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Official Information Act #24.013 – Response

- 1. We refer to your request received on 17 July 2024 for information about the number of complaints made to the Commerce Commission (the Commission) about climate-washing and greenwashing in the period 1 January 2022 to 1 July 2024. Specifically, you have requested the substance of the complaint, to which company it was against, and the action taken.
- 2. We have treated this as a request for information under the Official Information Act 1982 (OIA).

Our response

Complaints

- 1. The Commission has received 95 complaints about environmental claims in the period 1 January 2022 to 1 July 2024.
- 2. We identified these complaints by searching our complaints database for complaints received between 1 January 2022 to 1 July 2024, containing one of more of the following keywords,¹ and manually reviewing the results:
 - 2.1 "environment" or "environmental"; or
 - 2.2 "greenwashing" or "green washing" or "green"; or
 - 2.3 "compostable"; or
 - 2.4 "biodegradable" or "degradable"; or
 - 2.5 "recyclable" or "recycling"; or
 - 2.6 "disposable"; or
 - 2.7 "sustainable" or "sustainably"; or

¹ Please note this method relies on the terms used by complainants in making a complaint to the Commission.

- 2.8 "renewable"; or
- 2.9 "plastic" or "plastic free"; or
- 2.10 "organic"; or
- 2.11 "eco-friendly" or "eco friendly"; or
- 2.12 "spray free".
- 3. We have set out the numbers of complaints received by the Commission, per year, over the last two years, at Appendix A.
- 4. We have set out the enquiry number, date received, subject matter and outcome for each of the complaints about environmental impact claims over the last two years, at Appendix B.
- 5. Our practice is to notify persons/companies named in any OIA response prior to responding to the OIA request. Given the number of complaints, we have not undertaken this exercise and therefore have not provided you with the name of each company complained about. If this is something you would like to discuss further, please let us know.

Our work around environmental claims

- 6. Environmental claims are a routine component of the Commission's Fair Trading work programme and we have completed both general and targeted compliance projects in this area in the last 5 years, including:
 - 6.1 *Guidance on environmental claims* In July 2020, the Commission published environmental claims guidance for businesses to help them understand their obligations under the law. All traders need to make sure their claims are substantiated, truthful and not misleading to avoid breaching the FTA. The guidelines are available <u>here</u>.
 - 6.2 *Environmental claims* We have issued information or compliance advice to more than 40 businesses² who were making environmental claims; and investigated and issued formal warnings to two businesses regarding recyclability claims.
 - 6.3 *Fashion sector review* We undertook a review of the fashion sector, identifying and assessing the types of claims being made by particular clothing brands issuing advice to those (37) businesses about compliance with the FTA.
- 7. A couple of key prosecutions in the past include our case against Kiwipure in 2020 who was fined \$162,000 for making unsubstantiated claims about the benefits and effectiveness of its magnetic water filtration system, and our case against Fujitsu in 2017 who was fined \$310,000 for making unsubstantiated or misleading claims about the energy efficiency and performance of some of its heat pumps.
- 8. We will continue to investigate matters and take compliance and enforcement action where appropriate. We are also connected with our international counterparts in

² Excluding the 37 businesses that were contacted during the fashion sector review.

this space, including the Competition and Markets Authority (CMA) and the Australian Competition and Consumer Commission (ACCC).

The Fair Trading Act

- 9. The FTA is clear that information provided to consumers about the products that they buy must be truthful and accurate. Businesses must also have reasonable grounds for claims, that is information that backs-up the claim at the time it is made. This is particularly important when consumers are not able to test claims (and associated information) themselves.
- 10. We encourage businesses to continue to be innovative and explore ways to develop their goods and services for the benefit of the environment. The FTA should not stand in the way of this. However, whatever a business is claiming or putting out there to consumers needs to be clear, accurate and not at risk of creating a misleading impression.

Further information

- 11. Please note the Commission will be publishing this response to your request on its website. Your personal details will be redacted from the published response.
- 12. Please do not hesitate to contact us at <u>oia@comcom.govt.nz</u> if you have any questions about this response.

