated using the EnerGuide Rating System.

It is illegal to make misleading representations, such as claiming environmental benefits you don't actually provide and/or can't prove, or using terms in ways that aren't allowed.

But beyond the legal aspects, this is about your business reputation. If you're investing in 'green', you need to protect your investment.

Consider this: in early 2010, the annual international Greendex survey by the National Geographic Society and GlobeScan Inc. found that very close to half of all Canadians say that companies lie about or exaggerate their products' environmental benefits⁶.

In 2009, Consulting firm TerraChoice Environmental Marketing found well over 2,000 products in Big Box retail stores in North America that were making almost 5,000 'green' claims⁷. Only two per cent of those products did not have at least one claim that was considered misleading, incomplete or exaggerated. “Greenwashing is still rampant,” the company's April 2009 report said.

TerraChoice also identified how unchecked greenwashing can create some significant risks. For example,

- well-intentioned consumers will be misled into purchases that do not deliver on their environmental promises, and lose the expected benefit
- illegitimate claims will take market share away from companies offering real benefits

⁵ 'Time for Your Green Claims Self-Audit', in *Canadian Marketing & Advertising Law Update, January 2008*, Heenan Blaikie. Available at www.heenanblaikie.com/en/publications/item?id=1069

⁶ Reports available at <http://environment.nationalgeographic.com/environment/greendex/2009-survey/>

⁷ The Seven Sins of Greenwashing: Environmental Claims in Consumer Markets (Summary report: North America), TerraChoice, April 2009

- consumers may become cynical and stop trying to use their spending for good environmental results⁸

For all of these reasons, new home builders and renovators should be paying attention to their own green claims, and any claims made by others which they are repeating or quoting. It is a good idea for new home builders and renovators to think through all aspects of their business that involve a 'green' orientation, particularly consumer information materials, product literature or sales presentations already in use. This review process should then be utilized going forward, to help guide your company's 'green' communications in the future.

NOTE:

BUILDERS THAT PARTICIPATE IN PRODUCT OR HOME LABELLING PROGRAMS RISK DAMAGE TO THEIR REPUTATION, AND POTENTIAL LIABILITY IF THE CLAIMS MADE BY THE PROGRAM OWNER ARE NOT ACCURATE AND VERIFIABLE. SEE "USE LABELS PROPERLY" ON PAGE 15.

E. KEY PRINCIPLES

Principle #1: Think like a customer/competitor/advocate

When you review your sales and marketing for possible green claims problems, try to get into the mind of the people seeing your marketing materials or visiting your sales office for the first time. Would customers, competitors and environmental advocates get an accurate understanding of what you offer, or could your 'promises' lead average people to expect benefits to themselves or to the environment that you will not be delivering?

Look hard for hidden negative environmental impacts, claims with no proof, vague claims that set up unrealistic expectations, exaggeration and obfuscation.

Your Customer

Think of a potential customer, someone who is not a professional in home construction, or in the 'green' aspects of building products, materials or design.

Ask yourself:

- What will they think and/or assume we are saying in these representations?
- Is the average customer likely to be misled by what I am saying or claiming?
- Will this create unrealistic expectations?

For example, if you say a new water heating technology "will cut your energy bills in half", you know you are only talking about the amount of energy used to heat water. But your customers could easily assume you mean all the energy that shows up on their utility bills today.

Similarly, if you say your energy-efficient homes "cut heating bills by 25%", they may think you mean 25% less than they are paying in their current home.

If you create this type of expectation, customers will be very unhappy when they see the real utility bills. They will complain to you – and they will tell all their family and friends about it. They will also have strong evidence for a misleading advertising complaint, with proof of how much they have had to spend.

If you put that claim on top of a photograph of bubbling brooks, and they later find out that making or operating the product causes water pollution, they will feel betrayed.

Your Competitor

Think of other new home builders or renovators who are offering green products. Will they think your sales and marketing claims are misleading? Will they see them as unfair competition?

► ⁸ Ibid

Will they turn your statements around on you, telling customers, colleagues, media, etc. how you are greenwashing by leaving out important facts, or claiming more than you can deliver?

Would you see your own claims as unfair competition if another new home builder or renovator were making them?

