

## UL Acquires TerraChoice in Green Standard Consolidation

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NORTHBROOK, IL — The messy world of environmental claims certification just got a little less messy with the acquisition by ULC Standards, a unit of Underwriters Laboratories, of Ottawa-based TerraChoice, a green marketing consultancy and the managers of Canada's EcoLogo program.

While the acquisition was conducted by ULC Standards, the move serves to bring TerraChoice together with UL Environment (ULE) for a partnership that will expand and enhance both groups' capacities and reach.

"TerraChoice will be able to work with UL Environment to bring its standards and programs into the U.S., and ULE will bring its programs to a broader audience in Canada," explains Stephen Wenc, President and Managing Director of ULE. He added, "It's a wonderful complement to the work we're doing with ULE in areas like building materials, appliances and consumer electronics."

The EcoLogo program as developed by TerraChoice is a certification that currently covers more than 7,000 products in 80 categories. As part of the partnership, the EcoLogo label will continue to be administered by TerraChoice in Canada, while the EcoLogo label in the U.S. will

remain on products in a select number of categories, with the rest falling under the larger ULE umbrella.

With more than 70 EcoLogo standards developed by TerraChoice to date, the partnership adds considerable breadth to the markets that ULE can reach in the U.S. and elsewhere.

"We're bringing our brand and expertise and perspectives together with ULE to combine our forces," Scott McDougall, CEO of TerraChoice, told GreenBiz.com. "In the old adage, we're making one plus one equal three in the world of eco-labeling and environmental product expertise."

The acquisition and pairing of TerraChoice with UL Environment is a natural fit, Wenc and McDougall said, in part because both firms create their standards on a framework of transparency and consensus-based development. And the consolidation of TerraChoice within ULE will bring more clarity to the field of certification.

"Our goal is to be able to offer customers one standard and one evaluation with two great brands," Wenc said.

McDougall described the ULE and EcoLogo labels as "sister brands," and said that EcoLogo will remain on products in a couple

of categories where it has made good headway in the U.S. market: household cleaners and toys and baby products. Both categories are growing quickly due to heightened consumer awareness over toxic ingredients and other issues, with a concomitant boom in green marketing claims – and the potential for greenwashing.

"In toys and baby products, claims of BPA- and phthalate-free products has gone up three orders of magnitude between 2009 and 2010," McDougall said. "It's an enormous number of claims and almost no evidence that there's any legitimacy to those claims," despite the fact that there has been significant progress in the development and adoption of less-toxic alternatives, at least by some manufacturers.

In addition to developing the EcoLogo standard and consulting on green marketing and communication strategies, TerraChoice has also published two "Sins of Greenwashing" reports that evaluate the green claims made by manufacturers. The first report, published in 2007, found that all but one of 1,018 products made false or misleading green claims; the second report, from 2009, found that only about 43 products out of 2,219 passed TerraChoice's muster.

ULE, launched in early 2009, has developed or is in the process of creating a number of green certifications, including a Sustainable Product Certification that put its first seal on a computer monitor from LG in January. ULE is also working with two building groups, NAHB and BIFMA to certify green building materials, and has partnered with GreenBiz.com to create ULE 880, the first-ever sustainability certification for entire companies.