

June 8, 2007

Ms. Diane Audet
Competition Bureau
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Dear Ms. Audet,

Subject: **DRAFT: PLUS 14021 Environmental claims - A guide for industry and advertisers**

Procter & Gamble Inc. (P&G) is pleased to provide comments on the March 8, 2007 draft guide: *PLUS 14021 Environmental claims - A guide for industry and advertisers*. P&G is a leading consumer product company with operations in several Canadian provinces, employing over 2,000 Canadians. P&G brands include Tide, Downy, Pampers, Always, Duracell, Gillette, Olay, Cover Girl, Pantene, Pringles and Folgers. P&G continually strives to improve the environmental quality of our products, packaging and operations.

P&G has been an industry leader, working with government and other stakeholders on environmental policy development, implementation, and issues management. This includes providing expert information to municipalities on integrated solid waste management and working with local, provincial, and federal governments on chemicals management, waste management (toward reducing, reusing, recycling), and composting. P&G participated in consultations toward development of the labeling standard ISO 14021. We appreciate this opportunity to comment on the draft PLUS 14021 guide for environmental claims.

Overall Comment:

P&G generally supports the goals of *CAN/CSA-ISO 14021-00: Environmental labels and declarations - Self-declared environmental claims (Type II environmental labelling)* and the accompanying Draft guide: *Environmental claims - A guide for industry and advertisers*. Given the recent increase in popularity of environmental claims and heightened public awareness of environmental issues, there is great need for a standard addressing environmental labelling and advertising. Enforcement of the standard will help prevent the use of meaningless and misleading environmental claims.

P&G would like to provide the following specific comments:

1. Enforcement and transition plans are crucial

While P&G supports the use of this standard, we have identified several issues that need to be addressed in order to achieve successful implementation:

- The importance of, and expectations for, following this standard must be clearly communicated. For example, the status of the previous standard: *Principles and Guidelines for Environmental Labelling and Advertising (PGELA)* must be made clear to avoid confusion and provide consistency.
- Due to the technical nature of ISO 14021, a workshop should be available to train industry and advertisers on this standard to ensure complete understanding. In addition, the development of a consumer guide (e.g. like Canada's food guide) would be useful to educate consumers on how to interpret the environmental claims on the products they purchase.
- Both the standard and guide should be made available free of charge since the guide is not a stand-alone document and often refers to specific clauses of ISO 14021.
- The standard should generally be applicable to all products, including retail and institutional, commercial and industrial.
- A plan for enforcing the standard must be developed. The Competition Bureau must make enforcing this standard a priority and dedicate resources to do so. This includes developing a plan for retroactively dealing with existing environmental claims that do not follow ISO 14021.

2. Use of eco-logos and general green claims must be specifically addressed

Third-party environmental claims and "eco-logos" have significantly increased in number and popularity over the recent months, generally on commercial products. Many of these third-party claims contain general "green" language and symbols, without giving specific and consumer meaningful information.

While the basis for these general claims may be made clear in business to business sales, it is essential that the standard and proposed guide specifically address use of these for consumer products. We suggest that further direction for the use of general green or ecofriendly symbols, logos, and claims is needed, to ensure environmental claims to consumers on retail products are used consistently, serve a specific purpose and are meaningful.

Discussion is needed to answer questions like: What exactly is a "green product"? Do products actually "benefit" the environment or is it that they have a "lesser impact" when compared to other products, and how is that determined? What are the requirements for using an "eco-logo" on a product and are consumers aware of these requirements? These kinds of questions must be answered to address the rising issue of general environmental symbols and claims, and to ensure consumers can make informed decisions about which products they choose. This topic requires further discussion and guidance for industry and advertisers. In addition, a plan for retroactively dealing with existing eco-labels that do not follow ISO 14021 and may be misleading, must also be in place.

In section 6 of the proposed guide, the use of other symbols is briefly addressed; we agree that a symbol should only be used if it is relevant to the product.

3. Claim support disclosure requirements are unreasonable

Section 5.3 of the proposed guide states that claim verification must be made available to any purchaser or potential purchaser of the product making the claim. P&G supports the requirement that all claims be fully supported with test results and data, as is

consistent with current requirements. However, having the data available to any interested party is well beyond current advertising claim requirements, even in sensitive areas such as healthcare. Having claim support open to public scrutiny would result in competitors and interest groups continually second-guessing the sufficiency of support and could lead to misuse of the information. Claim verification information for environmental claims should be available to regulatory authorities only, upon request, as is consistent with other types of claims.