Remember, the *Competition Act* does not require proof that anyone has actually been misled and suffered losses – just that the statements themselves, and the general impression created including logos, illustrations, etc. would be misleading and would influence buying decisions.

Advocate

Think of someone you know who vigorously advocates for buildings to reduce their environmental impact (an environmental activist, designer, manufacturer, builder, government representative, or maybe municipal council member).

How will they interpret your claims? Will they think you are honestly trying to improve environmental performance of your products? Will they think your explanations are clear enough, and that they consider the whole life cycle of the products? Or will they just see an attempt to cash in on the environmental movement?

▶ VET YOUR 'GREEN' REPRESENTATIONS

The suggestions above should help you create a 'virtual panel of reviewers' in your head to guide your decisions.

It may be worthwhile to create a real panel, where a small number of customers and advocates review your sales and marketing materials before release.

This can help uncover potential pitfalls in advance – reducing the risk that your representations will be seen as misleading and hurt your reputation in your market.

Principle #2: Watch your language

Both the law and common sense say that vague or imprecise terms should be avoided. Always be as clear as possible about what you mean.

Cut out the word 'sustainable'

The *PLUS 14021* guideline says you shouldn't claim something is 'sustainable' any more. Really, you wouldn't want to anyway:

- you don't want to set up undefined expectations in your customers – not only is there no agreement as to what "sustainable" really means and over how long it should be measured, such an undefined claim is so broad that it would be virtually impossible to prove anyway
- if there is a hidden trade-off (high water use in manufacturing, high CO₂ impacts from long distance shipping) or some other problem, it will come back to bite you

The only time you should use the word 'sustainable' is when you are referring to a specific, registered management system. For example, it is OK to say you are using "lumber that comes from a forest certified to the CSA Z809 standard for Sustainable Forest Management" (or equivalent).

Avoid vague, imprecise terms

The *PLUS 14021* guideline specifically says that "an environmental claim shall only be made without an explanatory statement if it is valid in **all foreseeable circumstances with no qualifications**".

Further, it says vague or non-specific claims, or ones that broadly imply that a product is environmentally beneficial or environmentally benign, shall not be made, unless:

- they are accompanied by clear supporting explanatory statements

- (if they deal with performance, which most do), they are based on “adequate and proper tests” as discussed below

This means those short, attention-getting slogans so useful in advertising (e.g., “Green design”, “Environmentally friendly building techniques”, “Low-impact manufacturing”, etc.) are a bad idea, unless they are accompanied by easily found explanatory statements.

On the other hand, there is no problem with saying “we use bamboo flooring, Energy Star® appliances, Argon-filled windows”, or other fact-based statements.

Define and explain

You can't rely on an asterisk with tiny print explanations buried somewhere at the bottom of the page or on your website either.

If you really want to use a broad undefined term, you are expected to provide a point-form list underneath it or very close by, with explanations like:

- “roof, walls and openings are designed to use 25% less energy for space heating and cooling than equivalent homes built to the ... (provincial) ... Building Code”
- “dual flush toilets and low-flow showerheads, which have been shown through independent testing to use less water than comparable conventional products, permit owners to reduce overall water use”
- “Low-E, gas-filled windows meet the ... standard”, etc.

Alternatively, you might use a statement like: “Ask us about options for reducing your environmental footprint”. This is not a claim about environmental

performance. Then, you could have detailed information available at the sales office/consultation. When you set out those options, make sure to consider verification, life cycle impacts, the need for demonstrable environmental improvement, and the basis for all comparisons.

Principle #3:

Be able to prove what you say Separate fact from opinion

You must be able to prove all your ‘green claims’ with facts. As you look at your sales and marketing materials, ask yourself: “Is that a fact, or someone’s opinion?”, “If it is an opinion, what facts (if any) is it based on?” and “If it is a fact, is it stated as clearly as possible?”

In addition, if you make any claim of environmental performance, efficacy or length of life – which includes most ‘green claims’ in the building sector – the *Competition Act* says you must be able to support that with results from an **adequate and proper test**⁹. In short, if you claim something, it must be factual and you must be able to prove that it is true.

Any time your marketing materials or sales presentations move beyond provable ‘facts’, you are expressing an opinion. In this situation, you need to take additional care to make sure that your marketing people and sales staff understand the difference.