Yours sincerely



OIA and Information Coordinator

Year	Number of Complaints
2022	38
2023	37
2024 (to 1 July 2024)	20

Appendix A – Complaints about environmental impact claims per year

Appendix B – List of complaints

2022

Number	Key term	Date received	Action taken
ENQ0561735	Organic	18 January 2022	NFA
ENQ0561982	Plastic representations	27 January 2022	NFA
ENQ0562392	Organic	10 February 2022	NFA
ENQ0563027	Environmentally friendly	4 March 2022	IPTT
ENQ0563338	Eco friendly	11 March 2022	NFA
ENQ0564076	Biodegradable	5 April 2022	NFA
ENQ0564107	Compostable	6 April 2022	NFA
ENQ0564130	Flushable representations	6 April 2022	NFA
ENQ0565211	Eco friendly	13 May 2022	NFA
ENQ0565334	Organic	19 May 2022	NFA
ENQ0565417	Recyclability representations	20 May 2022	NFA
ENQ0566045	Organic	14 June 2022	NFA
ENQ0566046	Recyclable	14 June 2022	IPTT
ENQ0566324	Energy claims	21 June 2022	NFA
ENQ0566906	Carbon credits	8 July 2022	NFA
ENQ0566868	Sustainability	8 July 2022	IPTT
ENQ0566906	Carbon credits	11 July 2022	NFA
ENQ0567051	Organic	14 July 2022	IPTT
ENQ0568185	Compostable	12 August 2022	IPTT
ENQ0568326	Biodegradable	17 August 2022	CAL
ENQ0568299	Greenwashing	17 August 2022	NFA

Number	Key term	Date received	Action taken
ENQ0569265	Plastic	12 September 2022	NFA
ENQ0569419	Recyclable	15 September 2022	NFA
ENQ0569650	Sustainable	23 September 2022	NFA
ENQ0569815	Organic	29 September 2022	NFA
ENQ0570128	Organic	9 October 2022	NFA
ENQ0570865	Recycled	31 October 2022	NFA
ENQ0571122	Plastic	6 November 2022	NFA
ENQ0571332	Organic	10 November 2022	IPTT
ENQ0571597	Organic	16 November 2022	NFA
ENQ0571760	Organic	20 November 2022	NFA
ENQ0572073	Organic	24 November 2022	NFA
ENQ0572445	Plastic	1 December 2022	NFA
ENQ0572522	Biodegradable	4 December 2022	NFA
ENQ0572595	Recyclable	6 December 2022	NFA
ENQ0572581	Biodegradable	6 December 2022	IPTT
ENQ0573124	Carbon	17 December 2022	NFA
ENQ0573516	Organic	26 December 2022	NFA

Number	Key term	Date received	Action taken
ENQ0574137	Compostable	19 January 2023	NFA
ENQ0575554	Recycling	22 February 2023	IPTT
ENQ0575586	Carbon emissions claim	23 February 2023	NFA
ENQ0575776	Greenwashing	27 February 2023	NFA
ENQ0576940	Organic	20 March 2023	NFA
ENQ0576940	Organic	21 March 2023	NFA
ENQ0577586	Environment	31 March 2023	CAL
ENQ0577650	Biodegradable	5 April 2023	CAL
ENQ0578800	Spray free	14 April 2023	NFA
ENQ0578266	Recyclable	17 April 2023	IPTT
ENQ0580450	Organic	13 June 2023	NFA
ENQ0580427	Compostable	13 June 2023	IPTT
ENQ0580687	Recyclable	17 June 2023	IPTT
ENQ0580823	Carbon	21 June 2023	NFA
ENQ0581015	Recyclable	25 June 2023	NFA
ENQ0581618	Carbon emissions claim	11 July 2023	IPTT
ENQ0582219	Sustainable	24 July 2023	NFA
ENQ0582451	Recycling	29 July 2023	NFA
ENQ0582809	Organic	4 August 2023	NFA
Number	Key term	Date received	Action taken
ENQ0582913	Compostable	7 August 2023	NFA
ENQ0583070	Greenwashing	9 August 2023	NFA