Also, section 8.3 of the proposed guide would suggest confidential business information may not be used as claim support. This requirement would limit the types of claims made by advertisers, as many claims rely on company specific information such as product formulation. Consistent with all other types of claims, use of confidential information should be allowed in claim support and should be made available to regulatory authorities only, upon request.

4. Unclear guidance on the use of "... free" claims

Sections 4.5, 5.16 and 5.17 of the proposed guide address the use of "... free claims" but the guidance is unclear. This area raises many concerns and considerations that need to be thought through, so as not to be misleading and to ensure a level playing field.

Safe use of ingredients is not defined by their presence or absence. The current "...free" claims guidance could lead to propagation of misleading claims, particularly in light of Canada's Chemical Management Plan. There are many considerations that need to be discussed. These kinds of claims should be made only when they are specific and meaningful to the environment, against some standard for defining what is "meaningful" from a safety and environmental standpoint. Since products legally for sale in Canada are by definition deemed acceptably safe from an environmental standpoint, we would be interested in the Bureau's thoughts on what would be an appropriate situation for portraying, through use of "...free" claims, that one product is "more safe" than another.

Section 4.5 of the proposed guide discourages the advertiser from using "... free" claims if the product never contained that ingredient whereas section 5.16 describes that a "... free" claim can be made based on an ingredient that was never contained in a product, as long as other similar products in that category contain the ingredient and it is clear that the ingredient has never been present in that product. To follow the requirements of section 4.5 could lead to an advantage for products that once contained the harmful ingredient over those that never contained that ingredient. In addition, consumers may think that the absence of a "... free" claim means that the product contains that harmful ingredient.

Problems may arise from "...free" claims if it is debatable whether an ingredient is actually environmentally detrimental. Consumers may be misled into thinking that a harmless ingredient is harmful to the environment if it is called out in a "... free" claim. Also, when a product claims to be free of one harmful ingredient it does not mean that it is free of all harmful ingredients, and again could wrongly lead the consumer into thinking the product is environmentally less harmful than others.

In summary, the current "... free" guidance as proposed is narrowly focused and unclear, and there are many other considerations that need to be discussed beyond

what is currently in the document.

5. "Recyclable where facilities exist" is an adequate claim

PGELA allowed a claim of "Recyclable where facilities exist" providing the facilities were available to 1/3 of the population of intended consumers for the product. Section 10.7.2 of the proposed PLUS 14021 guide states that the claim of "where facilities exist" is discouraged and the preferred claim would include specific areas or cities in which the material is recyclable. It is not feasible to specify the specific areas where facilities exist, as our products are often sold in a North American market. P&G supports that a claim that the material is "recyclable where facilities exist" is clear and sufficient.

It would be infeasible to put local information, or additional wording, in multiple languages, particularly on small packages such as for batteries, cosmetics, and many others. P&G often markets the same package, throughout North America. The requirement to put on additional lengthy phrases for regions of Canada reduces efficiency and increases costs, while not providing a meaningful benefit.

6. Compostable claims

Similar to recyclable claims, compostable claims should be allowed to use "compostable where facilities exist" due to the vast differences between municipalities and the composting companies themselves. Also, in section 10.2.2 there is an example of a qualifying claim that is meant to be used on disposable diaper packaging. Although we agree that qualifying claims are often necessary, that specific example should not be used. The example states that the plastic layers must be removed, as well as the waste should be rinsed off before the diaper can be composted by municipal composting. Data shows that plastic and human waste removal is not always necessary and therefore this example is not correct.

7. Mobius loop

ISO 14021 does not distinguish between different Mobius loops for Recycled Content vs. Recyclable. PGELA, on the other hand, made a distinction between the loops used for each type of claim. In order to avoid consumer confusion, a statement should always accompany either symbol to explain its meaning.

8. Emerging Claims

It is beneficial that the standard includes topics like Recovered Energy, Reduced Energy Consumption and Reduced Water Consumption that are relevant but were not addressed in PGELA. The standard/guide should be kept updated as new claims emerge. Looking forward, ongoing guidance will be needed for specific emerging claims, such as carbon footprint claims and sustainability, to avoid additional spread of potentially meaningless environmental claims.

P&G would be happy to provide expertise and help in any areas we can. Please let me know if you have any questions or concerns. Thank you for this opportunity to comment.

Sincerely,

PROCTER & GAMBLE INC.

Environment

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