▶ ‘RECYCLABLE’ MUST ALSO INCLUDE HAVING FACILITIES AVAILABLE

Products such as drywall and asphalt, for example, are successfully recycled in a number of areas of Canada – but certainly not all. If there is no practical access to a recycling facility in your area, listing these products among the recyclable materials you use could be considered misleading. Where facilities are not available to at least half of the purchasers, potential purchasers and users, you need to have an explanatory statement if you want to refer to the product as being recyclable. *Plus 14021* says that the explanatory statement could say the materials “currently may not be recyclable in your region”, or give the location of the nearest recycling program or facilities.

▶ ⁹ All claims that deal with performance must, by law, be backed up by adequate and proper tests.

For example, you should warn your sales people not to say that certain products or systems “reduce greenhouse gasses”. That claim is almost impossible to prove – so it is an opinion rather than a fact. It is much more accurate to say: “We’ve asked three different manufacturers for test results on their products, and this one shows the lowest level of carbon dioxide emissions in the manufacturing process”. By putting it this way, you move back to using factual information – the data provided by the manufacturer. (Check that the manufacturer has considered possible negatives over the product’s life cycle, though. See the next page.)

You may sometimes find yourself in situations where your product or material choices truly represent your opinion in terms of ‘green’ performance. For instance, many builders have stopped using VOC-releasing adhesives in order to avoid potential air quality problems. While it is generally accepted that such products offer reduced off-gassing over time, it is virtually impossible to prove that this will result in improved indoor air quality. In this case, the product literature may help back up your opinion, but it cannot ‘prove’ it. Also, after customers move into their home, the quality of the indoor air will be influenced by a great many factors, most of which are well beyond the builder’s control.

▶ CLAIMS AND EXPLANATORY STATEMENTS MUST REFLECT NET BENEFITS OVER THE PRODUCT’S LIFE CYCLE

The *PLUS 14021* guideline says it’s not enough for the claim to be true of the final product, it must also take into account all other aspects of the life cycle. The goal is to avoid cases where one negative impact on the environment is reduced, but another one gets increased in the process. The life cycle includes everything from extraction of raw materials to final disposal.

The guideline does say you don’t have to perform a full scientific analysis for self-declared claims. However, you should check that your suppliers, designers, etc. have looked at the best available information for each phase of the life cycle. **Bottom line: are any of the other stages so inefficient or damaging that they offset the product’s benefits?** This is especially important for claims which compare current performance with previous products, or your homes’ performance with others’ (See Section H on comparative claims.)

So, avoid claiming that your adhesives are providing good air quality. If asked, explain the difficulty of proving air quality effects before pointing out the product literature that shows the products you use release fewer chemicals into indoor air than competing ones.

Don’t forget that customers expect you to have more expertise than they do. If they rely on your opinion and you turn out to be wrong, it is not good for your reputation. It may also constitute misleading advertising.

These principles apply both to claims you make about your own work, and to claims made by

others (such as manufacturers, suppliers, testing agencies, labelling programs, etc.), which you display or quote in your own material.

Using other people’s products environmental claims

As a new home builder or renovator, you make hundreds of choices about products and services for every project. A growing number of those are made because of environmental claims made by the manufacturers and/or suppliers.

If you are going to carry those claims forward to your customers, make sure to ask your product manufacturers or

material suppliers to provide you with the backup information that proves their claim. Look for written assurance – often in specification sheets and similar – that appropriate tests have been performed, standards met, professional opinions obtained, certifications and labels received, etc. Check test results for performance claims, and ask about net benefits over the life cycle, and whether there are any conflicting data or controversies. Hold onto the information sheets, ads, emails, etc. in your files.

Keep all claims precise, clear and limited to what is relevant. You may also want to make it clear that you are quoting what the manufacturer or supplier claims – and you have the information they provided to substantiate it.

