

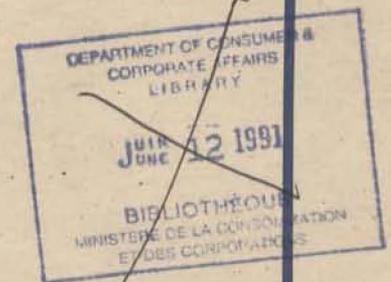


Consumer and
Corporate Affairs Canada

Consommation
et Corporations Canada

Canada

**GUIDING PRINCIPLES FOR
ENVIRONMENTAL LABELLING
AND ADVERTISING**



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GUIDING PRINCIPLES FOR ENVIRONMENTAL LABELLING AND ADVERTISING

This document has been developed in partnership and consultation with associations representing public interest groups, manufacturers, distributors, retailers and advertisers. A list of participants is included in Appendix 1.



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Preamble

Canadian consumers are concerned about the environmental effects of the products and materials they use. This concern has resulted in new criteria being applied in product selection: consideration for the environmental effect of products as well as the environmental behaviour of companies that produce these products. Faced with this trend, industry has responded with what is known as "Green Marketing" or environmental labelling and advertising.

Green marketing empowers consumers to translate their environmental awareness into practical environmental action. For industry, the purchasing power of well informed consumers provides the incentive to develop environmentally less harmful products. However, this market dynamic is predicated on the availability of objective, credible and truthful information which can be readily acquired and understood. With the emergence of a broad range of descriptors, logos, vignettes and other representations used to describe or imply environmental features of consumer products, action is required to ensure responsible labelling and advertising in this regard.

Consumer and Corporate Affairs Canada, within its mandate to promote a fair and efficient operation of the Canadian marketplace, has undertaken to examine this issue in consultation with interest groups. Recognizing that Canadian industry associations were working independently to bring some order to green marketing, Consumer and Corporate Affairs Canada assembled a working group to develop guiding principles that are to be used as a common reference by the industry. The working group, as listed in Appendix 1, showed a strong willingness to assist in the formulation of these principles, and to adopt them as guidelines within their industry sectors.

In developing these principles, recognition has been given to the important role played by all participants in the marketplace, whether they are producers, distributors, advertisers or consumers. It is also recognized that while detailed technical product information is not always readily available, there are a number of sources for credible information that will assist consumers to become informed on the various waste reduction and recycling programs available within their communities.

Scope

This document does not attempt to establish environmental standards or definitions, nor does it provide definitive solutions to complex scientific and technological issues relating to the environment.

The principles and guidelines outlined herein were developed within the context of the *Consumer Packaging and Labelling Act (CPLA)* and the *Competition Act (CA)*, both of which contain broad prohibitions against false and misleading representations. Adherence to the advice contained in this document will enhance the provision of meaningful information to consumers, and will assist industry in their obligation to ensure compliance with the applicable legislation. In keeping with the intent and spirit of the CPLA, all environmental claims should be in English and French.

This document was specifically developed to ensure flexibility, recognizing that much of the knowledge in this area is based on an evolving science and technology. Background information and guidance on the use of claims that are ambiguous or profess general benefit to the environment are addressed, as are the more specific, commonly used representations of recyclable, recycled and degradable.

All parties accept that this is a first step in addressing the consumer information issues relating to environmental labelling and advertising. It is expected that there will be periodic reviews and updating of the guidance contained herein, based on changes in technology, marketplace needs and enhanced awareness of environmental concerns. The periodic review will, of necessity, draw on the broadest possible range of interests representing consumers, the environment and industry.

Application

The members of the working group have brought together the most current information available to ensure a realistic and workable approach to the use of environmental claims, and will implement the principles and guidelines within their respective areas of influence. Accordingly, industry associations will request their members to follow the recommendations outlined to ensure that environmental claims for products are truthful and accurate and, where applicable, are premised on appropriate and reliable scientific and technological information that can be verified.

The advertising industry is a major user of environmental claims in the promotion of consumer products and services. The important role and responsibility of advertisers in this regard is reflected in the principles and guidelines contained in this document, which will become a supplement to the Canadian Code of Advertising Standards administered by the Standards Division of the Canadian Advertising Foundation through the Advertising Standards Council and le Conseil des normes de la publicité.

