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**AUCKLAND** 

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#### 22 February 2024



#### Official Information Act #23.163 - Complaints about environmental claims

- 1. We refer to your request received on 24 January 2024 for information on the number of complaints about environment impact claims received by the Commerce Commission (the Commission) in the past three years.<sup>1</sup>
  - 1.1 "How many greenwashing complaints have been made to the Commerce Commission and provide a table detailing:
    - 1.1.1 Number
    - 1.1.2 Key term
    - 1.1.3 Date Received
    - 1.1.4 Action taken"
- 2. You have also requested a copy of any warning letters relating to complaints about environmental impacts issued in this period, and any subsequent response to the warning letters from firms. Other than where special reasons exist, we publish warning letters on our case register on the Commission's website and at paragraph 8 we have provided links to the warnings mentioned in this letter.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> 24 January 2021 – 24 January 2024.

https://comcom.govt.nz/about-us/requesting-official-information/oia-register

3. We have treated this as a request for information under the Official Information Act 1982 (OIA).

#### Our response

#### **Complaints**

- 4. The Commission has received 117 complaints about environmental claims in the period 24 January 2021 to 24 January 2024.
- 5. We identified these complaints by searching our complaints database for complaints received between 24 January 2021 to 24 January 2024, containing one of more of the following keywords,<sup>3</sup> and manually reviewing the results:
  - 5.1 "environment" or "environmental"; or
  - 5.2 "greenwashing" or "green washing" or "green"; or
  - 5.3 "compostable"; or
  - 5.4 "biodegradable" or "degradable"; or
  - 5.5 "recyclable" or "recycling"; or
  - 5.6 "disposable"; or
  - 5.7 "sustainable" or "sustainably"; or
  - 5.8 "renewable"; or
  - 5.9 "plastic" or "plastic free"; or
  - 5.10 "organic"; or
  - 5.11 "eco-friendly" or "eco friendly"; or
  - 5.12 "spray free".
- 6. We have set out the numbers of complaints received by the Commission, per year, over the last three years, at **Appendix A**.
- 7. We have set out the enquiry number, date received, subject matter and outcome for every complaint about environmental impact claims over the last three years, at **Appendix B.**

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

#### Warning letters

- 8. In response to your request, noted at [2] above, two warning letters were issued in the period.
  - 8.1 Letter to Glopac NZ Limited issued on 14 September 2021 available on our website at this link.<sup>4</sup>
  - 8.2 Letter to Chilltainers Holdings Limited issued on 20 September 2022 available on our website at this link.
- 9. Prior to issuing warning letters, the Commission sends the party a draft version of the proposed warning letter. Parties are invited to review and check the accuracy of the facts set out in the letter and identify any information that it considers to be confidential and would like the Commission to consider for redacting purposes before the letter is published on the Commission's website.
- 10. In acknowledging receipt of draft warning letters, the above two traders principally corresponded with the Commission on factual aspects of the draft warning letters and related suggested edits. We did not receive any substantive written correspondence from the warned parties on the warning letters being finalised.

#### Our work around environmental claims

- 11. 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:
  - 11.1 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 at this link.
  - 11.2 Environmental claims We have issued information or compliance advice to more than 40 businesses<sup>5</sup> who were making environmental claims; and investigated and issued formal warnings to two businesses regarding recyclability claims.
  - 11.3 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.
- 12. 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

This complaint was received in July 2019 so it is not listed in Appendix B.

<sup>&</sup>lt;sup>5</sup> Excluding the 37 businesses that were contacted during the fashion sector review.

- 2017 who was fined \$310,000 for making unsubstantiated or misleading claims about the energy efficiency and performance of some of its heat pumps.
- 13. We will continue to investigate matters and take compliance and enforcement action where appropriate. We are also connected with our international counterparts in this space, including the Competition and Markets Authority (CMA) and the Australian Competition and Consumer Commission (ACCC).

### **The Fair Trading Act**

- 14. 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.
- 15. 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**

- 16. 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.
- 17. Please do not hesitate to contact us at <a href="mailto:oia@comcom.govt.nz">oia@comcom.govt.nz</a> if you have any questions about this response.