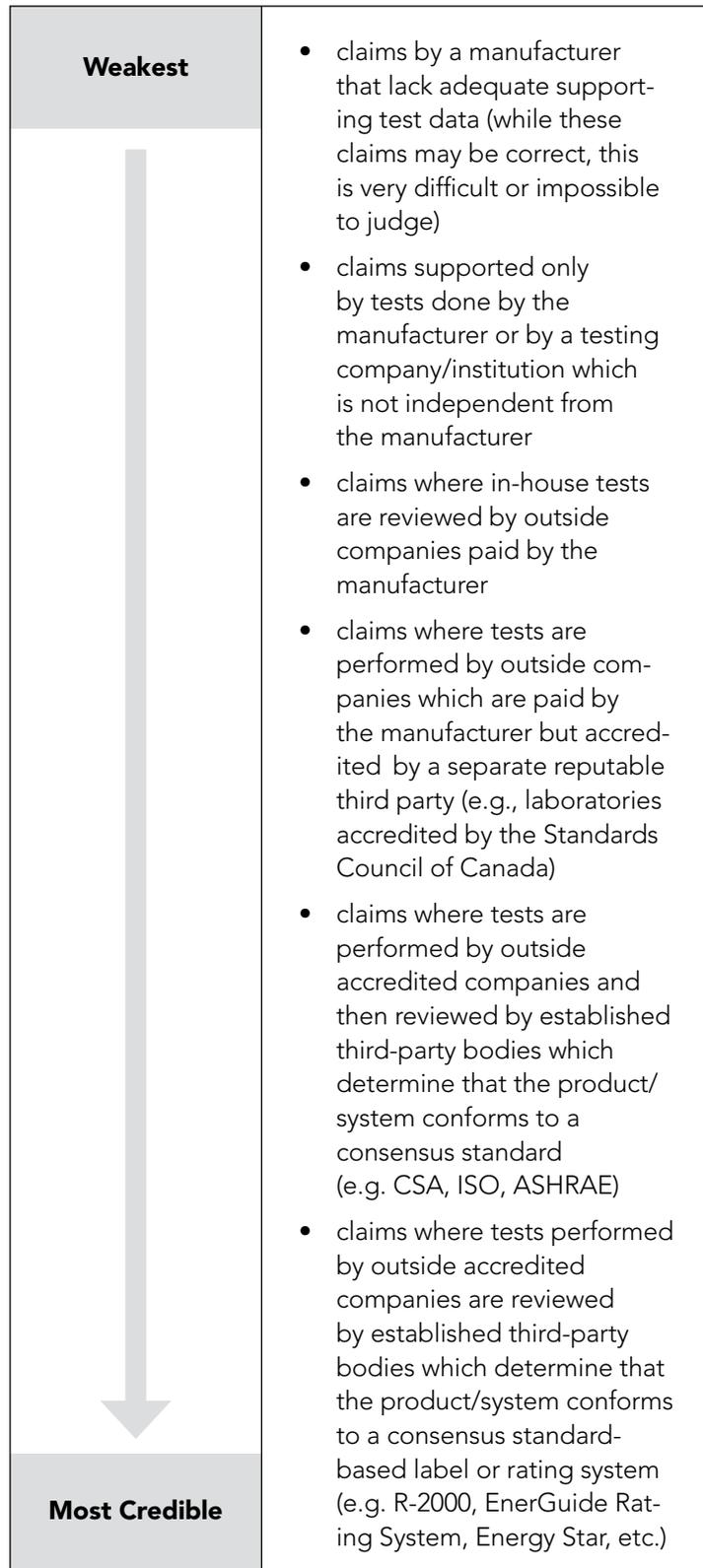
Don't 'embroider' or add to your suppliers' claims unless you have credible test results to back up your additions.

You also may want to:

- **include a clause in your contracts and purchase orders where possible, where the other party warrants that all claims in their marketing materials comply with PLUS 14021 and other applicable law**
- **include a 'hold harmless' clause in your contracts and purchase orders where the other party accepts liability and responsibility for defending a claim if you are sued because you have repeated those claims¹⁰. Note that such a clause does not mean the Competition Act no longer applies to you, if you repeat such claims.**

Hierarchy of testing approaches

For the majority of environmental claims, 'proof' means test results. There is a hierarchy that applies to claims and tests. The following list shows examples, starting from those considered weakest to those considered most credible:



► ¹⁰ If you can't negotiate a 'hold harmless' clause in your contracts, try to get similar assurance in written form (letters, emails, etc.), and keep that on file.

