

Fossil Fuel Advocacy Advertising on City Assets

Date: June 26, 2025

To: Infrastructure and Environment Committee

From: James Nowlan, Executive Director, Environment, Climate and Forestry Division

Wards: All

SUMMARY

This report responds to direction from City Council to report back by the second quarter of 2025 on a policy to decline fossil fuel advocacy advertising on City assets unless:

- such advertising is consistent with TransformTO; and
- any claims in the proposed advertisement have been independently verified as substantiated, per section 74.01 of the *Competition Act*, and paragraph 8 of the Canadian Code of Advertising Standards.

Concerns were raised in 2024 following reports of Toronto Transit Commission (TTC) vehicles wrapped in fossil fuel advocacy advertising, as such advertising was "greenwashing" and was counter to the climate goals of TransformTO. Greenwashing is defined as environmental claims that are false, misleading or deceptive, or not adequately and properly tested or substantiated as required.

Staff recommend the following approach, made up of three components, to address potential greenwashing on non-TTC assets which aligns with a forthcoming report to the TTC Board of Directors in July 2025. Note that the following approach would not apply to advertising for products or technologies that use fossil fuels, such as vehicles and appliances, among others.

1. Proactive public information on climate mitigation and resilience that would be incorporated into the City's existing and planned public campaigns and direct Torontonians to up-to-date, accurate information and helpful actions.

2. A statement on the City's website, similar to the approach the City took on federal cannabis legislation, reinforcing the *Competition Act's* new greenwashing provisions (which are already law and must be complied with by all City divisions, agencies, and corporations) that require claims about the environmental benefits of a product, business, or business activity be supported by adequate and proper testing, and in accordance with an internationally recognized methodology. The statement would also reiterate the Competition Bureau's positive "principles for compliance", specifically that environmental claims: be truthful; be adequately and properly tested; be clear and

specific; avoid exaggeration; and, where claims are about the future, be supported by a specific and adequate plan.

3. A proactive third-party advertiser greenwashing declaration that advertisers would be required to sign on a go-forward basis before advertising could be accepted on City property. The declaration component of the approach is designed to mitigate legal risks to the City in the absence of a third-party advertising policy by facilitating a self-screening undertaken by the advertisers.

Taken together, the components of the approach would support and reinforce the Competition Bureau's new greenwashing provisions, underscore the City's concern about the issue of fossil fuel greenwashing and its negative effects, require that third-party advertisers take a proactive approach to prevent greenwashing, and have little to no impact on City advertising revenue given the low percentage of expected fossil fuel advocacy advertising following the implementation of the Competition Bureau's greenwashing provisions in 2024.

The statement on the City's website and the proactive third-party advertiser greenwashing declaration would be implemented by the end of Q1 2026, with proactive public information on climate mitigation and resilience incorporated into the City's existing and planned communications on an ongoing basis, where relevant.

This approach would be communicated to all City divisions, agencies, and corporations, to underscore that all advertising or sponsorship proposals must comply with the *Competition Act's* new greenwashing provisions for any City-owned property, space or asset (including parks, squares, community centres, events, etc.).

The recommended approach is also consistent with approaches currently being developed by other municipal jurisdictions across Canada, including the City of Ottawa and the City of Montreal.

RECOMMENDATIONS

The Executive Director, Environment, Climate and Forestry Division, recommends that:

1. City Council direct the Executive Director, Environment, Climate and Forestry, to work with the Chief Communications Officer to incorporate information on climate action into the City's existing and planned public advertising campaigns, where relevant, and by the end of Q1 2026, to develop a greenwashing statement for publication on the City's website, and to develop a third-party advertiser greenwashing declaration that advertisers would be required to sign as a condition of advertising on City assets.