Yours sincerely



**OIA and Information Coordinator** 

# Appendix A – Complaints about environmental impact claims per year

Year	Number of Complaints
2021	38
2022	38
2023	37
2024 (to 24 January 2024)	4

# Appendix B - List of complaints

Number	Key term	Date received	Action taken
ENQ0551072	Recycling claims	16 February 2021	No Further Action (NFA) <sup>6</sup>
ENQ0551118	Palm-oil free	17 February 2021	NFA
ENQ0551984	Organic claims	10 March 2021	NFA
ENQ0552042	Environmentally friendly claims	12 March 2021	NFA
ENQ0552321	Recycling claims	18 March 2021	Information Passed to Trader (IPTT) <sup>7</sup>
ENQ0552609	Air purifying claims	27 March 2021	NFA
ENQ0552673	Electricity greenwashing	29 March 2021	NFA
ENQ0553435	Organic claims	16 April 2021	NFA
ENQ0553676	Organic claims	28 April 2021	NFA
ENQ0554358	Disposal Claims	18 May 2021	NFA
ENQ0554406	Sustainability claims	19 May 2021	IPTT
ENQ0556040	Compostable claims	28 June 2021	NFA
ENQ0555839	Recycling	1 July 2021	NFA

The Commission may decide not to take further action (NFA) 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

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.

Number	Key term	Date received	Action taken
ENQ0556322	Environmentally friendly	5 July 2021	IPTT
ENQ0556326	Recyclable	19 July 2021	NFA
ENQ0556463	Zero waste	24 July 2021	NFA
ENQ0556747	Carbon	29 July 2021	NFA
ENQ0556762	Organic	3 August 2021	NFA
ENQ0557128	Eco-friendly	12 August 2021	NFA
ENQ0557329	Sustainable	18 August 2021	Compliance meeting
ENQ0557565	Organic	25 August 2021	NFA
ENQ0557667	Biodegradable	27 August 2021	NFA
ENQ0557981	Plastic free	4 September 2021	NFA
ENQ0558020	Biodegradable	6 September 2021	NFA
ENQ0558135	Organic	9 September 2021	NFA
ENQ0558207	Biodegradable	13 September 2021	IPTT
ENQ0558319	Plastic	14 September 2021	IPTT
ENQ0558567	Recycling	22 September 2021	NFA
ENQ0558597	Packaging	23 September 2021	NFA
ENQ0558881	Sustainable	2 October 2021	NFA
ENQ0559141	Organic	14 October 2021	NFA
ENQ0559741	Plastics	3 November 2021	NFA
ENQ0559910	Sustainability claims	10 November 2021	NFA
ENQ0560337	Organic	23 November 2021	NFA

Number	Key term	Date received	Action taken
ENQ0560534	Biodegradable	30 November 2021	IPTT
ENQ0560858	Renewable energy claims	9 December 2021	NFA
ENQ0560952	Recycling	11 December 2021	NFA
ENQ0561313	Organic claims	26 December 2021	NFA

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	Investigation
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	Investigation
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	Investigation – resulted in CAL (Compliance Advice Letter)
ENQ0577650	Biodegradable	5 April 2023	NFA - existing investigation (ongoing)
ENQ0578800	Spray free	14 April 2023	NFA
ENQ0578266	Recyclable	17 April 2023	IPTT
ENQ0580450	Organic	13 June 2023	NFA
ENQ0580427	Compostable	13 June 2023	Pending
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	Pending

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	Pending
ENQ0585176	Organic	24 September 2023	IPTT
ENQ0585274	Recyclable	26 September 2023	Pending
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	Added to pipeline <sup>8</sup>
ENQ0589044	Recyclable	18 December 2023	Added to pipeline

<sup>&</sup>lt;sup>8</sup> 'Added to pipeline' enquiries may be progressed in future subject to resourcing.

Number	Key term	Date received	Action taken
ENQ0589721	Organic	10 January 2024	NFA
ENQ0589778	Environmentally friendly	11 January 2024	Added to pipeline
ENQ0590283	Organic	21 January 2024	Pending
ENQ0590303	Compostable	24 January 2024	Pending