

# Green shoots

UPDATE  
GLOBAL  
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PROJECT

Canada may be less than enthusiastic towards climate change legislation, but the state of Ontario is showing the way towards a sustainable future. **Michael Townsend** looks at the programmes and approaches making a difference

Our research and case study focus is now shifting across the Atlantic to North America, a part of the world that we often look to for new ideas, innovation and the way ahead. We are able to report back with some early insights, ahead of more detailed case study work that will be published in the coming months. Our first stop is Ontario, a province located in east-central Canada, occupying an area nearly four and a half times the size of the UK, home to Canada's most populous city, Toronto, and more than 50% of its manufacturing industry.

Internationally, Canada is known to be one of the less enthusiastic supporters for climate change agreements and certainly appears to have a 'wait and see' attitude, apparently seeking to follow any line taken by its powerful neighbours in the US. There does appear to be a different story at provincial level, however, as Ontario has a strong focus on sustainability principles at both policy level and with real action within the business community. In particular, we have seen impressive levels of recycling, strong support for the adoption of renewable energies and sustainable product innovation. Of course, Canada starts with a definite advantage, having 60% of its electricity generated through hydropower.

Strangely enough, the word 'carbon' is largely absent from the business and political language. It is almost as if they have managed to de-couple and move away from this emotive topic, shaping an agenda that will deliver carbon reduction as a by-product, rather than a primary result of their focus on energy efficiency and renewable energy sources (for example, the Green Energy & Green Economy Act, 2009). Within the companies we visited they are able to provide data on

energy use and initiatives to become more efficient, but the focus is on energy, with carbon rarely talked about. Given our obsession with carbon in Europe, this seems almost counter-intuitive at first, but then also refreshingly pragmatic; the end result should be the same, even if the means are apparently different.

In Ontario they have a similar programme of feed-in tariffs (FIT) to those in the UK, although slightly more generous with up to 30% more paid for each kWh produced. This is, naturally, attractive and many businesses are now looking to take advantage of this opportunity, particularly through leasing options, which help make for an easier purchasing decision.

Not only is the demand for solar PV increasing, but the supply side of the industry also appears to be in the ascendancy; 2010 witnessed a plethora of companies announcing investment and new jobs in Ontario, partly stimulated by the FITs programme, but also by the 'local content' rules, which require 60% of components to be made in Ontario. Such restrictive practices are, of course, controversial, but there is no doubt that Ontario is committed to green supply as well as green demand.

Recycling is increasingly on the business agenda, as it is in the UK. Current statistics indicate 14.6% of non-residential waste in Ontario is diverted from landfill (*Statistics Canada*, 2008 data), showing that there is some way to go. Some of the SMEs that we looked at, however, are achieving impressive rates in the range of 60-80% for reuse/recycling. For them, thinking about waste in this way is already embedded. This level of performance looks comparable with any of our best practice UK case studies.

We have also come across some interesting work on product innovation, apparently in recognition of the need to adapt to a resource-constrained world. One company involved in promotions and fulfilment has been working with its supply chain to develop a range of items configured from sustainable/renewable sources, including recycled hats, soya bean and bamboo clothing, biodegradable pens, as well as using recycled shipping containers.

They have identified two key challenges for embedding their approach. Firstly, there is a continuing dialogue in managing customer perceptions on issues such as quality and image. There is also the very real issue of cost, where in some cases a premium is paid for goods using sustainable materials. They consider the key to unlock this challenge is mainly down to economies of scale; lower unit costs should be achievable in the long-run, when greater volumes of these products are in the market.

The direction of travel for eco-efficiency, renewable energy and product innovation in Ontario is certainly as impressive as anywhere in the world.

It is hard not to admire the pragmatic lead taken by the Province in stimulating both green supply and demand, but also the businesses that are innovating and moving towards becoming more sustainable.

There is always more that could be done, as I have witnessed in my attempt at low carbon transport around the Province, but there is much to suggest a greener future in Ontario.

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