



Alberta Wilderness Association  
"Defending Wild Alberta through Awareness and Action"

Deceptive Marketing Practices Directorate  
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September 13, 2024

**Re: AWA Feedback Regarding the *Competition Act*'s New Greenwashing Provisions**

Dear Competition Bureau,

Alberta Wilderness Association (AWA) is writing you to provide feedback regarding the *Competition Act*'s new greenwashing provisions as part of the public consultation process launched by the Competition Bureau ending on September 27, 2024. This consultation process is intended to inform the development of the *Competition Act*'s future enforcement guidance about misleading environmental claims.

AWA is the oldest Alberta-based environmental conservation group with more than 7,500 members and supporters in Alberta and around the world. AWA seeks the completion of a protected areas network and good stewardship of Alberta's public lands, waters, and biodiversity to ensure future generations enjoy the abundant benefits they provide.

The Competition Bureau defines an environmental claim as "any representation related to the environment that has been made for the purposes of promoting a product or business interest," and greenwashing as "environmental claims that are deceptive because they are false, misleading or not adequately and properly tested or substantiated." Nemes et al. (2022) define greenwashing as "an umbrella term for a variety of misleading communications and practices that intentionally or not, induce false positive perceptions of an organisation's environmental performance."<sup>1</sup>

While definitions vary, the practice of making false, misleading, and/or unsubstantiated environmental claims is harmful because it provides a false appearance of corporate responsibility while simultaneously delaying real progress on environmental issues.

AWA appreciates having the opportunity to review and respond to the [questions](#) provided by the Competition Bureau. Our feedback to the questions is outlined in the following section, as well as additional comments that AWA would like to see addressed as part of the Competition Bureau's development and implementation of the new greenwashing provisions.

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<sup>1</sup> Noémi Nemes et al., "An Integrated Framework to Assess Greenwashing," *Sustainability* 14, no. 4431 (2022): 13.

## **AWA Responses to Competition Bureau Questions:**

1. What kinds of claims about environmental benefits are commonly made about products or services in the marketplace? Why are these claims more common than others?

AWA recommends that the Competition Bureau review the *Integrated Framework to Assess Greenwashing* developed by Nemes et al. (2022)<sup>2</sup> to better understand common environmental claims which could be categorized as greenwashing.

According to this framework, greenwashing may include claims such as:

- i. **Selective disclosure:** Claim is based on a narrow set of attributes and distracts consumers from the organisation's greater environmental impact.
- ii. **Empty claims:** Making claims/policies that either exaggerate achievements, or fail to live up to them.
- iii. **Irrelevant:** Proclaiming accomplishments that are irrelevant or already required by law/competitors.
- iv. **Lies:** Claims are out-right lying.
- v. **Just not credible:** Claim touts environmentally friendly attributes of a dangerous or highly controversial practice/product/service e/policy.
- vi. **Corporate responsibility in action:** Claim does not reflect consistent organisational practice.
- vii. **Dubious certifications and labels:** Claim has certifications that are prone to greenwash.
- viii. **Political spin:** Claim boasts of green commitments, while the organisation lobbies against environmental laws.
- ix. **Co-opted endorsement:** Claims that greenwash organisation's activities are endorsed by other organisations.
- x. **No proof:** Claim cannot be substantiated by easily accessible supporting information.
- xi. **Vagueness:** Claim is poorly defined/broad, so its real meaning is misunderstood.
- xii. **Misleading symbols:** Claim uses visuals and symbols that induce a false perception of the organisation's greenness.
- xiii. **Jargon:** Claim uses jargon/information that consumers cannot understand/verify.

Based on AWA's experience, common environmental claims may include reference to any of the following terms, without substantiation:

- Biodegradable
- Carbon footprint
- Carbon neutral
- Credit systems
- Conserve, conserving, or conserved
- Clean or cleaner
- Decarbonize, decarbonized, or decarbonization
- Eco-certifications or eco-labels

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<sup>2</sup> Nemes et al.

- Environmental, social, and governance (ESG) goals
- Environmental or environmentally friendly
- Green or greener
- Low or lower impact
- Low, lower, reduced, or reducing emissions
- Natural
- Net-zero emissions
- Offsets or offsetting
- Organic
- Recycled, partially recycled, or recyclable
- Reduce or reduced impact
- Renewable
- Responsible
- Reusable
- Sustainable

Any environmental claims which include reference to any of the above terms should be subject to scrutiny and substantiation under the new greenwashing provisions of the *Competition Act*.

