

**BIG Thoughts™ Research**

Written by Directors. Not Algorithms.

# The Cost of a Rainbow

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BEST IN GOVERNANCE

## The Cost of a Rainbow

June is a month of profound significance across Canada. It marks the celebration of diverse communities and cultures including LGBTQIA+ Pride Month and National Indigenous History Month. Each observance is an opportunity to reflect on the histories, struggles, diversity, and triumphs of marginalized groups. It's a time to raise voices, amplify stories, and reaffirm commitments to equity and inclusion.

But amidst the celebrations, there's a pattern that, regrettably, cannot be ignored. As June descends, companies transform their logos and merchandise, and post feel-good messages of solidarity in support of marginalized communities. While these actions are ostensibly supportive and may genuinely be made with the best of intentions, the reality is often far less than meets the eye. What begins as a moment of corporate allyship quickly fades, leaving historically-disadvantaged groups with the uncomfortable question: **Are organizations engaging in genuine advocacy or are they “monetizing the rainbow”?**

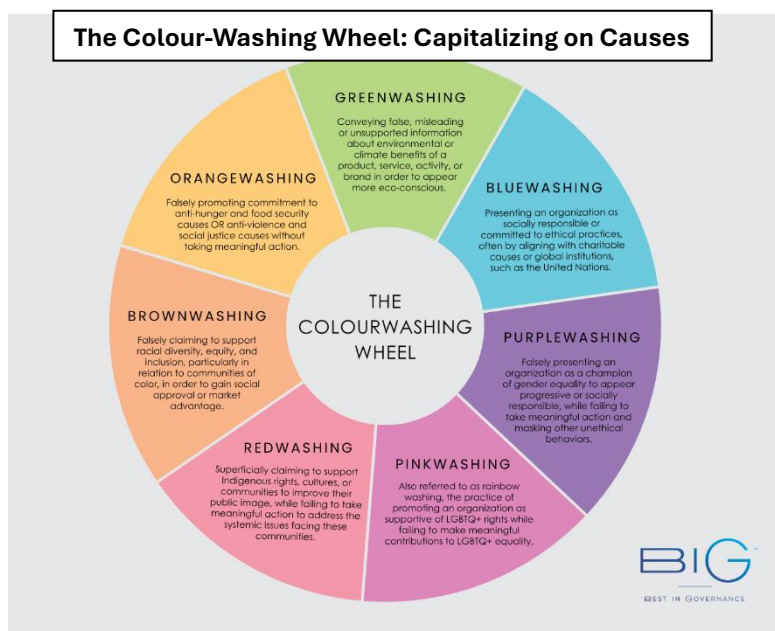
## Colour-Washing: A Broader Trend

You may have heard the terms green or blue-washing in the ESG-universe, but the broader act of colour-washing has **become a marketing strategy by corporations to use color symbolism as a way to show support**. That said, these corporations sometimes only offer minimal engagement or real action. Companies lean on these symbolic gestures to appear socially responsible, but sometimes, their support is shallow and fleeting.

## Why Colour-Washing Matters

When companies engage in color-washing, whether intentionally or not, they inevitably **dilute the power and significance of the causes they claim to support**. These superficial gestures are designed to boost brand image and capitalize on social movements without any substantial commitment or follow-through.

Pride Month has become a major opportunity for several brands, but many may be less interested in allyship and more focused on **chasing “pink money”** or “rainbow money” due to the growing purchasing power of the LGBTQIA+ community.



In the U.S. alone, the LGBTQIA+ community is estimated to have a **purchasing power of around \$1.4 trillion annually** (Forbes, 2022). This demographic is an economic force that brands are eager to tap into, especially during Pride Month when visibility and representation are at their peak. And this force is only growing. According to an analysis by IPSOS and UN Population data, the population of LGBTQIA+ people is predicted to hit 1 billion globally by 2050. As Gallup Polls show, one in five Gen Z adults identify as queer, and this demographic is expected to equate to 15% of the adult population by 2050.

Chasing "pink money" without meaningful initiatives to support the LGBTQIA+ community with real action or long-term support could risk trivializing LGBTQIA+ issues and turning them into a

marketing opportunity, rather than a cause worth investing in. The danger here is significant. Not only are these companies potentially exploiting the visibility of a vulnerable community, but they're also contributing to the commodification of a movement that has long been about resilience, visibility, and ultimately activism.

This trend of rainbow-washing (and its broader counterparts) shows that **while companies may look to, or even unintentionally profit from a social cause, they may not have any real commitment to the long-term change required to make a positive impact.** It's essential that brands move beyond just "cashing in" on a marginalized community's visibility and instead truly support the causes they outwardly champion. Support should never be about the bottom line; it's about being there for the community year-round and having a lasting, measurable impact.

