



Catholic Religious Australia Submission to the Senate Standing Committees on Environment and Communications

7 June 2023

Catholic Religious Australia (CRA) welcomes the opportunity to make a submission to the Senate Standing Committees on Environment and Communications, to inquire into and report on greenwashing, with particular reference to:

1. the environmental and sustainability claims made by companies in industries including energy, vehicles, household products and appliances, food and drink packaging, cosmetics, clothing and footwear;
2. the impact of misleading environmental and sustainability claims on consumers;
3. domestic and international examples of regulating companies' environmental and sustainability claims;
4. advertising standards in relation to environmental and sustainability claims;
5. legislative options to protect consumers from green washing in Australia; and
6. any other related matters

CRA is the peak body representing the Leaders of 150 Catholic Religious Institutes and Societies of Apostolic Life which operate in Australia. Our religious institutes comprise over 5,000 Catholic religious women and men, working in education, health care and social welfare, including aged care and disability support. Australia's Catholic religious congregations are strongly committed to action for justice. Through their justice ministries, they work with and advocate for Australia's most vulnerable communities, including the environment and peoples adversely impacted by environmental destruction and the impacts of climate change.

The International Panel on Climate Change (IPCC) has made it abundantly clear in multiple reports that we are fast running out of time to avoid the worst impacts of climate change. It has also laid bare that we are already experiencing widespread losses and damages to every single ecosystem and to human beings because of past and current human actions and inactions. Australian businesses must recognise their contribution to our climate crisis, occurring through practices such as Greenwashing, which conceals or misconstrues environmental impact, misleading Australian consumers who are trying to make more ethical purchasing considerations.

Australian businesses have the potential to be an integral part of the climate solution, and if they will not voluntarily take action, should be encouraged, incentivised and/or penalised through regulatory and legislative options to conduct themselves better, not only to reduce Greenwashing, but to produce positive and swift climate action across sectors.

Recognising, that Greenwashing is rife across the Australian market, this submission will only focus on the Fashion/Footwear and Food/Drink industries and their particular greenwashing strategies, and propose legislative and regulatory options to not only reduce Greenwashing, but to shift these sectors to more genuinely sustainable operation.

What is Greenwashing?

While there is no universal definition of Greenwashing due to its multifaceted nature, the practice commonly exhibits the intersection of two firm behaviours: "poor environmental performance and positive communication about environmental performance."¹

¹ Delmas M, Burbano V (2011) The drivers of greenwashing. *Calif Manag Rev* 54(1):64–87. <https://doi.org/10.1525/cmr.2011.54.1.64>, p. 65.

Researchers have shown that Greenwashing can occur in various forms, across many sectors, and a literature review by de Freitas Netto et. al.² uncovered Greenwashing occurring in the following ways:

- Selective disclosure, whereby companies retained the disclosure of negative information related to their environmental performance while simultaneously releasing positive information regarding its environmental performance;
- Decoupling, whereby companies engaged environmental protection behaviours that were merely symbolic, to simply alleviate external public pressures while taking no genuine measures;
- Claim Greenwashing, whereby companies intentionally utilise false claims at the product/service-level to create a misleading environmental claim; and
- Executional Greenwashing, whereby nature evoking elements, such as colour, sound and imagery, are used in marketing and presentation to make a product seem natural or 'green'.

As the Senate Select Committee considers claims related to 'sustainability,' it must be recognised that this term encompasses issues broader than the environment. From the UN Brundtland Report (1987), sustainability can be understood as the practice of operating a business in a way that meets the economic, social and environmental needs of the present, without compromising the ability of future generations to meet their own needs. Such a definition captures the intersection of environmental issues (such as climate change, decreasing biodiversity, etc.) with other social issues (including work conditions, labour rights, etc.), as distinct yet also overlapping areas. For example, businesses' actions that harm biodiverse ecosystems are also damaging to local communities in terms of resultant impacts on health, way of life and human rights.³ The economic dimension of sustainability addresses the maintenance of long-term profitability, creation of economic value, and responsible resource allocation. More recently, the term 'environmental, social and governance' (ESG) has gained popularity to capture these three elements of sustainable businesses, also sometimes known as Corporate Social Responsibility (CSR).

