

Media Statement

Industry survey on climate change reveals company ambitions for positive actions are encountering barriers, especially for time-poor SMEs

Sydney. Friday, 8 March 2024. Key findings released today from a late 2023 survey across Accord members in the hygiene, personal care and specialty products industry reveal a strong awareness of the business risks associated with climate change but also highlight challenges and barriers facing firms wishing to take positive action.

“For an industry as diverse as that represented by Accord, this survey shows a number of interesting contrasts based on company size and between different market segments,” Accord Policy Director Craig Brock said.

“Just under three-quarters of our membership (72%) responded to the survey, with 88 per cent of these businesses saying climate change poses risks, both current and future, to their operations. Across all responders, company action on climate change was ranked a high priority by 49 per cent and a medium priority by 21 per cent. Of the 28 per cent who rated company action on climate change a low priority, 55 percent responding this way were from small companies with less than 20 employees.

“While the survey showed that 68 per cent of responding businesses have a climate change strategy of some type, this percentage was highest for large (94%), overseas headquartered (87%) and consumer goods (83%) firms and lowest for small (45%), Australian headquartered (41%) and business-to-business hygiene product (42%) firms.

“Company size remains a major factor in determining how well a business can engage and respond to climate risks. Time pressures from daily business challenges combined with a lack of resources and internal expertise can obviously limit the ability of SMEs to engage on climate action. Australia’s governments need to consider these realities when designing and implementing climate-related policy interventions. Any policy approaches that just layer on more climate-related red tape are therefore not going to be the answer.

“The survey asked about the main barriers companies face that constrain their action on climate change. Across all responders the top three barriers were lack of internal expertise (37%), financial constraints (33%) and being time poor (32%). With the last two factors undoubtedly a product of business challenges associated with current Australian economic pressures. All three factors were rated as having even greater impacts for SMEs and Australian headquartered companies.

“In general, the hygiene, personal care and specialty products industry in Australia is not one of the nation’s more intensive users of energy. The energy and carbon footprint of most businesses in our sector would be similar to retailing but also on a smaller scale. An exception are our raw material manufacturing businesses, which are significant users of energy and also can rely on gas as both an energy source and feedstock. It is no surprise that that all responding raw material firms (100%) considered climate change to pose risks for their operations, Fifty-seven per cent (57%) rate climate action a high priority and the remaining 43 per cent consider it a medium priority. Orderly but affordable transition of Australia’s electricity and gas markets to achieve net zero by 2050 remains essential for these raw material businesses.

“Of note for policymakers are the differences shown in climate action preparedness between overseas headquartered and Australian headquartered businesses. Seventy-seven per cent (77%) of overseas headquartered companies stated they were making progress via climate action compared to 49 per cent of those headquartered in Australia. Past years of policy flip flopping and indecision, due in part to partisan politicisation of the climate change issue in Australia, has generated much uncertainty for local businesses. All of which is a reminder that business certainty is aided by evidence-based policy and its orderly implementation rather than noisy political conflict. The hygiene, personal care and specialty products industry is a science-based industry, and the science of climate change is settled.

“Accord also asked member businesses how we can best assist their efforts to address climate change challenges. Overwhelmingly, 74 per cent of our responding members called on Accord to share reliable information relating to climate change, including matters relating to policy decisions, grants, campaigns, standards and credentials. Sixty-three per cent (63%) also suggested the publication of case studies.

“Filling this information gap is not an easy task for individual associations, especially as most do not have internal expertise in climate change matters. This is why Accord has been actively supporting the ClimateWise Associations* initiative. Associations come in all shapes and forms, ranging from industry bodies like Accord, to professional associations and also to social and community-based associations. Across the full breadth of associations in Australia is an untapped network that could helpfully foster positive action for climate change mitigation and adaptation. It is hoped that a recent federal Budget submission from ClimateWise Associations can receive the support needed to bring this about.

“Our survey has shone a light on barriers impeding climate action by businesses in the hygiene, personal care and specialty products industry. These barriers fall into two categories. Firstly, lack of internal company expertise, which can be overcome through reliable and clear information resources from governments, which are also better targeted to business needs.

