



The future of voluntary carbon reporting

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Voluntary reporting

- Voluntary reporting of
 - climate change risks
 - corporate greenhouse gas emissions
 - emissions reductions achieved
 - carbon neutral status
 - product carbon footprints
- will continue to increase for the reasons covered in this presentation



WHY REPORT?



Drivers for voluntary reporting

- At the request of stakeholders
- Get ahead of competition
- Maximise market opportunities
- Prepare for regulation
- Identify cost reductions
- Be a good corporate citizen



STAKEHOLDERS

- Shareholders
- Regulators
- Customers and suppliers
- Employees
- Community



SHAREHOLDERS

A graphic element featuring the RiskMetrics Group logo (a cluster of white dots) and the text "RiskMetrics Group" above a dark grey bar with "Insight" and "ESG" in white. Below this is a white box with blue text.

RiskMetrics Group
Insight ESG

More Shareholders Call for Political, Climate Risk Disclosure: A Post-Season Review of 2010 Environmental and Social Proxy Proposals



Financial institutions requiring greenhouse gas reporting

- Stock exchanges
- Financial community
 - Investors
 - Banks
 - Insurers
- UNEP finance initiative and Equator Principles
- Institutional Investor Group on Climate Change (IIGCC)
- Investor Group on Climate Change (Australia and NZ)
- CERES and CERES Principles



Reporting to shareholders

- FTSE4Good
- Dow Jones Sustainability Index
- AuSSI
- Bakers Investment Group
- HSBC Climate Change Index

- CARBON DISCLOSURE PROJECT
- TRUCOST
- RISKMETRICS



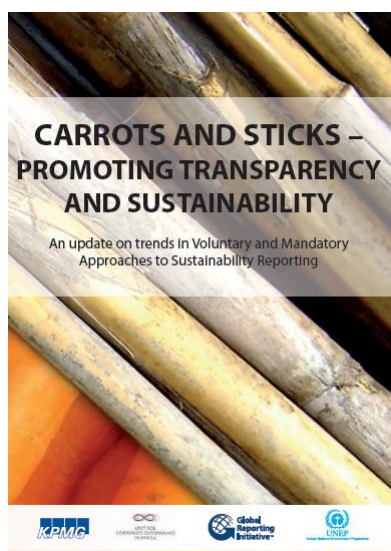
Carbon Disclosure Project

COUNTRY	Number of companies approached	Number of companies responding	% Response
United States	669	393	59%
United Kingdom	371	181	49%
Australia	193	74	38%
New Zealand	44	12	27%

- Total number of responding companies globally 2,456
- 82% of Global 500 companies
- 66% of S&P 500



REGULATORS



Voluntary schemes with future regulation in mind

- California Climate Action Registry
- Climate Leaders Programme
- Climate Registry
- Greenhouse Challenge Plus
- The Carbon Trust Standard
- RGGI
- Western Climate Initiative



Voluntary reporting

SCHEME	Number of companies responding
California Climate Action Registry	343
Climate Leaders Programme	195 109 (SMEs)
Climate Registry	415
Greenhouse Challenge Plus	700
Carbon Trust Standard	345
Regional Greenhouse Gas Initiative (RGGI) 10 US states	438
Western Climate Initiative (WCI) 7 US states and 4 Canadian Provinces	TBA



What the regulators say

- Use an internationally recognised standard
- Labels on products must be based on the product life cycle
- Ensure that claims are certified
- Ensure that certifier is accredited
- Transparency is crucial
- Regulators can:
 - Impose fines up to \$Aus1.1 million
 - Order corrective advertising



Australian
Competition &
Consumer
Commission



carbonZero programme

Guidance on carbon claims

COUNTRY	Regulator	Guidance
United Kingdom	Office of Fair Trading Advertising Standards Authority	Checklist Green Claims Code
United States	Federal Trade Commission	Fair Trading Act guidelines on carbon claims
Australia	Australian Competition and Consumer Commission (ACCC)	Carbon Claims and Trade Practices Act
New Zealand	Commerce Commission Advertising Standards Authority	Guide on carbon offsets and renewable energy certificates

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CUSTOMERS AND SUPPLIERS



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Supply chains

Marks and Spencer will spend £200 million going "green" as it becomes the frontrunner among retailers seeking favour with increasingly environmentally conscious shoppers. It aims to become carbon neutral by 2012. We are calling this Plan A because there is no Plan B.



