

Canada Environmental Claims, Greenwashing and the Canadian Competition Act



Amendment to Canada's Competition Act focus on deceptive “greenwashing” and environmental claims

Any business that makes public statements about environmental matters related to its products or practices (sustainability, net zero, carbon neutrality, eco-friendliness, recyclability and more) must adapt all existing and future statements to account for these new provisions. This includes statements by third parties on behalf of or acting in connection with the business.

About the Competition Act

Canada's Competition Act already prohibits businesses from making false or misleading representations about their products or services. On June 20, 2025, the Competition Bureau will implement significant changes to the Competition Act that were enacted in June 2024.

- Key environmental changes to the Competition Act are a significant focus on combating “greenwashing” by explicitly targeting misleading environmental claims made by businesses, requiring them to have proper substantiation for any environmental benefits advertised about their products or practices. This provides the Competition Bureau with stronger tools to hold companies accountable for deceptive marketing regarding environmental sustainability claims.
- Further, in addition to a company's statements about itself or its offerings, statements made by third parties on behalf of or acting in connection with a business are considered reviewable conduct if they are false or misleading in a material respect, meaning the business can be held accountable for such statements even if they were not directly made by the company itself. This includes claims about environmental benefits or sustainability made by third parties promoting a product.



History of this law

- The Competition Act, originally known as the Combines Investigation Act, was first enacted in 1889. It aimed to prevent anti-competitive practices and monopolies.
- The act underwent several amendments to address changing market conditions and business practices.
- More recently, Bill C-59, the Fall Economic Statement Implementation Act, 2023, was passed on June 20, 2024. This Canadian law modernizes the Competition Act and other legislation, and includes revised requirements to address greenwashing.

What the law means for organizations

- Companies doing business in Canada must have a clear understanding of the sustainability claims and messaging that they are utilizing in areas including (but not limited to) websites, product literature and packaging, sustainability and investor reports, marketing, and advertising. These are all avenues that, if not managed, can place a company in violation of the law.
- The law requires companies to support “green” claims in the following manner:

- Claims about a product’s environmental benefits need to be supported by adequate and proper testing or substantiation.
- “Adequate and proper testing” regarding environmental claims on products means that companies must have conducted thorough, reliable, and relevant testing and/or auditing to substantiate any claims about a product’s environmental benefits before making them publicly. This testing should be done in a controlled environment and reflect real-world usage conditions to help ensure the claims are accurate and not misleading to consumers, essentially preventing “greenwashing.”
 - Examples of these claims, such as “this product is recyclable” or “this product is biodegradable,” must be validated by proper testing and review.
- Claims about a business or business activity’s environmental benefits need to be substantiated in accordance with internationally recognized methodology.
 - For example, claims or goals built into an organization’s sustainability report must be properly validated using recognized processes and methodologies.
 - An example of a nonproduct claim is a company’s claim or publicized goal of achieving net zero without proper measuring and reporting.



How UL Solutions can help

UL Solutions can support organizations as they navigate the complexity introduced by this new regulation.

UL Solutions can help companies develop their sustainability strategy and demonstrate sustainability in their product lines, facilities and supply chains to comply with regulations, empower transparency, increase environmental, social and governance (ESG) disclosure, and meet green building and procurement standards.

- We do this by applying science-based sustainability standards, strong regulatory knowledge, responsible sourcing expertise and software tools. This can help companies mitigate risk and earn trust among stakeholders.
- Certifications and verifications from independent third parties can help manufacturers and retailers demonstrate their product's sustainability claims and communicate them to consumers suppliers and investors.

- UL Solutions offers a variety of global environmental and sustainability certifications, such as the UL ECOLOGO® Certification, UL GREENGUARD Certification and Verification programs developed in accordance with applicable ISO standards covering various products and sustainability attributes.
 - With some of the most recognized and referenced third-party certifications and criteria, our services can help Canadian manufacturers and retailers market sustainable claims backed by proof.
 - We help manufacturers and retailers gain a meaningful distinction in the marketplace by qualifying and certifying their product sustainability and communicating it to stakeholders — including consumers, suppliers and investors.

If you are interested in having a one-on-one session with a UL Solutions sustainability expert on the Canadian greenwashing law and exploring how you can develop and implement a conformance strategy, please [complete this form](#).

For more information



Guidance for businesses: The Competition Bureau offers resources to help businesses understand and comply with the laws. Read more information on their [guidance page](#).



Deceptive Marketing Practices Digest: The Competition Bureau regularly publishes the Deceptive Marketing Practices Digest to educate both businesses and consumers. Access the latest volume [here](#).



Regulatory update: Read UL Solutions' regulatory update, [Canadian Competition Act Amendments for Environmental Claims](#).



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