



15 September 2023

Environmental and sustainability claims draft guidance for business.

Submission to the Australian Competition and Consumer Commission

Introduction and general comments

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to respond to the ACCC's environmental and sustainability claims for business draft guidance.

The BCCM is the national peak body representing co-operatives and mutuals. Eight in 10 people and 160,000 businesses are members of at least one co-op or mutual in Australia.

Co-ops and mutuals are businesses that are owned and democratically controlled by consumers, producers or workers. They exist to benefit these groups economically, socially and culturally and operate in all sectors of the economy. In addition to direct benefits to members, they benefit the wider community through enhanced competition in markets, local employment opportunities and allocation of surpluses to local causes and organisations.

Globally, the co-operative and mutual movement is recognised as an important stakeholder in sustainable development. The United Nations has published this week a report on [Cooperatives in social development](#) that outlines the key national policy settings that are needed for co-operatives and mutuals to reach their full potential in supporting UN Member States to achieve the Sustainable Development Goals, including environmental security.

At a national level, the BCCM and our members have been proactive in developing effective and ethical ESG strategies and communications over recent years, including:

- [ESG Project](#) over 2021 and 2022
- Development of course on [Sustainability Strategy for Co-operatives and Mutuals](#)
- [Co-operative and Mutual Climate Policy](#)

Given the importance of ESG and sustainable development for co-ops and mutuals, the BCCM welcomes measures such as regulator guidance that can provide increased clarity and a level-playing field for all businesses on what sort of ESG claims are acceptable.

The BCCM is supportive of the draft guidance developed by the ACCC and our responses to the consultation questions provided below are in the spirit of building on what has been drafted to increase uptake by and clarity for businesses. In particular, we suggest:

- more sector specific examples of good and bad practice and use of images.
- clarification of the guidance on climate/carbon related claims. This is important because it is one of the most common areas where claims of greenwashing arise.

The BCCM would be pleased to provide further information to the ACCC on any matters raised in this submission.

Response to specific consultation questions

Are there environmental or sustainability claims in your industry that are concerning?

Co-operatives and mutuals operate across all sectors of the economy including agriculture, banking, insurance, retail, wholesale and manufacturing. Greenwashing – both intentional and unintentional can happen in any sector and it would be helpful to have more examples (if possible, even real-life) of greenwashing in different types of business. For example, there could be a table/graphic of the main economic sectors in Australia – and common greenwashing errors/mistakes made by organisations in these sectors as well as some examples of meaningful environmental claims specific to these sectors.

The BCCM would be happy to facilitate further sector-specific feedback or case studies from co-ops and mutuals for this purpose.

Do you think this draft guidance will improve business confidence when making environmental or sustainability claims?

Including visual examples of greenwashing (e.g. advertisements, product labels, customer communications) encompassing a wide variety of sectors will increase the uptake of the guidance.

Providing more detail and clarity on climate related claims such as net zero, carbon neutrality and carbon offsetting is also important. The BCCM believes it would be advantageous for Australia to align with other jurisdiction on this and the latest thinking on climate and carbon reduction. In Europe and the UK advertising and marketing claims on net zero/carbon neutrality where those claims are based solely on offsetting are becoming non-compliant.¹

Related to above, the section on carbon emissions related claims (page 26) needs clarification. It seems that offsets are fine but only for scope 2. Regardless of whether offsetting should be allowed or not, scope 1 and 3 are mandated to be measured under the Greenhouse Gas Protocol and referenced in target setting methodologies such as the Science Based Targets Initiative. The inclusion of only scope 2 may be due to confusion about procurement of renewable energy through instruments such as power-purchase agreements.

Contact:

Melina Morrison, CEO

E: melina.morrison@bccm.coop

M: +61 410 902 656

Business Council of Co-operatives and Mutuals (BCCM)

GPO Box 5166, Sydney, NSW 2000

E: info@bccm.coop | P: +61 (02) 8279 6050 | www.bccm.coop

¹ E.g. <https://www.forbes.com/sites/amynguyen/2023/06/16/carbon-neutral-claims-under-investigation-in-greenwashing-probe/>
3