FINANCIAL IMPACT

The financial implications resulting from this report are expected to be minimal given that fossil fuel advocacy advertising represents a very low percentage of the City's

overall advertising revenue and is expected to decrease even further as the Competition Bureau implements its greenwashing provisions. Further, no new resources are being requested for the recommended proactive public information campaign on climate.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on October 9, 2024, City Council adopted IE16.8 - Fossil Fuel Advocacy Advertising on City Assets, which directed the City Manager to report back by the second quarter of 2025 on a policy to decline fossil fuel advocacy advertising on City assets unless such advertising is consistent with TransformTO and any claims in the proposed advertisement have been independently verified as substantiated, per section 74.01 of the *Competition Act* and paragraph 8 of the Canadian Code of Advertising Standards.

[Agenda Item History - 2024.IE16.8.](#)

COMMENTS

1. Background

a. Origin of Issue

Concerns were raised in 2024 following reports of TTC vehicles wrapped in fossil fuel advocacy advertising, as such advertising was "greenwashing" and was counter to the climate goals of TransformTO. Greenwashing is defined as environmental claims that are false, misleading or deceptive, or not adequately and properly tested or substantiated as required.

b. Advertising on City Assets

The City does not currently have a corporate policy for third-party advertising. The existing advertisement policy focuses on City-purchased advertising or protecting the City's brand. The Sign By-law regulates the placement of third-party signs but does not cover ad content or non-public-facing ads.

City divisions, agencies, and corporations typically do not offer direct advertising opportunities on their own; instead, they contract with third-party companies to manage advertising on City-owned assets and infrastructure. This approach has been successful, allowing the City to generate revenue while leveraging the expertise of specialized media firms and avoiding operational complexities and potential conflicts of interest and liability (including indemnity risks).

Partnership agreements that include advertising benefits are approved by Legal Services and comply with the Canadian Code of Advertising Standards, and conform to all applicable federal and provincial statutes, and to all applicable City by-laws and policies.

c. Related Federal Legislation: Competition Act Greenwashing Provisions

In June 2024, the *Competition Act* was amended to address unsupported environmental claims, commonly known as greenwashing.¹ The greenwashing provisions now require that:

- certain claims about the environmental benefits of a product be based on adequate and proper testing; and,
- certain claims about the environmental benefits of a business or business activity be based on adequate and proper substantiation in accordance with an internationally recognized methodology.

In addition to the *Act's* greenwashing provisions, the Competition Bureau has also recently published final guidelines that outline "positive principles for compliance", specifically that environmental claims:

- be truthful;
- be adequately and properly tested;
- be clear and specific;
- avoid exaggeration; and,
- where claims are about the future, be supported by a specific and adequate plan.

d. Related City Direction

Similar to City Council's direction, in September 2024, the TTC Board of Directors also [adopted a motion](#) requesting that their third-party advertising provider forward any further fossil fuel advocacy advertising to the TTC for review, that staff review any further fossil fuel advocacy advertising for compliance with their advertising policy, including the *Competition Act's* greenwashing provisions, and that the staff propose revisions to their third party advertising policy that would decline fossil fuel advocacy advertising that is inconsistent with TransformTO net-zero climate commitments.

A report will be brought forward to the TTC Board of Directors in July 2025 and recommends an approach that is aligned with the one proposed in this report.

e. Compliance with other Standards: Canadian Code of Advertising Standards

City Council direction also requires alignment with paragraph 8 of the Canadian Code of Advertising, which is as follows:

8. Advertisements must not distort the true meaning of statements made by professionals or scientific authorities. Advertising claims must not imply that they have a scientific basis that they do not truly possess. Any scientific, professional

1. The Competition Bureau has published final [Guidelines](#) to clarify expectations related to the new greenwashing provisions.

or authoritative claims or statements must be applicable to the Canadian context, unless otherwise clearly stated.

2. Approach Development

a. Jurisdictional Scan

The City of Ottawa Council has directed staff to develop an approach to prevent greenwashing that would require alignment with the new *Competition Act* provisions, but it is still in the early stages of development.

The City of Montreal transit authority also has new guidelines that would limit — but not ban outright — oil and gas-related advertisements on its metros and buses. The ads must be reviewed to ensure they are evidence-based, and do not amount to greenwashing.