ESG-related disclosure has rapidly grown over the last two decades due to the intensified worldwide attention on unethical corporate behaviour, and the increasing scrutiny of businesses by stakeholders at all levels of society, including investors, consumers, governments, and corporate customers, has forced companies to evaluate their processes in line with pressure to operate sustainably. However, ESG disclosures are voluntary in most parts of the world, with a multitude of reporting methods employed when they are undertaken. Corporate bodies are using annual reports, sustainability reports, integrated reports or the company website, to disclose ESG, engaging a variety of different frame works and measures. This multitude of voluntary reporting methodologies are frustrating the robust benchmarking and comparability that would ensure market transparency and the elimination of Greenwashing. This has led to various attempts to standardise corporate sustainability reporting globally, culminating in the Non-Financial Reporting Directive (NFRD) in the European Union (EU), which requires all large companies and all listed companies to disclose social and environmental risks against harmonised European Sustainability Reporting Standards (ESRS).⁴ The NFRD should be explored by Australia to consider such an endeavour for or own companies. Further, although

² de Freitas Netto, Sebastião Vieira, Marcos Felipe Falcão Sobral, Ana Regina Bezerra Ribeiro, and Gleibson Robert da Luz Soares. "Concepts and Forms of Greenwashing: a Systematic Review." *Environmental sciences Europe* 32, no. 1 (2020).

³ <https://www.ibanet.org/corporate-sustainability-greenwash-risk-to-social-and-governance-standards>

⁴ https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

voluntary, the Task Force on Climate-Related Financial Disclosures (TCFD) has also sought to establish harmonised global standards to assist companies in reporting climate-related financial disclosure.⁵ The International Organization of Securities Commissions (IOSCO), has also recently issued a call to action to all voluntary standard setting bodies and industry associations operating in financial markets globally to fight against Greenwashing, providing Good Practices recommendations covering asset managers and ESG rating and data providers.⁶

In Australia, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition, 2019) explain that, "a listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework" (Principle 7 - Recognise and manage risk). Further, Recommendation 7.4 says, "A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks." However, this Principle does not require a listed entity to publish an "integrated report" or "sustainability report."⁷ While Australian regulators and standard setters in Australia are increasingly producing guidance and encouraging companies to disclose on climate risk, currently there are no explicit requirements to provide climate-related information in their Annual Reports.⁸

This inconsistency of reporting creates the opportunity for potentially misleading or limited disclosures which misrepresent 'green' credentials. This has been reflected in the findings published in the Australian Competition and Consumer Commission's (ACCC) March 2023 Report 'Greenwashing by businesses in Australia: Findings of the ACCC's internet sweep of environmental claims,' whose survey of 247 businesses or brands across eight sectors in October of 2022, found that 57% had promoted "concerning claims about their environmental credentials."⁹ The ability to navigate and rely on this information is therefore becoming a major issue for consumers and relevant stakeholders, who globally are now calling for more transparent measurement and disclosure of information.

The Impact of Greenwashing on Consumers

Australians are increasingly aware of the importance of ethical consumption, with three in five Australian consumers reporting becoming more aware of the ramifications of their purchasing choices and two in five wanting to make more ethical purchasing decisions in the next 12 months.¹⁰ At the same time however, consumers in Australia are reporting feeling "unfairly burdened" with the responsibility of seeking information pertaining to a company's ethical practices, so as to make the "correct" ethical choice. As an example, Australia's Modern Slavery Act requires large companies to only report to a public register regarding their identification and response to risks of modern slavery in their supply chains, shifting the obligation onto consumers or activist organisations to sift through this register in order to make ethical choices and hold companies accountable.¹¹ Likewise, an absence of government regulation of Greenwashing places the onus on consumers to do their own homework

⁵ <https://www.fsb-tcf.org/about/>

⁶ Morgan Stanley, Sustainability in 2023: Outlook and Key Trends

⁷ <https://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-fourth-edn.pdf>

⁸ de Silva Lokuwaduge, Chitra S, and Keshara M De Silva. "ESG Risk Disclosure and the Risk of Green Washing." *Australasian accounting, business & finance journal* 16, no. 1 (2022): 146–159.