Some specific examples of environmental claims being used in public communications materials are included below and highlighted in **bold**:

“Canada’s forest sector strongly backs the federal government’s goal of **net-zero emissions** by 2050 and is positioned to be an industry leader in helping our country achieve this target. Since the early 1990s, Canada’s forest sector has **reduced its GHG emissions** by close to 70%. And by 2030, through the **sustainable** management of our forests, the **decarbonization** of our manufacturing and supply chains, and the carbon stored in wood products, our sector is poised to pull the equivalent of 30 megatons of carbon dioxide from the atmosphere every year, putting our country on the path to meeting our **net-zero emissions** targets. – [Forest Products Association of Canada \(2024\)](#)

“As global leaders in **sustainability** and **environmentally responsible** manufacturing, Alberta’s forestry companies secure our forests’ full **environmental**, sociocultural, and economic benefits for generations to come.” – [Alberta Forest Products Association \(2024\)](#)

“Suncor continued to diligently advance our **sustainability** goals this past year, leveraging operational excellence, technological innovation and ongoing collaboration and co-investments with our industry peers, governments, associations and communities to accelerate our progress. Supplying secure and reliable energy, underpinned by sound **environmental, social and governance (ESG)** performance, sets the conditions for a stronger and more resilient business – and world.” – [Suncor Energy Inc. \(2023\)](#)

“Our objective is to reach **net zero greenhouse gas (GHG) emissions** in our operations by 2050 and contribute to Canada’s goals to **reduce emissions**. We’ve set an interim objective to **reduce emissions** by 10 megatonnes per year across our value chain by 2030.” – [Suncor Energy Ltd. \(2023\)](#)

“E3 Lithium is committed to **sustainable** development that extends to all facets of our business. We are determined to achieve the highest possible standards through our actions and conduct. Our approach promotes a strong culture of corporate responsibility that empowers our people to support our local communities, **nurture our environment**, and deepen our stakeholder relationships in order to create tangible and long-lasting benefits for our future.” – [E3 Lithium \(2024\)](#)

2. Are there certain types of claims about environmental benefits of products or services that are less likely to be based on adequate and proper testing? Is there something about those types of claims that makes them harder to test?

Environmental claims that are based on self-reported data collected by the same entity making the claim are less likely to be based on adequate and proper testing. For example, a recent study from Megan He et al. (2024) found that emissions in Canada’s oil sands sector were 1900% to 6300% greater than the emissions originally reported by industry<sup>3</sup>. Therefore, AWA believes that any data used to justify an environmental claim should be collected, verified, and publicly reported by a credible, independent third-party organization to ensure accuracy.

3. What should the Bureau consider when it evaluates whether testing to support claims about the environmental benefits of products or services is “adequate and proper”?

AWA recommends that the Competition Bureau review the *Understanding and Preventing Greenwash: A Business Guide* developed by BSR & Futerra (2009)<sup>4</sup> to better understand the evaluation criteria which should be used for testing the validity of environmental claims.

According to this guide, environmental claims need to be checked to ensure that:

- i. Claims are based on real, significant impacts.
- ii. Claims are aligned with multiple functions within the organization.
- iii. The integrity of claims should be checked by credible third parties.
- iv. The communication of claims should be focused on clarity and transparency.

In addition, AWA suggests that the Competition Bureau review the four principles that constitute the foundations of an effective legal framework to better address climate washing (another specific form of greenwashing) in Canada, as identified by the Centre québécois du droit de l’environnement (CQDE).<sup>5</sup>

The principles identified by the CQDE include:

- i. **Qualification:** Firms should be required to qualify all their climate-related allegations based on their scope, attribution rules, time frame, the characteristics of the offset mechanisms on which they rely, where applicable, and the quality of the claimant’s transition plan.

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<sup>3</sup> Megan He et al., “Total Organic Carbon Measurements Reveal Major Gaps in Petrochemical Emissions Reporting,” *Science* 383, no. 6681 (January 26, 2024): 426–32, <https://doi.org/10.1126/science.adj6233>.

<sup>4</sup> Rina Horiuchi et al., “Understanding and Preventing Greenwash: A Business Guide” (Business for Social Responsibility, n.d.).

<sup>5</sup> Julien O. Beaulieu, “Climate-Washing in Quebec and Canada: How to Turn the Tide” (Centre québécois du droit de l’environnement, October 11, 2022).

- ii. **Substantiation:** Firms should be subject to specific rules that identify which information is needed to adequately substantiate climate-related claims.
- iii. **Disclosure:** Firms should be obligated to publicly disclose all supporting evidence on which they base their climate-related claims as soon as they make such claims available to the public.
- iv. **Monitoring:** Rather than rely mostly on complaints, enforcement agencies should proactively monitor claims made by firms to the public.