Environment Canada is responsible for initiatives and programs that have implications for environmental labelling and advertising. Two current programs are the Environmental Choice Program that enables consumers to identify products that reduce environmental burden, and the National Packaging Protocol that targets a 50% reduction in packaging waste by the year 2000. Close liaison with Environment Canada is critical to ensure that those issues requiring a common approach are appropriately addressed and coordinated. In this regard, the glossary of terms developed by the National Task Force on Packaging, chaired by Environment Canada, will be adopted for the purposes of this document. Current work in this area has resulted in consensus on all applicable terms, except "recyclable". A copy of these terms and their proposed definitions is attached as Appendix 4.

Ultimately, the relevant statutes controlling misrepresentation and misleading labelling and advertising, as administered by Consumer and Corporate Affairs Canada, will be applied in assessing the appropriateness of environmental labelling. In all cases, a thorough investigation of the product and its specific claims and representations will form the basis of enforcement and/or compliance action under the *Consumer Packaging and Labelling Act* or the *Competition Act*.

Guiding Principles

It is recognized that all participants in the marketplace have an important role to play in reducing the environmental impacts resulting from the production, use and disposal of products. Environmental claims and/or representations should provide accurate and relevant information to allow meaningful comparisons to be made, thereby enabling consumer purchasing power to influence the marketplace through appropriate product selection.

- 1) Industry is responsible for ensuring that any claims and/or representations are accurate, and in compliance with the relevant legislation.**
- 2) Consumers are responsible, to the extent possible, for appropriately using the information made available to them in labelling and advertising, thereby enhancing their role in the marketplace.**
- 3) Environmental claims and/or representations that are ambiguous, vague, incomplete, misleading, or irrelevant, and that cannot be substantiated through credible information and/or test methods should not be used.**
- 4) Claims and/or representations should indicate whether they are related to the product or the packaging materials.**

General Claims/Representations

In the absence of adequate evidence demonstrating that the subject of the claim or representation either helps the environment or causes no damage to it, the use of general terms or representations that imply environmental benefit should not be used. In summary:

- . Claims must be based on recognized standards or prevailing scientific principles.
- . Vague statements such as "environmentally friendly," "ozone friendly," or "green" are meaningless statements that imply environmental benefit. Persons contemplating their use should use extreme caution and ensure that these generalized statements are made explicit by providing specific product or packaging characteristics that set out the reason for the claimed benefit (e.g. "Environmentally Friendly - 95% post-use recycled materials").
- . Product claims and/or representations that convey a message of overall environmental benefit due to the absence or removal of a substance known to be environmentally harmful should not be used unless it can be demonstrated that the product is less damaging overall to the environment as a result of the removal or absence of that substance. That is, it does not contain any substances that are equally or more damaging to the environment.
- . The use of the word "SAFE" has broad implications in that it may inadvertently be perceived as relating to personal safety or security and should therefore not be used as part of an environmental claim.

Absolute Claims/Representations

An absolute claim or representation leaves no room for doubt. In many instances, the symbols and terms used in a claim imply conditions that do not exist. In the absence of qualifying information, this type of claim will be interpreted to mean "100%." As with all claims or representations, the message being conveyed should be fully supportable. In summary:

- . The use of the recycling symbol without a qualifying statement will be interpreted to mean 100%, or universally recyclable.
- . The recycled content symbol, either alone or with a statement such as "Printed on recycled paper," "Made from recycled paper" or "Made with recycled paper" creates the impression that the end product is made entirely from recycled paper, and will be interpreted as such.
- . Descriptors such as "... Free" or "Contains No ..." are absolute in that they claim the total absence of the stated substance.

Recyclable

The use of the Möbius Loop recycling symbol (Figure 1) to designate recyclable products is one of the most difficult areas to resolve as it deals to a large extent with the potential benefit of the material to the environment. This potential cannot be realized unless there are systems and facilities in place to recycle products and packaging. The benefit to the environment comes only from separating the product from the waste stream and directing it to a recycling facility, either through curbside collection programs or drop off sites. It is recognized that claims of recyclability can assist consumers in making choices which will ensure the availability of materials for recycling facilities.