“And secondly, barriers to climate action arising from significant financial and business pressures and businesses simply being time poor. Much of which stems not only from current adverse economic factors but also from the unrelenting burden of poorly targeted government regulation and red tape across the nation. Effective policies to reduce red tape and improve productivity across the board will therefore be essential for fostering positive action by businesses to tackle climate change,” Mr Brock concluded.

* <https://climatewise.org.au/>

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This survey builds on Accord’s earlier publication, *Climate change: Information paper and the case for action, April 2023*, accessible at <https://accord.asn.au/sustainability/codes-guidelines/>.

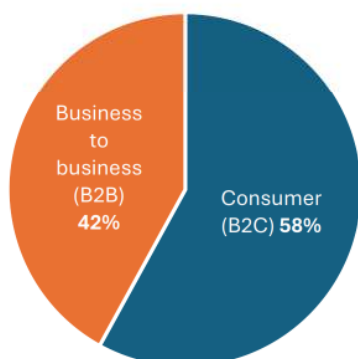
For Media Inquiries – Craig Brock, Accord Policy and Public Affairs Director – 0422 363 646

Survey demographics:

Seventy-two per cent (72%) of Accord Member companies responded to the Climate Change survey. The data were grouped into the following categories for analysis, with the percentage of all respondents shown in the charts below.

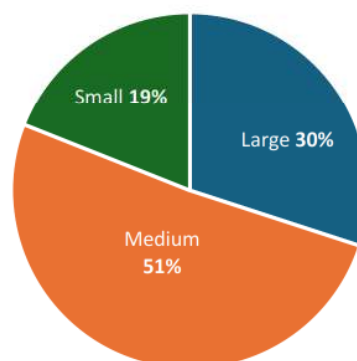
Supply Chain/Market:

- Consumer products (B2C)
- Business to business products (B2B)



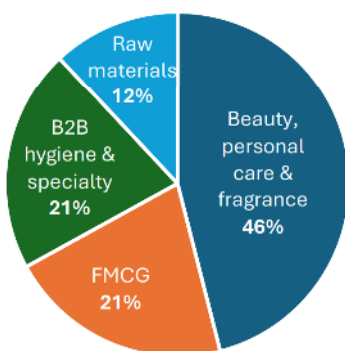
Size (no. of employees):

- Large – 200+ employees
- Medium – 20-199 employees
- Small – <20 employees



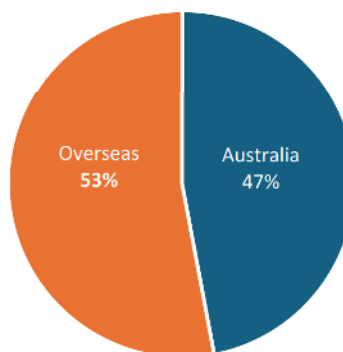
Product category:

- Beauty, personal care & fragrance
- FMCG
- B2B hygiene & specialty
- Raw materials



Head office location:

- Australia
- Overseas



Survey results/charts follow on the next 2 pages...

Chart 1. Does your business consider climate change to pose risks, current or future, to its operations?

