

11/09/2025

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

RE: Senate enquiry into Greenwashing

Accounting for Nature Ltd ('AfN') welcomes the Senate enquiry into greenwashing.

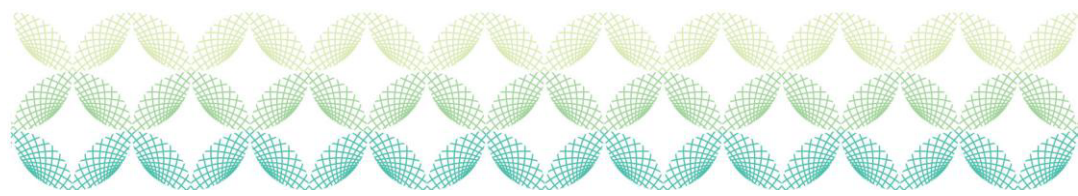
The UN Decade on Ecosystem Restoration represents an urgent call to arms for both public and private sectors to take unprecedented, large scale and impactful action to address biodiversity loss and climate change. Organisations that depend on and impact nature at any point in their value chain are at risk of asset loss, productivity and financial loss, and loss of social licence. To reduce this risk, organisations are being increasingly encouraged to shift to 'nature-positive' and 'nature-based' investments which offers opportunity through brand enhancement, carbon/nature credit revenue, sustainable investment taxonomies and access to new and emerging 'green' markets.

To ensure there is transparency in the market, organisations are increasingly being demanded to disclose their nature-related risks and opportunities. This has been demonstrated by the recent and strong interest in the Taskforce for Nature-based Financial Disclosure (TNFD). There are currently over 500 companies which are members of the TNFD forum. Collectively, the members represent institutions with a combine market capitalisation of over US\$4 trillion, with over US\$18.3 trillion in assets under management and a footprint in over 180 countries.

Accounting for Nature Ltd (AfN), is an independent, not-for-profit Australian company that accredits and certifies the measurement of the state of nature. The Accounting for Nature® Standard, associated scientific monitoring methods, and other pieces of market infrastructure are playing a critical role in supporting the transparent, evidence-based and the integrity of green claims and sustainability reporting – including those around “nature positive”. We have been recognised as a leader in this field by governments, the private and not-for-profits, including the TNFD, Nature Positive Initiative (NPI), Deloitte, and other organisations in Australia and around the world.

Established 6 years ago with financial support from the Queensland government, the Accounting for Nature® Standard is a globally applicable, independent, innovative environmental condition accounting framework for measuring, monitoring, certifying, and reporting the condition of environmental assets (e.g., vegetation, soil, water, fauna etc) over time. Since our establishment in 2019, AfN has:

- Formally accredited 23 nature measurement methods through the independent Scientific Advisory Committee (covering native veg, fauna, water, soil, and ecosystems), in Australia and the UK.
- Worked with 50+ organisations, ranging from ASX listed agricultural firms (AACo) to conservation organisations (Bush Heritage and Greening Australia), financial institutions (Pollination), government (Qld, NSW, Commonwealth), NRMs (Burnett Mary Regional Group, NQ Dry Tropics), carbon aggregators (GreenCollar, CO2 Australia, RegenCo, Upscale Carbon, Greening Australia, AgriProve, Climate Friendly), service providers (Deloitte), indigenous organisations (NAILSMA, IDA) and philanthropic givers (Minderoo, Australian Ethical, ISEAL Innovations Fund and NAB).
- Registered more than 100 environmental accounting projects (covering nearly 10 million ha's in Australia) in AfN's public registry and expect to register projects in the UK this year.



- Trained 2000+ people in the use of the Accounting for Nature® Framework via AfN's online training platform, and accredited 100+ Accounting for Nature® Experts in environmental accounting skills.
- Recently launched the CarbonPlus™ Pilot Program which enables transparent, high-integrity digital linking of Australian Carbon Credit Units (ACCUUs) with independently audited and certified Accounting for Nature® Environmental Asset Accounts. Asset Accounts quantify the trend in the condition of environmental assets, allowing investors and stakeholders to assess the environmental outcomes associated with registered carbon projects.