▶ ERS PROVIDES AN INDEPENDENT TEST OF ENERGY PERFORMANCE FOR HOMES

One of the most important environmental claims made by new home builders and renovators is the energy performance of their homes. This claim must also be supported by appropriate tests. The federal government's EnerGuide Rating System (ERS) provides an independent test utilizing a testing protocol developed through a consensus-based process, with independent quality assurance and oversight – the 'gold standard' when it comes to environmental claims. Builders who use their home's ERS rating as a marketing point are on solid ground.

The important elements are: the level of expertise of those doing the testing, the level of third-party review or oversight, and the distance of the testing/approving company from financial interest/benefit in the test results.

Testing methods and claim verification have a similar hierarchy, with recognized international standards as the preferred method, followed by standards with international acceptability or industry or trade methods which have been subjected to peer review. If there is no method yet, a claimant may develop its own, following accepted principles.

Hierarchy of marketing vehicles

In practice, there is also a hierarchy of marketing vehicles. You may not need to include quite as much in the way of detailed explanatory statements in the first-stage marketing vehicles such as signs and ads – as long as you include a website URL, sales office address or phone number where that information

is available. In large part, the level of detail will reflect what is 'reasonable' (e.g. size restrictions) and how likely a specific representation is to influence the final purchase decision¹¹.

For instance, a TV or radio ad is, by its nature, limited in the amount of detail it can include. So are road signs and billboards. All of these offer a quick exposure without the leisure of poring over details later. Newspaper and magazine ads can have more content, but they also offer limited space for details.

At the sales office or consultation, you have much more detailed displays and the time and space to provide more information for potential buyers. This can include brochures, specification sheets, test information, sample products and possibly full model homes. In this environment, it is much easier to give detailed explanations for green claims, and your representations will be held to the full standards set out in the guideline.

Your website may also be considered equivalent to the sales office/consultation. Any terms that could be considered vague or imprecise should be linked to more detailed explanations, and any performance claims should be linked to test information or rating results.

The sales contract itself will usually include specifications, choices of options, and any associated drawings. This information would also be held to the full standard for green and all other claims.

Remember, there always must be a clear parallel between the impression left by your first stage marketing vehicles such as signs and ads and the facts given by the explanatory statements. Explanatory statements cannot be used to change significantly the message created by the original claim.

Principle #4: Make sure your comparisons are spelled out

The *PLUS 14021* guideline states that "comparative claims have

▶ ¹¹ For inexpensive consumer products, a single sign or advertisement may be enough to motivate a purchase. However, a new home or renovation is not likely to be an 'impulse buy'. It is hard to imagine a situation where anyone would actually buy a new home or renovation based simply on a road sign or newspaper advertisement. In fact, the primary purpose of such marketing is to get people to visit a sales office or to call for an in-home consultation – the normal next step in the sales process. The final goal is to have them sign a contract, complete with drawings and specifications. The *PLUS 14021* guideline does recognize space restrictions, such as: "For small products or containers, other ways of communicating explanatory statements, such as links to supporting information, providing 1-800 numbers, or Web site information, can be acceptable."

the greatest potential to mislead purchasers and therefore they need to be approached with special care". This includes:

- comparative claims must always have an explanatory statement giving the benchmark against which they have been evaluated
- the evaluation must be rigorous, and the explanatory statement must set out a detailed description of that evaluation
- benchmarks for evaluation are:
 - the organization's own previous process or product
 - another organization's process or product
- comparisons must use a published standard or recognized test method
- they must evaluate comparable products, serving similar functions, currently or recently available in the same marketplace

Comparative claims are usually expressed in percentage terms:

- if a product has increased its recycled content to 15% of the total from the previous 10%, that would be expressed as an absolute difference = an additional 5%
- if a product has decreased its energy use from 100 watts to 80 watts, that would be expressed as a relative difference = a 20% decrease

▶ CLAIMING 'WATER-EFFICIENT' OR 'WATER-SAVING' PRODUCTS OR SYSTEMS

These claims relate to water consumption during use of the product. (Increased water efficiency during resource extraction or production would be dealt with as a reduction in resource use.) All such claims must have an explanatory statement and meet all the other requirements above. A typical statement might be: "This low-flow shower head uses x% less water per 15-minute shower than the Canadian Standards Association standard flow rate for basic shower heads of 9.46 litres (2.5 gallons) per minute."