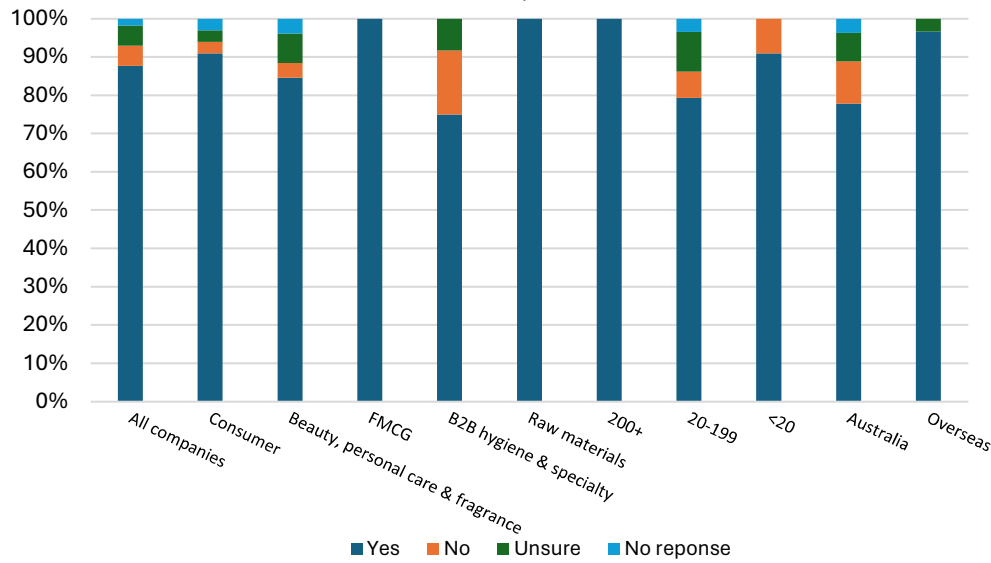


Chart 3. Percentage of respondents with a climate change strategy

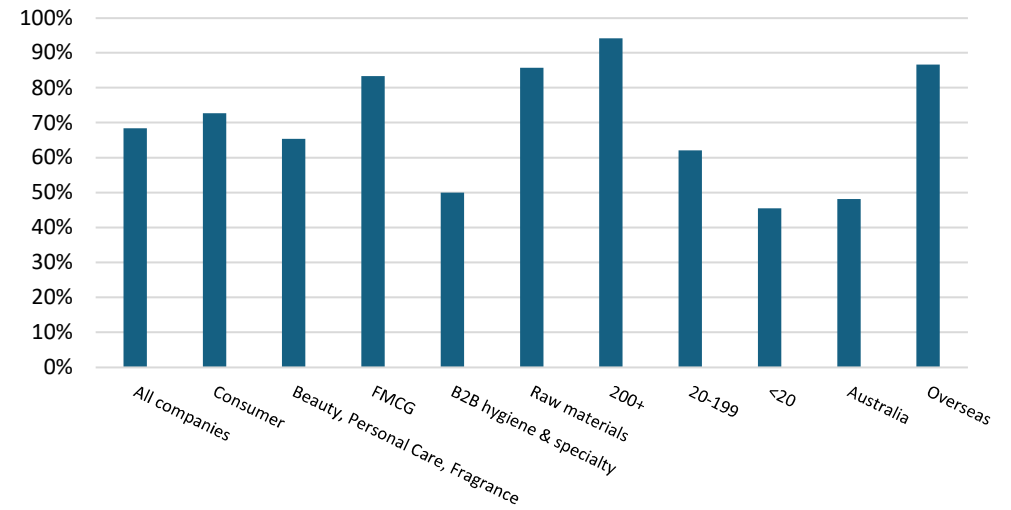


Chart 2. How does your business rate action on climate change in terms of its current priorities?

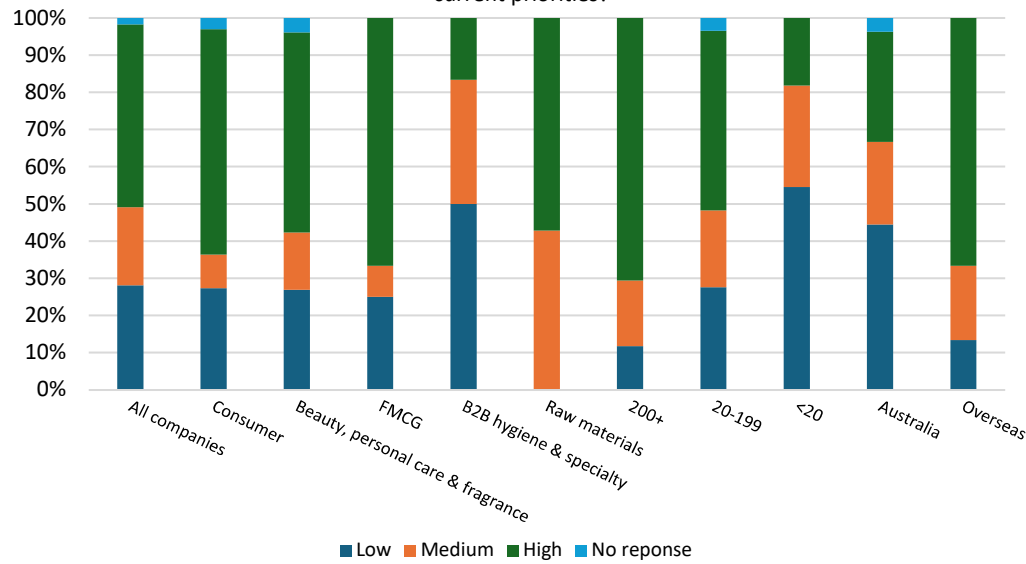


Chart 4. How would you characterise your business' activity on climate change in Australia?