ENQ0583831	Recyclable	23 August 2023	IPTT
ENQ0583776	Greenwashing	23 August 2023	NFA
ENQ0584066	Organic	29 August 2023	NFA
ENQ0584056	Recyclable	30 August 2023	IPTT
ENQ0584526	Organic	8 September 2023	NFA
ENQ0584735	Plastic Free	13 September 2023	IPTT
ENQ0585176	Organic	24 September 2023	IPTT
ENQ0585274	Recyclable	26 September 2023	IPTT
ENQ0585245	Recyclable	26 September 2023	IPTT and Engagement
ENQ0585822	Renewable	9 October 2023	NFA
ENQ0586797	Renewable energy claims	2 November 2023	IPTT
ENQ0586968	Greenwashing	6 November 2023	NFA
ENQ0587735	Carbon emissions claim	20 November 2023	NFA
ENQ0587979	Organic	25 November 2023	NFA
ENQ0588110	Environmental	28 November 2023	IPTT
ENQ0589044	Recyclable	18 December 2023	IPTT

Number	Key term	Date received	Action taken
ENQ0589721	Organic	10 January 2024	NFA
ENQ0589778	Environmentally friendly	11 January 2024	IPTT

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ENQ0590283	Organic	21 January 2024	IPTT
ENQ0590303	Compostable	24 January 2024	NFA
ENQ0590340	Sustainability claim	25 January 2024	IPTT
ENQ0590527	Recyclability claim	30 January 2024	ΙΡΤΤ
ENQ0590528	Recyclability claim	30 January 2024	ΙΡΤΤ
ENQ0591124	Recyclability claim	13 February 2024	NFA
ENQ0592577	Carbon claim	19 March 2024	IPTT
ENQ0592584	Recyclability claim	19 March 2024	IPTT
ENQ0592615	Organic claim	20 March 2024	NFA
ENQ0593114	Compostable claim	03 April 2024	NFA
ENQ0593187	Carbon claim	04 April 2024	Under assessment
ENQ0593188	Sustainability claim	04 April 2024	Under assessment
ENQ0594008	General environmental claim	24 April 2024	NFA
ENQ0594200	Plastic free claim	29 April 2024	NFA
ENQ0595508	Organic claim	29 May 2024	NFA
ENQ0595638	Recyclability claim	31 May 2024	NFA
ENQ0595621	Recyclability claim	04 June 2024	Under assessment
ENQ0596068	Compostable claim	12 June 2024	Under assessment

Glossary of outcomes		
Outcome	Explanation	
No Further Action (NFA)	The Commission may decide not to take further action in relation to a complaint for a number of reasons. These reasons include, but are not limited to, circumstances where we consider the complaint is better suited to private action by the complainant, the complaint is subject to the jurisdiction of another agency, or where there is no clear breach of the law. However, each complaint and enquiry provides information that is valuable to the Commission. This contributes to future priorities, potential issues for us to watch closely or emerging issues to refer to our policy agency, MBIE. In this regard, we will monitor complaints on information we receive as we look to future prioritisation.	
Information Passed To Trader (IPTT)	We may take the opportunity to contact a trader to assist them in better understanding and complying with the law. We refer to this as Information Passed to Trader (IPTT). We find that raising such issues directly with businesses can help them to understand and better comply with their legal obligations.	
Compliance Advice Letter (CAL)	CALs are educative and are issued in response to problematic conduct that we have identified. Accordingly, what the letter advises of is the risk of conduct breaching the law, and how to avoid a potential breach in future. A CAL does not represent a finding that a trader has contravened the law. Only the Courts can decide if a breach of the law has occurred.	
Investigation	We may add an enquiry to an existing project. The Fair Trading branch currently has several open projects which focus on certain areas, such as product safety and consumer information standards, credence claims, egregious conduct, rights and obligations and retail pricing and promotion activities.	
Under assessment	These are complaints which are still being assessed by the Commission and have not yet resulted in an outcome	