▶ CLAIMING 'ENERGY-EFFICIENT, -CONSERVING OR -SAVING' HOME ENVELOPES AND SYSTEMS

As above, these claims relate to energy consumption during use of the home. Energy consumption (for space heating, cooling, hot water, etc. under normal use) should be measured in accordance with established standards and methods. Comparisons with current code requirements, based on a recognized rating system such as the federal government's Energy Rating System, may work best. For instance, in southern British Columbia, the building code references a rating of ERS 77 as a 'deemed to comply' solution. If your home earns a rating of ERS 80, you can have your energy evaluator calculate how much better than code this is (approximately 12 to 15%). This is the percentage performance increase you can claim, compared to the same home "built to code". (Don't forget about customer use and lifestyle issues, though. See Principle #7 Qualify What You Promise.)

**Principle #5:
Use labels properly**

There are a growing number of labelling programs for materials, products, and equipment used in residential construction – and for complete houses. New home builders and renovators are responsible for green claims they make about or quote from the labelling programs they participate in. As a result, builders need to do 'due diligence' to check that any such claims are clearly explained, adequately documented and verified.

You should know that there is a specific standard that governs how green labels operate – *CAN / CSA-ISO 14024 Environmental Standards and Declarations – Type I, Environmental Labelling*. The programs themselves must meet requirements for their own claims about what the labels represent.

If you intend to make green claims about labels, make sure you know what the program is based on, and keep your own statements clear and factual. Every label program has its own rules, so understand what they are.

'Due diligence' becomes even more critical if the label program also endorses specific brands or products, as these related green claims must also be verifiable.

Single-attribute labels (such as ENERGY STAR) are generally easier to validate than multi-attribute labels such as LEED for Homes and Built Green. "Points-based" labels present additional challenges, as

projects achieving the same point level may use quite different approaches and result in quite different performance. This increases the potential for confusion and misunderstanding with consumers, so make certain that the specific attributes included in your homes are clearly laid out.

To the extent possible, use information provided by the label program to define and substantiate the features and benefits offered. Where the program has specific wording, use that same wording. If you paraphrase, you may be entering uncharted territory and heading off in a direction the label program never intended to go. Make sure you are aware of the limitations of what the label program attests to, and make sure your representations of what the label signifies do not go beyond the scope of the label.

Be an informed consumer yourself

Before you decide to participate in a voluntary labelling initiative, do some homework. You are the 'consumer' when it comes to these programs. After all, you choose a voluntary label to help build your company's reputation and deliver value to customers. You will invest time, resources and credibility in making the label part of your marketing strategy.

Key considerations can include:

- Who stands behind the label? Is it owned by government or

a private organization?

If private, who owns it and how is it governed? Is it independent from other interests that could compromise the integrity of the label?

- Were the rating systems or standards it is based on developed using recognized consensus-based processes, or just set by the label owner? Are they credible?
- Are independent quality assurance procedures used to protect the integrity of the label?
- Are those involved in determining if a home meets label requirements independent third parties?
- Does the label endorse or recommend any specific brands of products or materials? If so, is this done on the basis of independent testing to verify the 'green' claims, and are the results readily available? What is the nature of the relationship between the label owner/operator and the companies whose products are endorsed? Is there potential for real or perceived conflict of interest in relation to such endorsements?
- In promoting the label, does the owner/operator make any environmental claims that appear to you to break any of the rules outlined in this guide?

▶ **“DESIGNED TO (LABEL) STANDARDS” CLAIMS CAN CREATE PROBLEMS**

Some label programs do not grant labels until after construction has been completed and tested. Although a project may be designed to qualify for a particular point count, it may not attain that level. In addition, full review for certification can be quite expensive. Some companies decide not to pursue certification, but only to follow the point process for design. A project which claims to meet standards of a labelling program without achieving the actual label may well be considered misleading.

**Principle #6:
Be careful about defining
benefits and outcomes**

Many features do not guarantee provable benefits. For example, a ventilation system provides fresh air from the outdoors; it does not guarantee “better indoor air quality”.