Marco P. Falco, an appellate and public law litigator at Torkin Manes LLP in Toronto, who is one of the founding members of his firm's Diversity and Inclusion Committee, agrees:

*"Allyship has never been more important, particularly in our current political and social climate. While some corporations and organizations have done a great job vocalizing support for the 2SLGBTQ+ community, there is a real risk that Pride advertising in the month of June appears performative only. At our firm, for example, our Diversity and Inclusion Committee took several steps to ensure that we were not simply "celebrating" occasions for diverse groups but making meaningful change. Among other initiatives, we established scholarships and bursaries for students from historically-disadvantaged groups. Corporate support and allyship are great and are absolutely critical – but they're one step in a larger commitment by organizations toward equality for customers and employees alike. And the benefits to the corporation are manifold – not just from an ethical and social justice perspective. There is a real economic advantage to showing robust and meaningful support for the 2SLGBTQ+ community."*

## A Call for Accountability

The conversation about colour-washing isn't just happening in community spaces or on social media; it has now reached boardrooms, policy tables, and regulatory bodies.

In June 2025, **the Canadian government introduced tough new anti-greenwashing laws** under the Competition Act, R.S.C. 1985, c.C-34, a clear signal that the era of unchecked corporate virtue-signaling may be coming to an end.

The federal Competition Bureau's Guidelines on Environmental Claims now require companies to back up their environmental claims with solid, verifiable evidence. Brands can no longer use generic terms like "eco-friendly" or "net zero" without credible, verifiable evidence, including data, testing, and adherence to internationally recognized standards. **If a brand wants to claim it is environmentally sustainable, it must prove it** with data, plans, and public accountability. The consequences for failing to do so are **serious with fines of up to \$10 million** (or \$15 million for repeat offenses), or up to 3% of annual revenue, whichever is greater.

While the guidance targets environmental claims, the implications of the Government of Canada's initiatives go much further. They reflect a growing societal demand for authenticity. **If companies can no longer get away with hollow promises about the planet, why should they be able to do so with equity, inclusion, or Pride?**

The message coming for organizations in the future: prove your meaningful allyship with concrete measures to back your ostensible support. This moment presents an opportunity for many organizations; a chance to **move from symbolic gestures to substantive action** and to

treat support for marginalized communities not as a seasonal- branding exercise, but as a year-round responsibility. After all, a rainbow logo in June is easy. Long-term, measurable commitments to justice? That's where the real work and credibility hits the road.

## Walking The Talk

The call for **accountability isn't just a legal or reputational imperative...it's an ethical one**. Support for marginalized communities cannot be performative. It must be embedded in a company's DNA, showing up not just in marketing, but in boardrooms via governance, decision-making, culture, and community impact.

BIG's CEO & Founder, Ivy Lumia, sat down with Rob Smith, Founder of The Phluid Project and GET Phluid, to talk about what meaningful corporate engagement really looks like. Rob, a trailblazer in creating gender-free retail spaces and corporate strategies that empower queer communities, spoke about the need for authenticity, year-round commitment, and courageous leadership.

*"As we head into the month of June, we look for companies that show up with authenticity... not just in parades and parties, but in their governance, their giving, their education, and their action. This is a moment when we need support more than ever. We ask for unwavering support in good times and in challenging times. Find your strength, courage and conviction and make us PROUD. And remember, we are queer all year."*

## Practical Actions for Boards to Strengthen Their Social Justice Bona Fides

So, what can companies and Boards do to make that commitment real?

- Adopt and enforce anti-racist and anti-harassment policies
- Align internal conduct with the UN Sustainable Development Goals
- Offer education across the organization, from entry-level to the Boardroom
- Ensure equitable compensation for all talent
- Discuss your Board's diversity ethos and enable deeper diversity of its composition
- Build safe, inclusive workplace environments and boardrooms
- Establish long-term partnerships with nonprofits and equity-focused organizations

Support doesn't end when the confetti is swept up. Real support is visible, measurable, and sustained, all day and every day.

## How BIG Can Support Your Board

At BIG, we know colours aren't just seasonal initiatives. They're the daily fabric of what we do and how we lead... and leadership starts with the Board.

Our **Modern Board Evaluations move beyond box-checking** with our proprietary composition matrices that enable a balanced voice for stake-and-rights holders appropriate for your organization, creating intentional space for directors to reflect, challenge bias, and shape a board that serves the future.

So, wave those flags proudly people, but wave them all year long with meaningful initiatives and support.

[Get in touch](#) to learn how BIG can help your board or visit us at [www.bestingovernance.com](http://www.bestingovernance.com)