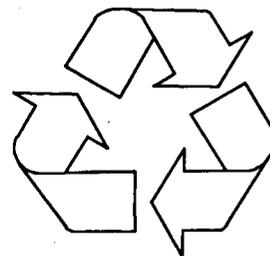


Figure 1

Recycling of materials is a new and rapidly growing industry. The use of the symbol may provide an impetus to increase the development of appropriate infrastructures for recycling. However, the use of recyclable claims for materials which are not commonly recycled may have a negative impact on the viability of these facilities.

The National Task Force on Packaging is working towards developing a definition for the term "recyclable" in labelling or advertising claims. It is expected that the definition will be structured around a minimum threshold value for availability, to the Canadian population, of recycling or collection facilities. Discussions are presently under way to establish an appropriate threshold value and until these discussions are concluded, each claim will be evaluated on its own merits.

In summary, extreme care should be taken when making the claim of recyclability on products or materials for which a recycling infrastructure does not generally exist. Claims of recyclability by industry (retailers, manufacturers and distributors) should not be made simply because the material is technically recyclable:

- Where a material or a product cannot be, or is not reasonably expected to be recycled, no claim of recyclability may be made. Example 1: plastic garbage bags are technically recyclable, but when used as intended will invariably end up in disposal facilities and not be recycled, therefore they cannot claim to be recyclable. Example 2: corrugated board and hardboard are collected and recycled from commercial establishments but, with few exceptions, not from households, therefore these materials cannot presently claim to be recyclable when used in retail consumer goods.



Figure 2

- Where a material or product is being recycled, and a reasonable number of facilities exist for the collection of that material or product for recycling, a claim of recyclability may be made if the claim is qualified by the statement "WHERE FACILITIES EXIST" and there is a clear indication that the claim relates to the product, the packaging materials or both. Figure 2 shows the use of the qualified recyclable symbol. The same message may be conveyed by the use of the statement without the symbol: "RECYCLABLE WHERE FACILITIES EXIST."

Recycled

The recycled component of a product can originate from many sources: industry, commercial and institutional establishments, and households. Generally, any diversion of materials from the waste stream provides positive solid waste reduction benefits. However, the recycling process is related specifically to the reprocessing of materials which have already served their intended purpose. For this reason industrial scrap resulting from manufacturing processes which can be reprocessed on the premises as part of normal production is not considered recycling but rather reprocessing or reworking. This is a standard procedure in many industries and no reference to reprocessed materials should be made in a recycled claim.

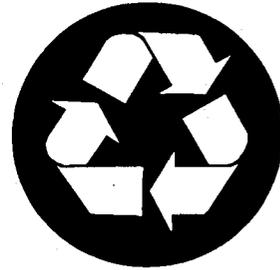


Figure 3

Claims of recycled content may be made using the Möbius Loop symbol shown in Figure 3 with a recycled content disclosure as a percentage by weight of the product or total material. Where a claim of recycled content is made, it will be assumed that the recycled components are "post-use" or "post-consumer" as described in the NAPP definitions (Appendix 4). That is, an article that has served its intended purpose and which has been diverted from the waste stream for reprocessing into new articles. This may include household, institutional, commercial or industrial waste.

Figure 4 shows how the symbol may be used to claim 30% recycled content. The same information may be conveyed in words (30% recycled) adjacent to the symbol. In the absence of recycled content disclosure, the claim will be interpreted to mean 100% recycled materials. For industries that experience variability of supply, and cannot be sure that the recycled content is consistent between production runs, the stated quantity of recycled material should reflect the minimum recycled content expected.



Figure 4

Because consumers are concerned with the specific benefits attributable directly to end user return of materials for recycling, industries may wish, in addition to the claim of total recycled material, to include the percentage of post-consumer materials. For example: "THIS PRODUCT CONTAINS 50% RECYCLED MATERIAL, INCLUDING 10% POST-CONSUMER MATERIAL."