Focus on what you have done, not on what the outcomes may be. “We send 90% of our wood and drywall waste to recycling facilities” is a proveable claim; “our waste management practices protect scarce resources and reduce landfilling” is a much more complex claim, and much more difficult to define and prove conclusively.

Incidentally, if you are required by government to do something (e.g., send 90% of your wood and drywall waste to recycling facilities), claiming that this makes your company ‘greener’

in your marketing materials is considered greenwashing. While you can advise customers of measures you take to comply with regulatory requirements, you cannot present these measures as a point of green differentiation (i.e., as if they were something “extra” you do), as you are simply obeying the law.

Also, a claim that a product is “(.Substance...)-free” should not be made, unless:

- no more than ‘trace’ or ‘naturally occurring background’ levels are now present in the product
- significant levels are now or were until recently common in the product category

▶ **CLAIMS OF REDUCED RESOURCE USE ARE EVALUATED ON INVENTORY DATA**

All of these claims must have an explanatory statement, identifying which resource (raw materials, energy, water, etc.) has been reduced, by what percentage, and using what benchmark. Resource use is measured by dividing the gross input of resources by the gross production during a 12-month period. Special attention must be paid to impacts over the whole life cycle. If the reduction in that resource has resulted in higher use of another, or decreased recyclability, that must be noted as well.

Principle #7:**Qualify what you promise**

As a builder, you only have control over what you build, not how consumers may use it.

Consumer expectations need to be realistic, and you can help by qualifying what you promise. For example, "Our homes are designed and built to require 20% less energy for space heating and cooling under normal use than similar homes constructed to the minimum requirements in the Ontario Building Code. Your actual total energy consumption will be influenced by your lifestyle."

▶ LIFESTYLE DECISIONS ARE OUTSIDE YOUR CONTROL

As homes become more and more energy efficient, the energy consumed by plug-loads and owner-supplied equipment represent a bigger and bigger percentage of the household's energy use. This makes it increasingly important to qualify your energy performance claims. Living in a very energy efficient home does not magically increase the efficiency of the owner's lifestyle – such as the eight-person hot tub they install after they move in – and it's a good idea to make sure they understand this.

F. More information

The *PLUS 14021* guideline is available online at www.competitionbureau.gc.ca. Simply enter 'PLUS 14021' in the search engine.

The *PLUS 14021* guideline contains general requirements including applicable laws, overall considerations, explanatory material, use of symbols, evaluations and claim verification, minimum information required to document a claim, and useful Annexes. (Annex D lists examples of standards for testing and verification, quality control, etc. for key green claims.)

It also contains specific information on how the following terms should be used, qualified and evaluated:

- compostable
- degradable
- designed for disassembly
- extended life
- recovered energy
- recyclable
- recycled content
- reduced energy consumption
- reduced resource use
- reduced water consumption
- reusable and refillable
- waste reduction

In addition, the *CAN/CSA ISO 14021* standard itself is available from the Canadian Standards Association at www.csa.ca.

The Competition Bureau of Canada offers information on its website, at www.competitionbureau.gc.ca, or by mail or phone:

Information Centre
Competition Bureau of Canada
50 Victoria St.
Gatineau, Quebec
K1A 0C9

Telephone: 819-997-4282
Toll-free: 1-800-348-5358
Fax: 819-997-0324

There are online forms to submit general questions, request information, or make a complaint. Go to the Bureau's website and click on *Contact Us*, then *Online Forms*, then *Information Request Form* or *Complaint Form*. Information officers can also help you determine whether a question is suitable for a legally binding written opinion from the Bureau (see below), and if so how to obtain it.

The Bureau will give legally binding written opinions on proposed plans or documents, for a fee. These can relate to different provisions of the Act. The sections on misleading advertising and deceptive marketing, and those dealing with adequate and proper tests will probably be of most interest to new home builders and renovators. For those, the cost is \$1,000 plus applicable taxes, payable in advance. The turnaround standard for answers ranges from two weeks on complete, non-complex requests, to six weeks on complete, complex requests.

Complete requests including proposed business plans, advertisements promotional material, and/or other representations should be sent to the Fair Business Practices Branch at the address above. A list of information requirements can be found online at www.competitionbureau.gc.ca.

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