In December 2024, the Alberta Enterprise Group launched a court case against the *Competition Act's* greenwashing provisions on the basis that they restrict free speech as protected by the Canadian Charter of Rights and Freedoms. The litigation is ongoing.

b. Key Components

Staff recommend the following approach:

i) Proactive Public Information on Climate Mitigation and Resilience

The first component of the recommended approach would include the development of proactive public information on climate mitigation and resilience that would form part of the City's public campaigns and direct Torontonians to up-to-date, accurate information and helpful actions. Additional resources are not being requested as activities would be incorporated into ongoing engagement and capacity building activities within the Environment, Climate and Forestry Division.

ii) Statement on City's Website

The second component would be a statement on the City's website, similar to the [approach the City took on federal cannabis legislation](#), that would be developed to reinforce the *Competition Act's* new greenwashing provisions (which are already law and must be complied with by all City divisions, agencies, and corporations) and require claims about the environmental benefits of a product, business, or business activity be supported by adequate and proper testing, and in accordance with an internationally recognized methodology. The statement would also reiterate the Competition Bureau's positive "principles for compliance", specifically that environmental claims: be truthful; be adequately and properly tested; be clear and specific; avoid exaggeration; and, where claims are about the future, be supported by a specific and adequate plan.

In addition to reiterating federal greenwashing provisions, the statement would also indicate that fossil fuel advocacy advertising on City assets must comply with paragraph 8 of the Canadian Code of Advertising Standards.

iii) Proactive Third-Party Advertiser Greenwashing Declaration

The final component would include the development of a simple process whereby third-party advertisers would be required to proactively sign a declaration accompanying their advertising by the end of Q1 2026 to:

- Confirm their advertisement does not make a representation to the public in the form of a statement, warranty or guarantee of a product's benefits for protecting or restoring the environment or mitigating the environmental, social and ecological causes or effects of climate change that is not based on an adequate and proper test, the proof of which lies on the person making the representation;
- Confirm their advertisement does not make a representation to the public with respect to the benefits of a business or business activity for protecting or restoring the environment or mitigating the environmental and ecological causes or effects of climate change that is not based on adequate and proper substantiation in accordance with internationally recognized methodology, the proof of which lies on the person making the representation; and,
- Indemnify the City against any costs or damages resulting from their advertisement being challenged under the federal Competition Act.

Note that section 8 of the Canadian Code of Advertising Standards is not included in the Declaration, as the City already requires contractual compliance with it by third-party advertisers.

The declaration component of the approach is designed to mitigate legal risks to the City in the absence of a third-party advertising policy by facilitating a self-screening undertaken by the advertisers.

The statement on the City's website and the proactive third-party advertiser greenwashing declaration would be implemented by the end of Q1 2026, with proactive public information on climate mitigation and resilience incorporated into the City's existing and planned communications on an ongoing basis, where relevant.

This approach would be communicated to all City divisions, agencies, and corporations, to underscore that all advertising or sponsorship proposals must comply with the *Competition Act's* new greenwashing provisions for any City-owned property, space or asset (including parks, squares, community centres, events, etc.).

c. Conclusion

Taken together, the three recommended components would support and reinforce the Competition Bureau's new greenwashing provisions, underscore the City's concern about the issue of fossil fuel greenwashing and its negative effects, require that third-party advertisers take a proactive approach to prevent greenwashing, and have little to no impact on City advertising revenue given the low percentage of expected fossil fuel

advocacy advertising following the implementation of the Competition Bureau's greenwashing provisions in 2024.

For additional clarity, the recommended approach would only apply to advertising that advocates directly for fossil fuels and not include advertising for products or technologies that use fossil fuels, such as vehicles and appliances, among many.

CONTACT

Alice Xu, Director, Policy, Planning and Research, Environment, Climate and Forestry Division, Telephone: 416-392-2085, Email: Alice.Xu@toronto.ca

SIGNATURE

James Nowlan
Executive Director, Environment, Climate and Forestry Division

ATTACHMENTS

N/A