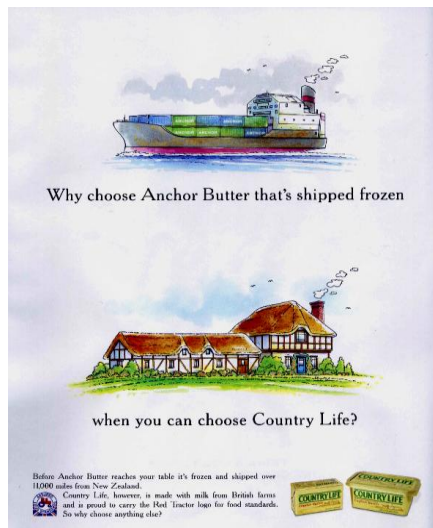
Chief Exec Stuart Rose

Wal-Mart has always been an intimidating taskmaster, extracting the lowest possible prices from suppliers. Its now going Green and has delivered a blunt threat: suppliers have until 2012 to meet the new standards or risk being cut from the supply chain.



carboNZero programme

Food miles debate 2006



Food miles debate revives 2010



TOP 3 RETAILERS GLOBALLY	
<p>1. Walmart (United States)</p> <p><i>Has introduced a 15 point sustainability score card including carbon, released instructions for suppliers to report organisation and product GHG data to Walmart</i></p>	<ul style="list-style-type: none"> • Largest retailer in the world • 4100 outlets in United States • 3100 outlets in Argentina, Brazil, Canada, Chile, China, Costa Rica, El Salvador, Guatemala, Honduras, Japan, Mexico, Nicaragua, Puerto Rico, United Kingdom
<p>2. Carrefour (France)</p> <p><i>Has been measuring its own footprint using the ADEME (French government) Bilan Carbone system since 2002. Joined the CDP Supply Chain Leadership Collaboration programme and has asked 2000 own-brand suppliers to provide GHG information</i></p>	<ul style="list-style-type: none"> • 15,000 stores and operates in 20 countries • Plans growth in China, Brazil, Indonesia, Poland, Turkey
<p>3. Tesco (United Kingdom)</p> <p><i>Is measuring its own footprint and has introduced carbon labelling of own-brand products</i></p>	<ul style="list-style-type: none"> • 2184 stores in United Kingdom • 1772 stores in China, Czech Republic, France, Hungary, Japan, Malaysia, Poland, Republic of Ireland, Slovakia, South Korea, Thailand, Turkey, United States



- Japan is planning to label consumer goods to show their carbon footprints in a bid to raise public awareness about global warming
- Under the plan, a select range of products from beverages to detergent will carry markings on the carbon footprint

EMPLOYEES



Employees are involved

- Green jobs
- Trade unions
- Pension funds
- Employee retention
- Workers participation essential to achieve emissions reduction targets



Voluntary reporting alive and well in New Zealand



Operating in:

- Australia
- Chile
- New Zealand
- United Arab Emirates
- United Kingdom



carboNZero Strategic Business Unit

- A division of Landcare Research
- A GHG certification body
- Accredited by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ)
 - as a ISO/IEC Guide 65 conformity assessment body
 - as ISO 14065 accredited GHG certification programme
- United Kingdom Environment Agency approved CEMARS as meeting and exceeding the Carbon Trust Standard and licensed as such under the UK Climate Change Act



New Zealand



United Kingdom

Balfour Beatty
Utility Solutions

Biwater

clancydocwra

elster

Enterprise
maintaining the infrastructure of the UK

ITT

LAING O'ROURKE

MAY GURNEY

McNicholas

MORRISON
Utility Services

MWH

PJD
Engineered to deliver

RADIUS
Systems

THE OUTWARD BOUND TRUST

SSE

United Utilities

utilise



Certified products on sale in:
Australia, Canada, France, Germany,
Hong Kong, Scandinavia,
Singapore, UK, USA



Certified wineries and events



Kaimira
VENTURES LTD

Yealands
ESTATE WINES



VILLA MARIA
ESTATE

Huia



WAIRAU RIVER WINES
FAMILY ESTATE SINCE 1978



PALLISER

CAPE CAMPBELL
MARLBOROUGH



LIQUORLAND
TOP100

NEW ZEALAND WINEGROWERS PRESENTS THE
NEW ZEALAND WINE EXPORTERS' FORUM



great wines with great sustainability credentials

Ever since certifying the world's first carbon neutral wine, the carbonZero programme has been successfully helping New Zealand's leading winemakers reduce their operational costs and fight off intense competition in key overseas markets.

JAS-ANZ
www.jas-anz.org/register

To find out why credible carbon neutral certification, which is recognized in 50 global economies, can be critical in giving New Zealand export businesses a competitive edge please go to www.carbonzero.co.nz

carbonZero



Credibility key to reporting and certification claims

- Science-based
- International best practice
- Independent advisory panel
- Third-party verification
- External accreditation
- Continuous improvement
- International recognition
- Influence the standards



Voluntary reporting

- Voluntary reporting will continue to increase regardless of the regulatory schemes that are in place – or not
- Companies will continue to take voluntary action as well as meeting compliance obligations





More information

Websites

www.carbonzero.co.nz

www.carbonzero.com.au

www.carbonzero.cl

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