Member's Bill

Fifth Session, Forty-second Parliament 2 Charles III, 2024 Legislative Assembly of British Columbia

BILL M 209

BUSINESS PRACTICES AND CONSUMER PROTECTION (GREENWASHING PREVENTION) AMENDMENT ACT, 2024

Ms. Sonia Furstenau

Explanatory Notes

- CLAUSE 1: *[Business Practices and Consumer Protection Act, section 1]* adds a definition of "greenhouse gas".
- CLAUSE 2: *[Business Practices and Consumer Protection Act, section 4]* provides that certain representations relating to greenhouse gas emissions constitute deceptive acts or practices.

CLAUSE 3: *[Business Practices and Consumer Protection Act, Part 2.1]* adds a Part requiring suppliers who make climate-related representations to disclose prescribed information and meet prescribed standards and criteria with respect to various matters.

MS. SONIA FURSTENAU

BILL M 209 – 2024

BUSINESS PRACTICES AND CONSUMER PROTECTION (GREENWASHING PREVENTION) AMENDMENT ACT, 2024

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

1 Section 1 (1) of the Business Practices and Consumer Protection Act, S.B.C. 2004, c. 2, is amended by adding the following definition:

"greenhouse gas" has the same meaning as in the Climate Change Accountability Act;.

2 Section 4 is amended by adding the following subsection:

- (4) Without limiting subsections (1) and (3), a representation constitutes a deceptive act or practice if the effect of the representation is misleading with respect to one or both of the following:
 - (a) the greenhouse gas emissions associated with goods or services or with a supplier's business;
 - (b) the reduction, avoidance or offsetting of the greenhouse gas emissions referred to in paragraph (a).

3 The following Part is added:

PART 2.1 – CLIMATE-RELATED REPRESENTATION

Definitions

- 14.1 In this Part:
 - "climate-related representation" means a representation, made in relation to a consumer transaction, that relates to one or both of the following:
 - (a) the greenhouse gas emissions associated with goods or services or with a supplier's business;
 - (b) the reduction, avoidance or offsetting of the greenhouse gas emissions referred to in paragraph (a);

"representation" has the same meaning as in Division 1 of Part 2.

CLAUSE 3: [Business Practices and Consumer Protection Act, Part 2.1 – continued]

CLAUSE 4: [Business Practices and Consumer Protection Act, section 164]

- adds to the list of contraventions for which the director may impose an administrative penalty;
- requires the director to consider adverse environmental impacts of a contravention before imposing an administrative penalty.

CLAUSE 5: *[Business Practices and Consumer Protection Act, section 165]* sets out maximum administrative penalties.

Requirements applicable to climate-related representations

- 14.2 A supplier must not make a climate-related representation unless
 - (a) the supplier discloses, on a publicly accessible website maintained by the supplier, the prescribed information respecting the basis for the climate-related representation,
 - (b) the supplier meets the prescribed standards with respect to
 - (i) the use of terminology,
 - (ii) methods of accounting for greenhouse gas emissions, and
 - (iii) other prescribed matters, and
 - (c) if the representation refers to a program for offsetting greenhouse gas emissions, the program meets the prescribed standards and criteria.

4 Section 164 is amended

(a) in subsection (1) by repealing paragraph (a) and substituting the following:

- (a) any of the following provisions:
 - (i) section 5 (1), in relation to a deceptive act or practice described in section 4 (4);
 - (ii) section 14.2;
 - (iii) a prescribed provision of this Act or the regulations, , and

(b) in subsection (2) by adding the following paragraph:

(c.1) whether the contravention had real or potential adverse environmental impacts, including by undermining action to mitigate climate change;.

5 Section 165 is repealed and the following substituted:

Amount of penalty

- 165 (1) An individual on whom an administrative penalty is imposed is liable to a penalty of not more than
 - (a) \$100 000, in the case of an administrative penalty imposed for a contravention referred to in section 164 (1) (a) (i) or (ii), or
 - (b) \$5000, in any other case.
 - (2) A corporation on which an administrative penalty is imposed is liable to a penalty of not more than
 - (a) \$1 000 000, in the case of an administrative penalty imposed for a contravention referred to in section 164 (1) (a) (i) or (ii), or
 - (b) $$50\ 000$, in any other case.

CLAUSE 6: *[Business Practices and Consumer Protection Act, section 179.1]* requires the Business Practices and Consumer Protection Authority to publish information about compliance and enforcement actions taken in relation to representations involving the environment or greenhouse gas emissions.