⁹ <https://www.accc.gov.au/media-release/accc-greenwashing-internet-sweep-unearths-widespread-concerning-claims>

¹⁰ <https://baptistworldaid.org.au/resources/ethical-consumer-report/>

¹¹ <https://theconversation.com/i-can-only-do-so-much-we-asked-fast-fashion-shoppers-how-ethical-concerns-shape-their-choices-172978>

regarding a company's sustainability status. Yet, researchers at the University of Melbourne have seen that purchasers can "suspend their ethics" when they feel overwhelmed by information.¹² This is supported by research from Baptist World Aid and McCrindle, who have found that the biggest barrier for Australians in shopping ethically is not knowing which brands are ethical.¹³ Furthermore, consumers believe that the companies themselves and the government have the greatest responsibility to take action against unethical products.

While the average Australian has some role to play in creating change, consumer choice alone is insufficient to ensure that the Australian market is sustainable, especially at this current point in our global climate crisis, where a whole of system overhaul is needed to ensure that all product choices are ethical and affordable for consumers, while rapidly transitioning sectors to net zero emissions.¹⁴

Spotlight on the Australian Fashion and Footwear Sector

The Fashion and Footwear industries are hugely destructive to the environment – they are estimated to contribute up to 10% of greenhouse gas emissions, and 20% of wastewater globally,¹⁵ while depleting natural resources in terms of land, water, and biodiversity. These impacts are felt at every stage of the fashion lifecycle, with biggest emissions produced in the raw materials production stage of the supply chain. Baptist World Aid, which annually assesses the ethical performance of numerous Australian fashion and footwear brands, this year assessed 120 companies, representing 581 clothing and footwear brands sold in Australia.¹⁶ They have noted that brands are increasingly claiming the use of sustainable fibres or innovations, ranging from organic cotton to recycled PET bottle-filled puffer jackets to sugarcane midsoles in sneakers. Baptist World Aid argue however that these sustainability considerations, when they are legitimate, are insufficient to make overall change to the brand's carbon footprint when limited to a niche range of 'conscious' products, therefore being little more than Greenwashing. Globally, an increased interest in sustainable fibres in the Fashion and Footwear industry is conversely occurring alongside an increase in the production of faster, cheaper and more polluting plastic-based fibres made from virgin materials. The United Nations Fashion Industry Charter for Climate Action (UNFICCA) has therefore called for circular or 'cradle to cradle' models, whereby all of a brand's ranges are underpinned by efforts, across the fashion lifecycle, to reduce use of pollutants and to increase the longevity of their products. Yet, the report found that 60% of assessed companies had made no effort to execute such design features in 2022 and fewer than half of companies assessed analysed the environmental risks associated with the main fibres used in their products, or used this information to implement change.

The report has also found that Australia's major fashion brands are performing poorly on the UNFICCA's 50% aggregate GHG emission reductions target by 2030 (in addition to maintaining the net-zero 2050 goal). Only 52.5% of brands assessed in 2022 have acted towards this, with footwear brands notably inactive. In fact, the report deemed that the majority of footwear companies assessed had no public climate commitment or decarbonisation strategy. This is occurring alongside companies' increased use of climate buzzwords, from 'climate neutral' to 'carbon negative' to 'net-zero,' which again constitutes Greenwashing when not underpinned by strategies to actively decarbonise products

¹² <https://theconversation.com/ethical-fashion-is-confusing-even-shoppers-with-good-intentions-get-overwhelmed-145935>

¹³ <https://baptistworldaid.org.au/resources/ethical-consumer-report/>

¹⁴ <https://theconversation.com/i-can-only-do-so-much-we-asked-fast-fashion-shoppers-how-ethical-concerns-shape-their-choices-172978>

¹⁵ <https://baptistworldaid.org.au/resources/ethical-consumer-report/>

¹⁶ <https://baptistworldaid.org.au/resources/ethical-fashion-guide/>

and business activities at all levels, from head office and retail emissions, to freight, the supply chain, and the production of raw materials. Only two of the top 18 scorers in the report's climate question were based in Australia or New Zealand, potentially because of the deeper revenue pockets of international companies with greater shareholder sway. This may indicate a need for government subsidisation to assist Australian companies to do better.