AfN continues to field increasing interest in environmental accounting from government and corporates with potential projects across the world and across a range of end-uses; ranging from substantiating claims related to “nature-based solutions”, “beyond compliance / net gain” and “carbon co-benefit” markets, impact investment due diligence, green bond issuance, philanthropic giving, and government policy.

The Accounting for Nature framework involves summarising complex scientific information into a single metric – the Econd® to describe the condition of an environmental or ecosystem asset as a score from 0 to 100 (100 being reference/ undegraded condition).

The Econd® is a simple and easily understood metric that enables the environment to be better incorporated into decision making. Using the Framework, Account Holders can produce Environmental Accounts across scales (project, property, regional, state, national) that are independently audited, ensuring transparency and integrity to claims regarding the state and change in the condition of nature.

To reverse nature loss by 2030, it is critical that nature finance is rapidly scaled. There is significant opportunity for Australia to play a pivotal role in green financing and nature-based solutions as we transition to net zero and deliver on our commitments to 30% of Australian land and sea protected by 2030.

However, ‘greenwashing’ presents a significant risk to achieving these objectives. Greenwashing can result in a market distortion that unfairly diverts investment away from ethical or sustainable companies that may find it difficult to compete with companies that engage in greenwashing. This will seriously undermine efforts to transition to a clean, low carbon, nature-positive economy by stopping or slowing investment into important climate and nature-based solutions.

Greenwashing can also undermine the credibility of legitimate climate and nature positive products. This results in distrust in claims, distrust from the public, and distrust and loss of credibility in the market.

In our view, the following elements are critical to enable the growth of high integrity private markets for biodiversity:

1. ‘Sustainability’, ‘green’ or ‘nature positive’ claims must be supported by **independent audits** of actual outcomes for nature, and the data that evidences the relevant outcomes should be made publicly available to ensure full transparency and establish trust in nature repair markets.
2. Claims must be **accurate**, and scientifically supported to ensure any claims on biodiversity or nature uplift is not misreported or misrepresented.
3. Claims must be **specific**, referring to a specific purpose and not be open to boarder interpretation.
4. Claims must be **coherent** and articulated in line with the level of understanding of the intended audience and in a manner that outcomes, attributions, and benefits are not misrepresented.



5. Claims must be **relevant** and be supported by a relevant Standard.
6. Claims must be **transparent** and provide adequate information to enable the intended audience to make decisions with reasonable confidence.
7. Finally, there must be **consistency** in disclosure requirements. For example, over 70% of the top 200 listed companies on the Australian share market now have net zero claims. However, there is inconsistency in what emission scopes are measured and reported. A similar trend is emerging for nature-positive commitments: an increasing number of companies and financial institutions are making public claims around biodiversity conservation, ecosystem restoration, or nature-positive outcomes, yet the scope, methods, and metrics used are highly variable. This inconsistency reduces comparability and increases the risk of greenwashing. As expectations and future obligations arise regarding nature-related disclosures, consistency in disclosure requirements will be critical to ensure that both climate and nature commitments are underpinned by credible, science-based metrics. This will enable high-integrity, high-impact investment, strengthen accountability, and build confidence that net zero and nature-positive claims translate into real outcomes on the ground.

Greenwashing poses a significant threat to market integrity by delaying meaningful and impactful investment in mitigating climate change and biodiversity loss.

However, there is also a significant opportunity for Australia to play a pivotal role in green financing and nature-based solutions but it must be supported by the need for quantitative evidence in the state of nature (including uplift) and policies that have zero-tolerance towards greenwashing to bring urgently needed confidence back to environmental markets. Governments must set minimum standards and guidance, including through the ACCC and similar to the EU Commission's approach, for establishing the high-level principles and (ideally) key criteria for what makes for a high-integrity green certification standard.

Yours sincerely,

Dr Adrian Ward

Chief Executive Officer
Accounting for Nature Ltd