The CQDE report follows these four principles with three recommendations for policymakers, which should be considered by the competition Bureau in the implementation of the new greenwashing provisions of the *Competition Act*.

The recommendations are as follows:

- i. Policymakers should issue or endorse a disclosure standard for climate-related corporate claims made to the public. This framework should include carbon accounting, offsetting, and reporting rules. It should not be exclusive to the financial sector and should cover both product-level and organization-level climate-related claims.
- ii. Policymakers should set climate-washing as a top enforcement priority for consumer protection agencies, which should establish investigation teams that actively monitor the marketplace and publish guidelines dedicated to climate-related claims.
- iii. Policymakers should adopt a coherent and comprehensive climate policy approach that considers the various private initiatives and upcoming regulatory reforms relating to climate accounting, targets, and reporting. Further policy initiatives should encompass both consumer protection and financial disclosure rules and should ensure that firms face consistent reporting and disclosure standards.

#### 4. What challenges may businesses and advertisers face when complying with this provision?

Businesses and advertisers will be unable to make environmental claims without first providing independently verified evidence to substantiate their claims.

#### 5. What other information should the Bureau be aware of when thinking about how and when to enforce this provision?

While we recognize that the issue of greenwashing is not specific to a particular industry, AWA requests that the Competition Bureau dedicate significant attention towards companies and/or industry associations from Canada's oil and gas sector in the implementation and enforcement of its new greenwashing provisions.

Recent evidence shows that the Pathways Alliance — a coalition representing the six largest oilsands producers in Canada — has been engaging in activities which would likely meet the criteria for greenwashing, especially with regards to “net-zero” emissions claims.

Following a two-year assessment of Pathways Alliance's public communications materials, Aronczyk, McCurdy, and Russill (2024) identified “instances of selective disclosure and omission,

misalignment of claim and action, displacement of responsibility, non-credible claims, specious comparisons, nonstandard accounting, and inadequate reporting.”<sup>6</sup>

Additionally, new research from InfluenceMap, published in June 2024, outlined the tactics being used by the Pathways Alliance to block and stall meaningful climate action — such as the federal oil and gas emissions cap and new methane regulations. The findings from InfluenceMap demonstrate that despite its attempt to build and portray a climate-conscious brand, the Pathways Alliance has engaged in advocacy that is largely against climate regulations in Canada.<sup>7</sup>

It is also important that any/all environmental claims with respect to greenhouse gas (GHG) emissions account for both upstream (“direct”) emissions as well as downstream (“indirect”) emissions for a given entity. This means that emissions accounting needs to include Scope 3 emissions, which are the result of activities not owned or controlled by the reporting entity and are often produced through combustion in other jurisdictions (e.g., exported oil and gas).

The inclusion of Scope 3 emissions is important when assessing environmental claims because Scope 3 emissions often represent the majority of an entity’s total GHG emissions but are often unaccounted for. According to Yona (2023), unaccounted GHG emissions “create a substantial problem that must be addressed for climate laws to succeed.”<sup>8</sup> Therefore, before an environmental claim about emissions can be made by any entity, that entity should be required to calculate and publicly disclose Scope 3 emissions and ensure that their data has been validated by a credible, independent third-party.

### **Concluding Remarks:**

AWA is encouraged that the Competition Bureau is taking this important step to limit false, misleading, and/or unsubstantiated environmental claims. Canada’s progress towards meeting our international climate commitments will depend on the successful implementation and enforcement of these regulations. AWA is grateful for the opportunity to provide feedback as part of this engagement, and we hope to see our comments and recommendations considered in the final implementation of the *Competition Act*’s new greenwashing provisions.

Sincerely,  
ALBERTA WILDERNESS ASSOCIATION



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<sup>6</sup> Melissa Aronczyk, Patrick McCurdy, and Chris Russill, “Greenwashing, Net-Zero, and the Oil Sands in Canada: The Case of Pathways Alliance,” *Energy Research & Social Science* 112 (June 1, 2024): 103502, <https://doi.org/10.1016/j.erss.2024.103502>.

<sup>7</sup> InfluenceMap, “The Canadian Oil Sands Playbook: An Analysis of Pathways Alliance,” accessed August 21, 2024, <https://influencemap.org/briefing/Pathways-Alliance-28367>.

<sup>8</sup> Leehi Yona, “Emissions Omissions,” SSRN Scholarly Paper (Rochester, NY, May 2, 2023), <https://papers.ssrn.com/abstract=4436504>.

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