Regulatory or Legislative Options to reduce Greenwashing and improve Eco Performance in the Fashion and Footwear Industry

Australia should consider the EU's suite of directives and proposals to shift the EU to a climate-neutral and circular economy, which includes measures targeted at the Fashion and Footwear industry. Aims include reducing the waste, pollution and misuse of natural resources generated the textiles sector, through design requirements for textiles to ensure longevity and ease of repair and recycling, and the inclusion of a minimum amount of recycled content. Such measures will be greatly beneficial in reducing the overproduction of garments. Research has shown that if globally the industry can minimise excess inventory by even 10%, its emissions could be reduced by 158 million tonnes by 2030.¹⁷

In addition, consumers and regulators will be able to hold garment and footwear producers in check through a Digital Product Passport, which will help create greater transparency through exposing key environmental factors, and therefore a reduction in the ability of companies to be able to Greenwash. This would be supported by the establishment of common criteria against greenwashing and misleading environmental claims, which would require companies to prove their environmental claims using standardised criteria and certifications, and would therefore eliminate vague and unsubstantiated environmental claims. The European Commission hopes that through these measures, greater competition will be generated between businesses to make strides towards a true sustainability of their products, abolishing unfair competition from Greenwashing companies.¹⁸ Although commentators, such as 'Make the Label Count,' have deemed some elements of these proposals as currently imperfect,¹⁹ such as the methodology that has been put forward to assess a garment's environmental impact, CRA still believes that Australia should closely examine this attempt to remove not only Greenwashing from the Fashion and Footwear industry, but completely overhaul the sector so that it is required to make genuine advancements towards a more sustainable future.

Given that 70% of fashion's carbon footprint sits in the production supply chain, CRA believes the Australian government should also consider regulatory or legislative pathways to force companies to take responsibility for the environmental harm caused during offshore production, to further improve genuine climate action within the Fashion and Footwear sector. Sweden's recently tabled national approach of taking responsibility for the carbon footprint of imported goods should encourage Australia to likewise consider legislation to drastically minimise consumption-based emissions, i.e. pollution and emissions generated overseas in the production of Australia's imports. Although this radical recommendation is yet to be formally adopted in Sweden, Australia should watch with keen

¹⁷ <https://baptistworldaid.org.au/resources/ethical-fashion-guide/>

¹⁸ https://environment.ec.europa.eu/topics/circular-economy/reset-trend/how-eu-making-fashion-sustainable_en

¹⁹ <https://www.makethelabelcount.org/globalassets/make-the-label-count/documents/gd4505-mtlc-pef-whitepaper-final.pdf>

interest as the country devises a sound methodology for calculating and reporting emissions made outside its territory, as a first in the world.²⁰

Spotlight on the Australian Food and Drink Sector

The IPCC special report, Climate Change and Land, has stated that approximately a third of all human-generated emissions is linked to food in some way, with most of this coming from agriculture and land use, including: methane produced by cattle; nitrous oxide from fertiliser use; carbon dioxide from clearing vegetation for farmland; and other agricultural emissions from manure management, rice cultivation, burning of crop residues, and the use of fuel on farms.²¹ Further, decades of industrial agriculture have decimated the environment, causing degradation of 20-40% of the global land area and being responsible for 80% of global deforestation in recent decades, the use of 70% of freshwater, and mass biodiversity loss on land, with a 58% decline in vertebrate abundance since 1970.²² A billion tonnes of top soil are lost every year across the EU alone.²³ More sustainable and just ways of growing food are imperative for the future of the planet, not only with the threat of climate change, but also as the global population continues to grow in a world with finite resources. Producers need to maximise the amount of food that can be grown on existing land, while reducing emissions. But, profit-making remains the main goal for the Food industry, with dominating transnational corporations utilising the most cost-effective and efficient supply chains to produce more food, usually at a continuing cost to the environment and small-scale farmers, particularly from the developing world, where they go into debt buying chemicals and expensive machinery attempting to compete in global markets.²⁴

