



7 June 2023

Committee Secretary
Senate Standing Committees on Environment and Communications
Submitted via: ec.sen@aph.gov.au

To Mr Stephen Palethorpe,

RE: Submission on the Inquiry into Greenwashing

The Environment Institute of Australia and New Zealand (EIANZ) is the peak body of environmental professionals in Australia and New Zealand. Through its code of ethics, it sets a high standard for environmental professionals to work to. The specific interests and skills base of the EIANZ lies in facts-based and ethical environmental practice and environmental protection. Hence prevention, identification and removal of greenwashing claims across society is of interest and importance to us.

The term 'greenwashing' refers to the making of environmental claims that may not exist, or that can't be verified. The term is often used in a pejorative sense, and individuals with differing value sets may have different views on what constitutes greenwashing.

The Australian Securities and Investments Commissions (ASIC) has published an information sheet (Information Sheet 271) relating to greenwashing, and it has also published a report on recent greenwashing interventions. In addition, the Australian Competition and Consumer Commission (ACCC) has published findings in relation to an internet investigation into the extent of greenwashing. This indicates that the Australian Government is taking an active stance in addressing the issue. Those two organisations would appear to have the appropriate skills to regulate corporate compliance, however the validity of environmental and sustainable standards and thresholds may be open to interpretation.

Rather than analysing what may or may not constitute greenwashing or its impacts, this submission considers options to regulate the environmental and sustainability claims made by companies in a transparent manner. There are a range of certification schemes, both national and international, which map out frameworks to achieve environmental and sustainable outcomes. The International ISO 14001 Standards relating to environmental management is one such certification framework. An example of an industry-based certification scheme is the Forestry Stewardship Council (FSC) certification.

Rather than developing new regulatory systems to address the issue of greenwashing, the Senate Committee may wish to consider the feasibility of establishing a public register of certification schemes which have certain features which are sufficiently robust to validate environmental and sustainability claims. The required features of such a scheme would include:

- published verifiable standards or thresholds that must be met to achieve environmental and sustainability claims,
- periodic auditing to ensure that the standards and thresholds are being maintained,
- an ability to investigate complaints with respect to a certified entity not meeting its environmental and sustainability claims; and
- the ability to remove certification if standards and thresholds are not being met.



Environment Institute
of Australia and
New Zealand Inc.

The aim of establishing a public register of certification schemes would be to facilitate the transparency of the frameworks within which environmental and sustainability claims are being made. And to enable interested parties to investigate the basis of those claims. This would also limit the regulatory burden on the Government to investigate environmental and sustainability claims.

Entities that make environmental and sustainability claims, which are not supported by a recognised certification scheme, may be required to submit justifications for their claims to address the 'required features' of the register of certification schemes. Those entities would be informed that their responses would be published in order that their claims are transparent. The process of publishing responses would act as a deterrent to making false or misleading claims. Entities which refused to comply with requests to submit justifications for scheme may be subject to further investigation into whether their claims are false or misleading.

Entities are more likely to respond positively to open and transparent public processes than investigations conducted behind closed doors. Publication of verifiable standards or thresholds will also help the public to have confidence into claims of environmental and sustainability. Or at the very least, the public would have the opportunity to challenge such claims.

Yours sincerely,

Chris Murphy and Neil Marshman
EIANZ Policy and Standards Committee