

ESG And Sustainability: Key Trends In Canada



The environmental, social and governance (“ESG”) and sustainability landscape in Canada has seen several key developments over the past 12 months, including new rules governing “greenwashing,” the launch of consultations possibly leading to due diligence requirements that ensure imported goods are not made using forced labour, and campaigns by shareholders and activists to bring about corporate change. McCarthy Tétrault’s cross-practice [ESG and Sustainability Group](#) examines these and other issues crucial to your business in its inaugural *ESG and Sustainability: Key Trends in Canada*.

This essential guide offers a deep dive into the evolving ESG and sustainability landscape, equipping you with the knowledge to develop the strategies your business needs to navigate upcoming challenges and capitalize on new opportunities. Download *ESG and Sustainability: Key Trends in Canada* today and stay one step ahead of developments in the world of sustainability and corporate responsibility.

ESG and Sustainability: Key Trends in Canada covers the following topics:

- Under the Green Lens: New Greenwashing Provisions Under the *Competition Act*
- Canada Looks at Due Diligence Requirements to Tackle Modern Slavery
- Regulatory Developments in Canadian Sustainability and

ESG Reporting

- Turning Up the Heat: Groundbreaking Climate Litigation in Europe and Canada
- ESG Stakeholder Activism: Another Dynamic Year in Canada
- Rise of ESG and Sustainable Bonds in Canada
- The Road from COP29: Paving the Way for a Global Carbon Market
- Paving the Path to Net Zero: Energy Transition Developments in Canada for 2024
- Canada Cracks Down on Plastic: New Federal Plastics Registry

Social, economic and political change creates a mix of risk and opportunity. Companies must align their purpose and values with stakeholders to stay competitive. Our ESG and Sustainability Group offers comprehensive support to integrate ESG thinking into your business, providing innovative solutions and strategic advice to help you navigate this transformative landscape.

Read a snapshot from the publication below:

Under the Green Lens: New Greenwashing Provisions Under the *Competition Act*

Amendments to the *Competition Act*, which took effect on June 20, 2024, introduce more stringent protections against “greenwashing”, a term commonly used to describe deceptive claims regarding the environmental attributes of a product, service or business activity. These amendments follow a period of focused enforcement activity in respect of potentially-deceptive environmental claims on matters such as a product’s carbon neutrality, recyclability of packaging, and a company’s climate change or sustainability targets.

Armed with a codified statute that prescribes specific infringements for greenwashing, and reverses the onus on defendants to substantiate their claims, we can expect these

developments to drive the Competition Bureau (the “Bureau”) towards further enforcement in 2025. The groundswell of accompanying media and political attention is also likely to fuel more complaints from consumers and public interest groups as public awareness of sustainability issues continues to rise. While the underlying analytical frameworks used to assess conduct under amended regime may not change significantly, companies should prepare for stricter scrutiny of their environmental marketing claims. Companies should also revisit their compliance policies to avoid potential penalties and litigation.

Prior to the 2024 amendments, there already existed a civil prohibition against “representations to the public that are false or misleading in a material respect,” which captured environmental claims and was the basis for the Bureau’s historic enforcement activity. However, the *Competition Act* now explicitly prohibits deceptive environmental claims, imposing a duty on businesses to substantiate environmental claims about a business or product in accordance with “internationally recognized methodologies.” This term has not yet been defined, creating significant uncertainty for the business community, as well as a heightened risk of complaints and associated reputational consequences. As well, companies facing Bureau enforcement action can face monetary penalties of up to 3% of worldwide revenues.

[Download the publication](#) to read more.

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The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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