The true environmental costs of many food products are often hidden by complex supply chains,²⁵ allowing the industry to employ Greenwashing tactics. One prominent method to do so has been through the profuse use of certifications and labels on food and drink products. According to the Eco Label Index, there are 57 different labels in use in Australia that identify products and services as being sustainable,²⁶ and globally, this figure is in the mid-hundreds, utilising catch-phrases such as, “dolphin-friendly,” “bird-friendly,” “wild-collected,” “natural ingredients,” “carbon-free,” “carbon-neutral,” “organic,” “cruelty-free” and “fair trade-certified.” But, without universal regulatory definitions or agreed-upon standard for these terms, there is great variation in what they mean in reality,²⁷ and their abundance can create “label fatigue” and/or bewilderment for shoppers. While some labels are genuine, backed up by robust certification and standards by independent third parties, such as the

²⁰ <https://www.euronews.com/green/2022/04/13/sweden-heeds-greta-s-call-to-target-consumption-based-emissions-in-world-first>

²¹ <https://www.un.org/en/climatechange/science/climate-issues/food#:~:text=Food%20needs%20to%20be%20grown,emissions%20is%20linked%20to%20food.>

²² <https://theconversation.com/regenerative-agriculture-is-all-the-rage-but-its-not-going-to-fix-our-food-system-203922>

²³ <https://theconversation.com/sustainable-diets-will-remain-a-minefield-until-we-change-the-way-we-approach-food-92386>

²⁴ <https://theconversation.com/regenerative-agriculture-is-all-the-rage-but-its-not-going-to-fix-our-food-system-203922>

²⁵ <https://theconversation.com/sustainable-diets-will-remain-a-minefield-until-we-change-the-way-we-approach-food-92386>

²⁶ <https://www.ecolabelindex.com/ecolabels/?st=country,au>

²⁷ <https://www.choice.com.au/shopping/everyday-shopping/ethical-buying-and-giving/articles/tools-and-certifications-for-ethical-shopping>

Rainforest Alliance and Fairtrade International,²⁸ others have been set up by food corporations as their own in-house certification programmes, appraising their own ethics to their own satisfaction.²⁹ For example, the transnational corporation Mondelez (whose holdings include Cadbury and Toblerone) pulled several of its chocolate bars, including Dairy Milk, away from Fairtrade certification and into an in-house certification scheme called “Cocoa Life.” Nestlé has a similar in-house programme, “Cocoa Plan,” while Starbucks has “CAFE Practices” and McDonalds has its own “McCafé Sustainability Improvement Platform.” Some of these agribusiness companies may be turning away from independent certification because they think they can craft and meet better sustainability standards in-house, or because they see an opportunity to craft standards that fit their own purposes. Unfortunately, profit may remain the overarching goal here, with bespoke schemes that set their own definition of sustainability. Political economist Elizabeth Bennett has commented that companies are banking on label fatigue and that consumers will not do their own research to find to exactly what an in-house certification really stands for, making it easier for the company to “resort to the ruse of “greenwashing.””³⁰ For example, recent research by the Marine Stewardship Council (MSC) found that Australians trying to locate sustainably sourced tuna are finding it too difficult, confused by the numerous self-made claims on packaging, as the vast majority of tuna sold in Australia is not independently verified as sustainably caught.³¹ Kiarne Treacy, CEO and Founder of Sustainable Choice Group, has rightly said that, “These eco-labels have the power to guide more sustainable consumption or mislead if used incorrectly. When the nature of the certification scheme is clearly described, these labels play a vital role in educating the consumer when they need it most, like at the supermarket shelf.”³²

Recently in Australia, attention has also been on the agricultural sector and its impact on the environment. With meat, particularly red meat, being under the spotlight for its production of methane, many commentators have called on consumers to do their part to cut greenhouse emissions from the food system by shifting to more vegetarian or vegan eating patterns.³³ At the same time however, opportunists in the ‘faux meat’ sector are employing Greenwashing tactics to further sway consumers to purchase their products. Scientists at the CSIRO have singled out two major faux meat brands – Impossible Foods and Beyond Meat – and their claims to have dramatically reduced environmental footprints in comparison to beef. The scientists however claim that these marketing claims have only focused on areas where vegan products perform well, not disclosing impacts regarding soil carbon or potential deforestation, and also making these comparisons in regards to conventionally farmed US beef, not considering more regenerative farming practises now being increasingly employed in Australia.³⁴ Regenerative farming practices use adjusted animal grazing to enrich soils, improving their biodiversity and carbon holding capacity, water use and nutrient cycling.