- CLAUSE 7: *[Business Practices and Consumer Protection Act, section 189]* provides that the contravention of a provision added by this Bill to the Act constitutes an offence.
- CLAUSE 8: *[Business Practices and Consumer Protection Act, section 190]* narrows the application of a provision setting out maximum fines for offences, consequential to section 190.1, as added by this Bill to the Act.
- CLAUSE 9: *[Business Practices and Consumer Protection Act, section 190.1]* sets out the maximum fines for offences for contravening provisions added by this Bill to the Act.

6 The following section is added to Part 11:

Reporting by administrative authority – environmental and climate-related representations

- 179.1 (1) If the administrative authority is designated as a director, the administrative authority must publish, within 30 days after the end of each fiscal year of the administrative authority, the following information with respect to the fiscal year:
 - (a) whether the administrative authority carried out any inspections, and if so, the number of inspections, to determine compliance with
 - (i) section 5 (1), in relation to representations respecting the impact of a supplier's business on greenhouse gas emissions or the environment, or
 - (ii) section 14.2;
 - (b) whether the administrative authority took action under section 154 (1), 155 (1) or 164 (1) as a result of an inspection referred to in paragraph (a), and if so, the number of actions taken under each of those provisions.
 - (2) The information referred to in subsection (1) must be posted on a publicly accessible website maintained by the administrative authority.

7 Section 189 (2) is amended by adding the following paragraph:

(c.1) section 14.2 [requirements applicable to climate-related representations];.

8 Section 190 is amended by adding the following subsection:

(0.1) This section does not apply to a person who commits an offence in relation to a contravention referred to in section 190.1 (1).

9 The following section is added:

Penalty – climate-related representations

- **190.1** (1) This section applies to a person who commits an offence in relation to a contravention of
 - (a) section 5 (1), if the contravention arises from a deceptive act or practice described in section 4 (4), or
 - (b) section 14.2.
 - (2) An individual who commits an offence referred to in subsection (1) is liable to a fine not exceeding \$200 000 for each day on which the offence occurs or continues or to imprisonment for not more than 12 months, or to both.
 - (3) A corporation that commits an offence referred to in subsection (1) is liable to a fine not exceeding \$1 000 000 for each day on which the offence occurs or continues.

CLAUSE 9: [Business Practices and Consumer Protection Act, section 190.1 – continued]

- CLAUSE 10: *[Business Practices and Consumer Protection Act, section 191]* adds a cross-reference to a provision added by this Bill to the Act.
- CLAUSE 11: *[Business Practices and Consumer Protection Act, section 194.1]* adds regulation-making powers in relation to provisions added by this Bill to the Act.

- (4) Despite subsections (2) and (3), the court may, in relation to the first day on which an offence occurs or continues, increase a fine imposed under this section by an amount of up to
 - (a) 3 times the court's estimation of the amount of monetary benefit acquired or accrued as a result of the commission of the offence, or
 - (b) in the case of a fine imposed on a corporation, if the amount referred to in paragraph (a) cannot reasonably be determined, 3% of the corporation's annual worldwide gross revenues.
- *Section 191 (1) is amended by adding* "or 190.1 [penalty climate-related representations]" *after* "section 190 [penalty]".

11 The following section is added:

Climate-related representations

- **194.1** (1) The Lieutenant Governor in Council may make regulations as follows:
 - (a) prescribing information for the purposes of section 14.2 (a), including, without limitation, information respecting
 - (i) greenhouse gas emissions associated with the lifecycle of goods or services and the methodologies used in quantifying those emissions,
 - (ii) programs for offsetting greenhouse gas emissions, including, without limitation, with respect to methodologies, monitoring, reporting or verification, or
 - (iii) plans or targets for reducing, avoiding or offsetting greenhouse gas emissions;
 - (b) prescribing standards for the purposes of section 14.2 (b) and matters for the purposes of section 14.2 (b) (iii);
 - (c) prescribing standards or criteria for the purposes of section 14.2 (c), including, without limitation, with respect to methodologies, monitoring, reporting or verification.
 - (2) In making a regulation for the purposes of section 14.2, the Lieutenant Governor in Council may adopt by reference, in whole, in part or with any changes considered appropriate, a regulation, code, standard or rule
 - (a) enacted as or under a law of another jurisdiction in or outside Canada, or
 - (b) set by a provincial, national or international body or any other code-, standard- or rule-making body

as the regulation, code, standard or rule stands at a specific date, as it stands at the time of adoption or as amended from time to time.

Commencement

12 This Act comes into force by regulation of the Lieutenant Governor in Council.

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