Degradable

Degradability claims on package labels usually refer to biodegradability and/or photodegradability. While many materials are ultimately degradable, the conditions under which these materials are placed, i.e. in a landfill, may hinder the degradation process. Packaging materials that are not reused, refilled or recycled will invariably end up in disposal facilities.

Generally, in order to biodegrade, there must be biological action in the presence of air and moisture under specific conditions. In order to photodegrade, light must be present. Waste in a sanitary landfill site is deprived of air, moisture and light, retarding significantly any degradation of the product. In the context of consumer items destined for landfill, current scientific opinion indicates that degradability claims as an environmental benefit may not be supportable.

The Canadian Standards Association has established a committee with government and industry to develop degradability standards and test methods for materials, beginning with plastics. Additionally, useful applications for degradable products are increasingly being discovered. In summary:

- . Claims of degradability should not be used for packaging materials.
- . Claims of degradability may be used for products disposed of through the sewage system providing that the by-products of degradation and the product in question do not contain ingredients that are known to be damaging to the environment and/or the sewage collection or treatment facility.
- . In exceptional circumstances, claims of degradability may be considered for solid products that would not normally be destined to landfill.
- . If a claim of degradability is used, it should be accompanied by a statement indicating the degree of degradation and the conditions under which degradation will occur, or a recognized test method that was used to determine the degree of degradability (e.g.: "Photo-Degradable: will degrade 95% in 60 days when exposed to normal external light conditions" or "Degradability determined in accordance with OECD test No.301B").

Appendix 1 - Members of the Working Group*

Association of Canadian Advertisers

Canadian Advertising Foundation

Canadian Cosmetic, Toiletry and Fragrance Association

Canadian Council of Grocery Distributors

Canadian Manufacturers of Chemical Specialties Association

Consumer and Corporate Affairs Canada

Consumer Products Branch

Marketing Practices Branch

Consumers' Association of Canada

Environment Canada

National Task Force on Packaging

Environmental Choice Program

Grocery Products Manufacturers of Canada

Packaging Association of Canada

Retail Council of Canada

* In addition to the above list, consultation was undertaken with a broad range of environmental groups, legal firms, industries, foreign governments and all levels of government in Canada.

Appendix 2 - Environmental Choice Program

Environmental Choice was created by Environment Canada to help consumers find products which ease the burden on the environment. The EcoLogo is the symbol of certification which appears on goods and services that meet the Environmental Choice product-specific criteria. The symbol and the words "EcoLogo" and "Environmental Choice" are official marks of Environment Canada and cannot be used without a licence issued by Environmental Choice.

The product-specific criteria are set by the Environmental Choice Board, a body appointed by the federal Minister of the Environment, operating at arm's length from government. For each set of criteria developed, a study of the product's life-cycle is conducted. The purpose of the study is to identify which aspects of the product's life-cycle (manufacture, transport, use or disposal) offer opportunities to reduce significantly its negative impacts on the environment.

Each set of criteria is contained in a guideline which is made available for a public review period of 60 days during which time manufacturers, environmentalists, consumers and any member of the general public may submit suggestions for the improvement of the criteria.

Once a guideline is final, suppliers of goods and services may submit their products for testing against the criteria. The Canadian Standards Association is under contract with Environmental Choice to test products against the criteria and issue a licence to those products that measure up. Manufacturers are required to pay for the initial test and an annual fee to use the EcoLogo, which is based on gross annual sales of the licensed product.

As of February 15, 1991 there were fifteen categories of products and services for which final criteria had been established and the EcoLogo could be issued: re-refined oil, insulation from recycled wood-based cellulose fibre, products made from recycled plastic, zinc-air batteries, water-based paint, fine paper from recycled paper, craft forms from recycled paper, newsprint from recycled paper, heat recovery ventilators, reusable cloth diapers, solvent-based paint, ethanol-blended gasoline, composters for residential use, reusable shopping bags, and diaper services.

Environmental Choice had draft criteria for the following nine products: laundry detergents, dishwasher detergents, hand dishwashing detergents, sanitary paper from recycled paper, energy-efficient major appliances, compost, non-rechargeable batteries, energy-efficient lamps, and water-conserving products. Other new guidelines are under development.