²⁸ <https://www.choice.com.au/shopping/everyday-shopping/ethical-buying-and-giving/articles/tools-and-certifications-for-ethical-shopping>

²⁹ <https://www.theguardian.com/business/2019/jul/23/fairtrade-ethical-certification-supermarkets-sainsburys>

³⁰ <https://www.theguardian.com/business/2019/jul/23/fairtrade-ethical-certification-supermarkets-sainsburys>

³¹ <https://www.msc.org/en-au/media-centre-anz/media-releases/press-release/aussies-want-to-shop-sustainable-tuna-but-availability-and-information-is-lacking>

³² <https://www.msc.org/en-au/media-centre-anz/media-releases/press-release/aussies-want-to-shop-sustainable-tuna-but-availability-and-information-is-lacking>

³³ <https://theconversation.com/whats-your-beef-how-carbon-labels-can-steer-us-towards-environmentally-friendly-food-choices-108424>

³⁴ <https://theconversation.com/vegan-foods-sustainability-claims-need-to-give-the-full-picture-121051>

Such benefits, the authors claim, can completely offset the emissions of cattle, having a negative carbon footprint.³⁵

On the other hand, however, others are critical of the regenerative farming movement and its sustainability claims. One academic from the University of Technology has criticised the movement for often failing to credit the Indigenous practices it draws from, overlooking the needs of farmers in the Global South and the broader power inequality in the food system. She is also concerned that the terminology is being used by major food corporations, such as Nestlé, who have marketed their aims to source 50% of their key ingredients through regenerative agriculture by 2030, with corporations potentially using the term to repackage existing commitments, rather than substantially improving their systems.³⁶

The agricultural sector is also a significant player in the Carbon Offset market, a market that has been extremely controversial, with some saying it is little more than “big business greenwash.”³⁷ In mid-2022, former carbon market watchdog Andrew MacIntosh decried the scheme as a “rort” with up to 80% of carbon offsets “markedly low in integrity.”³⁸ There are well-founded concerns over whether offset projects actually do reduce carbon and how the Clean Energy Regulator creates, buys, sells and endorses the integrity of offsets – a major conflict of interest for the governance of the market.³⁹ A report by Australia’s Grattan Institute, however, claimed that Australia needs carbon offsets to reach net zero in sectors such as agriculture, for which full elimination of emissions is infeasible, but the market needs to be shifted so that it performs with integrity.⁴⁰

Regulatory or Legislative Options to reduce Greenwashing and improve Eco Performance in the Food and Drink Industry

In response to the overuse of labels and in-house certification schemes in the Food and Drink industry, once again Australia should follow closely the proposals of the EU, this time particularly keeping watch of their Farm to Fork Strategy. This Strategy aims to achieve a sustainability transformation of the European food system, including increased food security and resilience, a reversal of biodiversity loss, and a preparedness to handle crisis events and economic downturns, which will require a food system that functions within planetary boundaries, having only neutral or positive impact on the environment. Currently being researched and debated is a harmonised sustainable food labelling framework that covers the nutritional, climate, environmental and social aspects of food products.⁴¹ This will give consumers more accessible and standardised information to appreciate the true environmental impact of food and drink products, and will allow regulators to keep a cap on Greenwashing by restricting deceptive marketing strategies. The development of this system is not yet complete, with consultation

³⁵ <https://theconversation.com/vegan-foods-sustainability-claims-need-to-give-the-full-picture-121051>

³⁶ <https://theconversation.com/regenerative-agriculture-is-all-the-rage-but-its-not-going-to-fix-our-food-system-203922>

³⁷ <https://theconversation.com/big-business-greenwash-or-a-climate-saviour-carbon-offsets-raise-tricky-moral-questions-171295>

³⁸ <https://theconversation.com/now-we-know-the-flaws-of-carbon-offsets-its-time-to-get-real-about-climate-change-181071>

³⁹ <https://theconversation.com/now-we-know-the-flaws-of-carbon-offsets-its-time-to-get-real-about-climate-change-181071>

⁴⁰ <https://theconversation.com/we-cant-stabilise-the-climate-without-carbon-offsets-so-how-do-we-make-them-work-169355>

⁴¹ https://ec.europa.eu/commission/presscorner/detail/en/fs_20_908

taking place with citizens, stakeholders, and national, regional, and local assemblies of member countries.⁴²

