

**Written Submission for the Public  
Consultations on the Competition Act's  
new greenwashing provisions**

**By: Rothmans, Benson & Hedges Inc.**

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Rothmans, Benson & Hedges Inc.

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## Introduction

Rothmans, Benson & Hedges Inc. (RBH) appreciates the opportunity to provide comments on the public consultation on the Competition Act's new greenwashing provisions through the following written submission. RBH, an affiliate of Philip Morris International Inc. (PMI), is one of Canada's leading tobacco companies employing over 700 people across the country, with headquarters in Toronto, a factory in Québec City and partnerships with 150 farmers nationwide.

This is why we are pleased to align with the federal government on a number of stated policy objectives, including some from Canada's Tobacco Strategy, such as helping Canadians who smoke to quit, and reducing harms related to the use of products containing nicotine. Our message is clear: ***If you don't smoke, don't start. If you smoke, quit. If you don't quit, change.*** Quitting is the best choice, but for adult smokers, who would otherwise continue smoking, there are potentially less harmful alternatives, such as vaping products and heated tobacco products (HTPs).

RBH is committed to harm reduction strategies as an effective means of helping Canada's 4.7 million adult cigarette smokers<sup>1</sup> switch to better alternatives to smoking if they do not quit entirely.

PMI and its affiliates take a global, enterprise-wide approach to sustainability, that addresses our sustainability priorities through impact-driven strategies, focusing both on the social and environmental impacts generated by our products and on the impacts derived by our business operations throughout the value chain.

As to the ongoing consultation, RBH fully supports regulations against greenwashing and welcomes the introduction of the new provisions on greenwashing in the Competition Act. More particularly, claims to consumers about sustainability-related features of a product or service, and the potential impact of these features on the environment must be factual, accurate and substantiated. In the European Union, regulators are also developing specific regulatory framework to guard against greenwashing such as the Directive 2024/825 on "*Empowering Consumers for the green transition through a better protection against unfair practices and through better information*"<sup>2</sup> and the EU Green Claims Directive to "*Update Union consumer law to ensure that consumers are protected and to empower them to contribute actively to the green transition*"<sup>3</sup>..

Our comments below pertain to the feedback requested by the Competition Bureau about the new provisions of the Competition Act relating to: statements, warranties or guarantees of a product or service's environmental benefits; as well as representations

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<sup>1</sup> [Smokers, by age group \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/82-625-x/2023001/article/00001-eng.htm)

<sup>2</sup> [Directive 2024/825, Official Journal of the European Union](https://eur-lex.europa.eu/eli/dir/2024/825/oj)

<sup>3</sup> [Proposal for a Directive on Green Claims, European Commission](https://ec.europa.eu/commission/presscorner/detail/en/ip19_1831)



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made about environmental benefits of businesses and business activities (hereinafter also referred to as “new provisions on greenwashing”).

**Rothmans, Benson & Hedges Inc (RBH) upholds that the new provisions of the Competition Act on greenwashing be:**

- 1. applied inclusively, agnostic of sectors or industry; and**
- 2. evaluated by clear, standardized, and previously announced international methodologies that the Competition Bureau of Canada would select and decide on.**

**1. Rothmans, Benson & Hedges Inc (RBH) upholds that the new provisions of the Competition Act on greenwashing be applied inclusively, agnostic of sectors or industry.**

The stated intention of the new provisions is that they be applied broadly to all industries and sectors, and are not meant to regulate specific sectors. We commend and endorse this approach, because it will help increase competition. Ensuring that environmental claims are fair, understandable and reliable will level the playing field for companies competing in their respective sectors. This will also help consumers to choose products that are genuinely better for the environment than competing products, and thus, will encourage competition leading to more environmentally sustainable products and business practices, thereby reducing the negative impact on the environment.

If these rules were only targeted at certain sectors or industries, it would harm consumers by making it harder to receive substantiated and verified environmental information about products and companies operating in the sectors not covered by the legislation, and undermine their ability to make informed decisions. Furthermore, it would also create a false impression that all the companies within those overlooked industries engage in the same business practices and have the same environmental impact.

As the intention behind these provisions is to help consumers with better information, hold industries and sectors accountable, and empower consumers’ environmental behaviors, having a sector-agnostic application is crucial in the uniform applicability of these new standards.

**2. Rothmans, Benson & Hedges Inc (RBH) upholds that the new provisions of the Competition Act on greenwashing be evaluated by clear, standardized, and previously announced international methodologies that the Competition Bureau of Canada would select and decide on.**

RBH supports the Competition Bureau’s commitment to offer enforcement guidance as to how the Bureau will evaluate claims about the environmental benefits of a product or



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service, or representations made about the environmental benefits of businesses and business activities. This evaluation is central to ensuring consumers are making informed choices and that corporations are held to account and the Bureau's guidance will strengthen transparency and predictability.

In this regard, it is worth noting that there are numerous methodologies to assess environmental claims currently in use in different jurisdictions around the world and many of those methodologies lack the transparency, impartiality and the monitoring and enforcement procedures to make them credible and reliable. In order to facilitate compliance with the new provisions of the Competition Act in question, RBH is fully in favor of the Competition Bureau providing not just one, but a list of internationally recognized methodologies, from which companies can choose to validate their different types of claims against.

To support claims of excellent environmental performance, for instance, the Bureau could include in the list the methodologies applied in EU Ecolabel and those described in the ISO 14024, "Environmental labels and declarations – Type I environmental labelling", officially recognized at the national level.

## **Conclusion**

By implementing measures to combat greenwashing claims that are broadly applicable across all sectors, and made pursuant to standardized, clear, and fair international methodologies, the Competition Bureau of Canada will improve the quality of information available to consumers and promote overall corporate competition in Canada. We welcome this move.