

Voluntary Report – Voluntary - Public Distribution

Date: August 02, 2024

Report Number: CA2024-0032

Report Name: Canada to Develop Guidance on New Greenwashing Provisions

Country: Canada

Post: Ottawa

Report Category: Climate Change/Global Warming/Food Security, Agriculture in the Economy, Policy and Program Announcements, FAIRS Subject Report

Prepared By: Mihai Lupescu

Approved By: Mary Ellen Smith

Report Highlights:

On July 22, 2024, Canada's Competition Bureau launched consultations to inform the development of industry guidance for new greenwashing provisions under the Competition Act. The new provisions are meant to tackle unsubstantiated environmental claims through marketing and advertising, including claims on product labels. Public comments are accepted until September 27, 2024.

In Canada, environmental claims, including sustainability claims, are regulated under the [Competition Act](#) and enforced by the [Competition Bureau](#). On June 20, 2024, the Competition Act was amended with several [new provisions](#), including new provisions specific to [unsupported environmental claims](#) (commonly known as greenwashing), which include:

- the requirement that claims about the environmental benefits of a product be supported by adequate and proper testing, and
- the requirement that claims about the environmental benefits of a business or business activity be based on adequate and proper substantiation in accordance with an internationally recognized methodology.

Additionally, among the June 2024 amendments to the Competition Act, were [provisions](#) expanding private access rights to cases involving deceptive marketing practices, broadening who can apply directly to the Competition Tribunal, easing the legal test used to determine whether cases can proceed, and allowing the Competition Tribunal to order those who contravene the Competition Act to make monetary payments to persons affected by the anti-competitive conduct.

Given the complexity of these new amendments, and to help businesses with compliance, the Competition Bureau [announced](#), on July 22, 2024, a [public consultation](#) on Competition Act's new greenwashing provisions meant to advise the Bureau on developing industry guidance about environmental claims and how these are enforced. Feedback from interested stakeholders can be submitted until **September 27, 2024**, as follows:

By email to: greenwashingconsultationecoblanchiment@cb-bc.gc.ca

By mail to: Deceptive marketing practices Directorate
Competition Bureau
50 Victoria Street, Gatineau, Quebec, K1A 0C9

Environmental Claims, Greenwashing, and Additional Resources

From the Competition Bureau's perspective, an environmental claim is "any representation related to the environment that has been made for the purposes of promoting a product or business interest." Such claims can be used to promote a positive environmental quality or attribute of a product, or to downplay a negative one, and they may include claims related to the impact on the environment of a product, from the sourcing of its materials to how it is produced, packaged, distributed, used or disposed of.

According to the Competition Bureau, "while many environmental claims are truthful, others make the business or its products sound 'greener' than they really are. Many people refer to this as part of the larger problem of 'greenwashing', and we at the Bureau sometimes use this term as a short form for environmental claims that are deceptive because they are false, misleading or not adequately and properly tested or substantiated." The new provisions incorporated in June 2024 in the Competition Act explicitly target greenwashing and are summarized by the Bureau as: "simply stated, businesses are now required to have testing or substantiation to support certain environmental claims."

While waiting for the development of new guidance for the new provisions, the Competition Bureau released a new edition of the [Deceptive Marketing Practices Digest](#) that specifically addresses environmental claims, and provides a foundation to understand the issues around these claims in general and how businesses can comply with the provisions of the Competition Act already in place prior to the

amendments. Older information and guidance on environmental claims and greenwashing, including an [archived guide](#) for industry and advertisers, can be found at this [webpage](#).

Canada is United States' largest export market for high-value consumer-oriented agricultural products and foods, valued at \$20.4 billion in 2023. In keeping up with current market trends, U.S. farmers and food manufacturers continue to increase their offerings of products that appeal to an increasingly environmental-conscious consumer, products that are often promoted for their sustainability or environmental benefits. Moreover, Canada is viewed as the primary export market for climate-smart products, to be developed through the Partnerships for Climate-Smart Commodities programs.

Attachments:

No Attachments.