Australia's agricultural industry will need greater government pressure to ensure that farming methods are genuinely reducing carbon emissions. New Zealand's new proposed methane tax on its agriculture industry, due to start, in 2025 should be watched with interest as a global first agricultural emissions levy plan.⁴³ If the Carbon Offset market is to be continued in Australia, Australia should consider enforcing as a harmonised standard the WWF's Science Based Targets Initiative (SBTi), which doesn't allow carbon offsets to be used to reach climate targets. This means that grocery stores, restaurants and other companies in the Food sector are required to demonstrate genuine improvements in reducing their own emissions, backed by farm level data.⁴⁴ Environmental social scientist Nicole Buckley Biggs explains that offsets should be based on a change of activity somewhere else, so that companies can demonstrate 'additionality' – that is, the income from selling an offset should be the underlying incentive for the farmer to make changes to their farming practices. A high quality protocol, she says will have requirements checking that a project has genuine additionality, and that the program accounts for not just soil carbon changes, but all greenhouse gases and the impact of precipitation on soil carbon.⁴⁵ Research from ANU, UNSW, the Australia Institute and a number of independent researchers and academics has found that up to 75% of Australia's Carbon Credit Units are not 'additional'.⁴⁶ AgriWebb's 2023 State of the Global Farmer Report surveyed hundreds of grazing operations worldwide, finding that half of the producers are reporting holding off on joining carbon markets.⁴⁷ While recognising that some protocols currently included in Australia's carbon credit program, including the protocols based on reducing methane emissions through productivity improvements rather than improved soil carbon,⁴⁸ if the entirety of Australia's Carbon Market can be re-shaped with greater integrity, more farmers are likely to participate. Despite the conclusion of the recent Independent Review of Australia's Carbon Credit Units that the scheme is essentially sound, commentators still urge the Australian Government to introduce regulation to prevent low-integrity credits being issued to existing projects and to deny polluting facilities the ability to use low-integrity credits to meet their emission reduction obligations.⁴⁹ This is a call supported by CRA.

⁴² Eliasson, K., Wiréhn, L., Neset, TS. et al. Transformations towards sustainable food systems: contrasting Swedish practitioner perspectives with the European Commission's Farm to Fork Strategy. *Sustain Sci* 17, 2411–2425 (2022). <https://doi.org/10.1007/s11625-022-01174-3>

⁴³ <https://theconversation.com/a-new-farming-proposal-to-reduce-carbon-emissions-involves-a-lot-of-trust-and-a-lot-of-uncertainty-185121>

⁴⁴ https://www.linkedin.com/pulse/part-1-carbon-tradeoff-nicole-buckley-biggs?utm_source=share&utm_medium=member_ios&utm_campaign=share_via

⁴⁵ https://www.linkedin.com/pulse/part-2-upheaval-carbon-offset-market-nicole-buckley-biggs?trk=article-ssr-frontend-pulse_more-articles_related-content-card

⁴⁶ <https://australiainstitute.org.au/post/carbon-credits-and-offsets-explained/>

⁴⁷ https://www.agriwebb.com/state-of-the-global-farmer-report-2023/?utm_medium=referral&utm_source=internal-nicolebuckleybiggs&utm_campaign=global-sotgf-2023&utm_content=us

⁴⁸ <https://www.cleanenergyregulator.gov.au/ERF/Choosing-a-project-type/Opportunities-for-the-land-sector/Agricultural-methods/beef-cattle-herd-management>

⁴⁹ <https://theconversation.com/chubb-review-of-australias-carbon-credit-scheme-falls-short-and-problems-will-continue-to-fester-197401>

Conclusion

Greenwashing is a major impediment to genuine action against Climate Change in this country, spanning across sectors, each with its own nuances in terms of tactics employed. Of vital importance is legislation to establish and regulate mandatory and harmonised methods of ESG reporting. This should be supplemented with sector-specific legislation to target the particular issues raised above. A holistic legislative and regulatory approach should ensure that consumers are incentivised and empowered to make sustainable choices, but this burden should not be on the consumer alone. Government must step in to ensure that unethical corporate behaviour is regulated and that companies are incentivised to make positive changes to shift the Australian economy towards a more circular economy that exists within planetary limits and supports the world's poor.