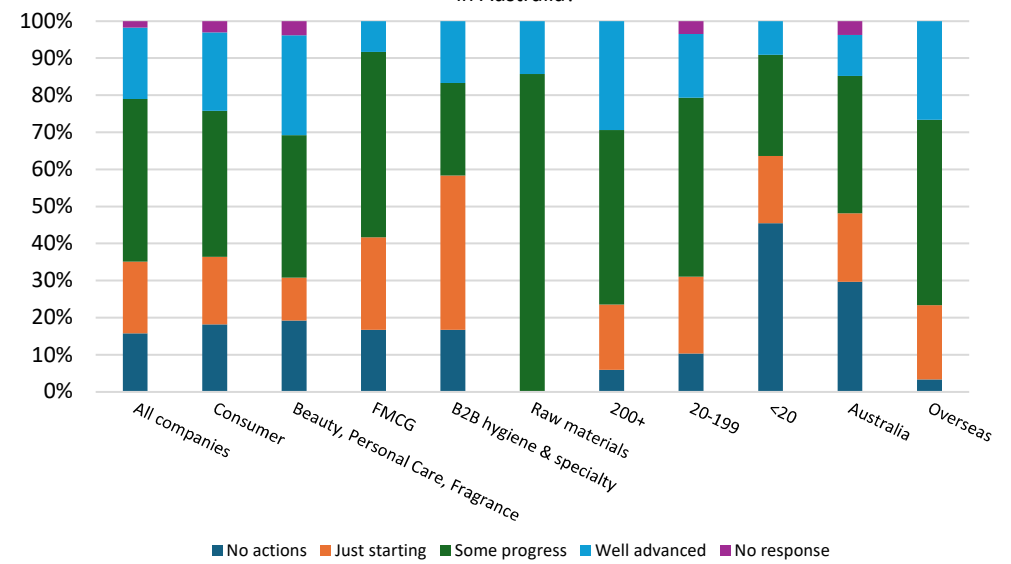


Chart 5. What barriers does your business face regarding taking climate action?

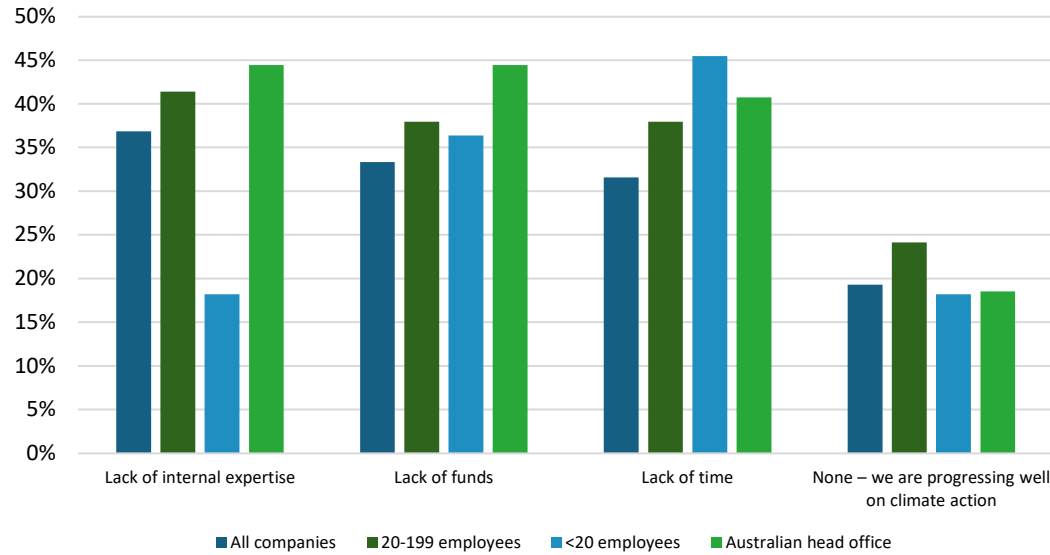


Chart 6. How could Accord best assist your business/the industry as a whole on the issue of climate change?