Environmental Choice
Environment Canada
107 Sparks Street, 2nd Floor
Ottawa, Ontario K1H 0H3
(613) 952-9439



The EcoLogo is an official mark of Environment Canada used here with permission of Environmental Choice.

Appendix 3 - National Packaging Protocol (NAPP)

In April 1989, the Canadian Council of Ministers of the Environment (CCME) recognized the magnitude of the waste management problem in Canada and set a goal of 50 per cent reduction in waste generation by the year 2000. In order to address this problem, CCME commissioned a National Task Force on Packaging to develop a national policy for the management of packaging. After preparing an extensive technical data base on packaging and conducting Canada-wide consultations, the Task Force produced the National Packaging Protocol, which recommends six packaging policies for Canada. Canadian Environment Ministers endorsed the protocol in March 1990.

The six packaging policies constitute a plan of action, with specific waste reduction targets and schedules, that will reduce the burden of packaging waste through three achievable targets: 20 per cent in 1992, 35 per cent in 1996, and 50 per cent by the year 2000.

To meet the milestone targets, the National Packaging Protocol recommends six policies for Canada:

- Policy 1: All packaging shall have minimum effects on the environment.
- Policy 2: Priority will be given to the management of packaging through source reduction, reuse and recycling.
- Policy 3: A continuing campaign of information and education will be undertaken to make all Canadians aware of the function and environmental impacts of packaging.
- Policy 4: These policies will apply to all packaging used in Canada, including imports.
- Policy 5: Regulations will be implemented as necessary to achieve compliance with these policies.
- Policy 6: All government policies and practices affecting packaging will be consistent with these national policies.

Canada's National Packaging Protocol is being implemented by a broad range of actions that will address the many facets of packaging issues. Implementation actions are closely linked to the specific statements that make up the Protocol.

Environment Canada
Waste Management Branch
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Ottawa, Ontario K1A 0H3

(819) 953-1110

Appendix 4 - Glossary of Terms (NAPP)

Biodegradable: Capable of biological breakdown by micro-organisms.

Package/packaging: A material or item that is used to protect, contain, or transport a commodity or product. A package can also be a material or item that is physically attached to a product or its container for the purpose of marketing the product or communicating information about the product.

Post-consumer material: Material or item generated by households and commercial and institutional facilities which has served its intended purpose and can no longer be used.

Post-use material: Material generated by industry, commercial and institutional facilities, and households which has served its intended purpose and can no longer be used. This does not include the in-plant reutilization of materials, such as re-work, re-grind, re-pulp, scrap materials, generated within the plant and capable of being re-used within the process that generated it.

Recovery: The process of obtaining the reutilizing material or energy from solid waste.

Recyclable: Packages made from materials which after use can be diverted from the waste stream and recycled into a new product or package.

For purposes of environmental labelling and advertising a product or package may be deemed recyclable where at least XX% of the population across Canada has convenient access to collection or drop-off facilities for recycling for that product, or where a product is produced for a regional market that XX% of the population in that market has access to convenient access to collection or drop-off facilities for recycling.

Recycled content: The portion of a package's weight that is composed of post-use materials.

Recycling: A process through which post-use materials are collected and processed for transformation into new products.

Reuse: The direct reapplication of a package, for the same or different purpose in its original form.

Source reduction: The elimination of packaging or reduction of the weight, volume or toxicity of packaging.

Waste: Any material, product or by-product for which the generator has no further use and which is discarded for management at waste disposal facilities.

Waste minimization: The reduction of waste through source reduction, reuse and recycling activities.

* This definition is included here as proposed by the National Task Force on Packaging, however, discussion is still ongoing within the Task Force on an appropriate threshold value for access to facilities. Until full agreement is reached on the use of the term "recyclable" in labelling and advertising, individual claims will be evaluated according to the merits or circumstances of each.

NOTE: This glossary has been developed in the context of reducing packaging waste. When used for labelling and advertising claims, any reference to "packaging" in this glossary may be used to apply to materials or products as well.

