

CLIMATE AND ENERGY



Programmes and Projects



Through the Climate and Energy Focus Area, the National Business Initiative (NBI) aims to shape the thinking and actions of South African corporations towards sustainable practices in pursuit of a low carbon economy. This will enable companies to mitigate and adapt to climate change whilst utilising natural resources in a sustainable way. The aim will be achieved through the following strategic objectives:

- Building and facilitating key platforms for business leadership, collective action, government engagement and, policy inputs through Business Unity South Africa (BUSA) in the complex fields of climate change, energy efficiency and water.
- Facilitating the generation of quality information regarding energy efficiency, climate change and water in order to inform sound public policy formulation and to measure and demonstrate responsible business action.
- Adding value to NBI member companies through leadership dialogue, learning by sharing, capacity building, strategic thinking and foresight.

Climate and Energy is responsible for several key projects designed to assist in achieving the objectives stated above. The projects include Energy Efficiency, the Carbon Disclosure Project (CDP) and recently the CDP's Water Disclosure project. The NBI is also a regional partner of the World Business Council for Sustainable Development.

NBI member companies get involved through key committees namely the Advisory Committee on Climate Change (ACCC) and the Energy Efficiency Technical Committee (EETC). These committees play a significant role in shaping the Climate and Energy strategy on both climate change and energy efficiency to meet the needs of the member companies. Other important activities include information sharing, advocacy through publications and policy dialogues. The NBI also facilitates partnership-building with relevant government departments, tertiary institutions and other relevant organisations and implementation of selected practical initiatives.

The NBI serves on several other strategic committees that include:

- BUSA's Climate Change Task Team
- Exxaro Chair for Climate Change at UNISA
- Advisory board for the South African Environmental Observatory Network
- Steering Committee for the South African Risk and Vulnerability Atlas
- Department of Science and Technology Research Review Committee
- Project Steering Committee of the National Industrial Energy Efficiency Project
- Saneri Energy Efficiency Review Committee

Involvement in these committees confers the advantage of ensuring the synergy between the business sector and other key stakeholders towards enhancing South Africa's resilience to global change.



ENERGY EFFICIENCY | Voluntary Energy Efficiency Accord

Following the adoption of the Energy Efficiency Strategy of the Republic of South Africa in 2005, progressive SA companies signed a voluntary Energy Efficiency Accord with government through the former Minister of Minerals and Energy. This Accord was facilitated by the NBI and its main aim was to assist in implementing the strategy and contributing to the achievement of the energy efficiency targets as set out in the country's National Energy Efficiency Strategy.

To convene the business of the Accord and its link with government, an EETC was formed with NBI playing the management and secretariat roles. The committee meets regularly to agree on implementation processes, engage with government on their role in promoting and supporting energy efficiency and sharing of best practices among themselves. It also provides a platform for companies to learn from experts and energy solution providers. The committee is co-chaired by both business and government.

Currently there are 51 signatories comprising government, 43 companies and 8 key business associations who help mobilise their members towards energy efficiency.

There is a strong commitment by business to continue Accord related activities and build from lessons learnt and the need to make stronger links with energy efficiency, carbon management and climate change. With the establishment of the new Department of Energy, government is set to refocus its policy on energy and continue with its participation and support of business participation in energy efficiency.

To recognise good performance and achievement in energy management, investment and savings, the NBI under the banner of the *eta* Awards has given recognition to best achievement in the mining, industry and commerce categories with the 2009 winners being AngloGold Ashanti Limited, ABB Holdings (Pty) Limited and FirstRand Limited respectively.

The Accord is currently under review to ensure more robust commitment by companies to advance energy efficiency and showcase best practice while reducing energy consumption against energy security and climate change objectives. The leadership network under formulation is intended to be an important business component of the National Energy Efficiency Campaign.

CLIMATE CHANGE

South Africa recently experienced a proliferation of policy documents aimed at addressing climate change mitigation and adaptation. The key policy documents include the green strategy for a low carbon economy, the green paper on climate change, the second national communication on progress and the carbon tax discussion paper. Business is heavily implicated in these documents since much of the work will have to emerge from this sector. The NBI together with the ACCC and the EETC have designed a strategy that will help business meet the challenges *inter alia* to reduce their greenhouse gas emissions, engage meaningfully on carbon tax related issues, identify opportunities available to the companies, provide platforms to engage on policy and other climate change and energy related matters. This is aimed at enhancing resilience against climate change and its potential negative impacts on the economy.

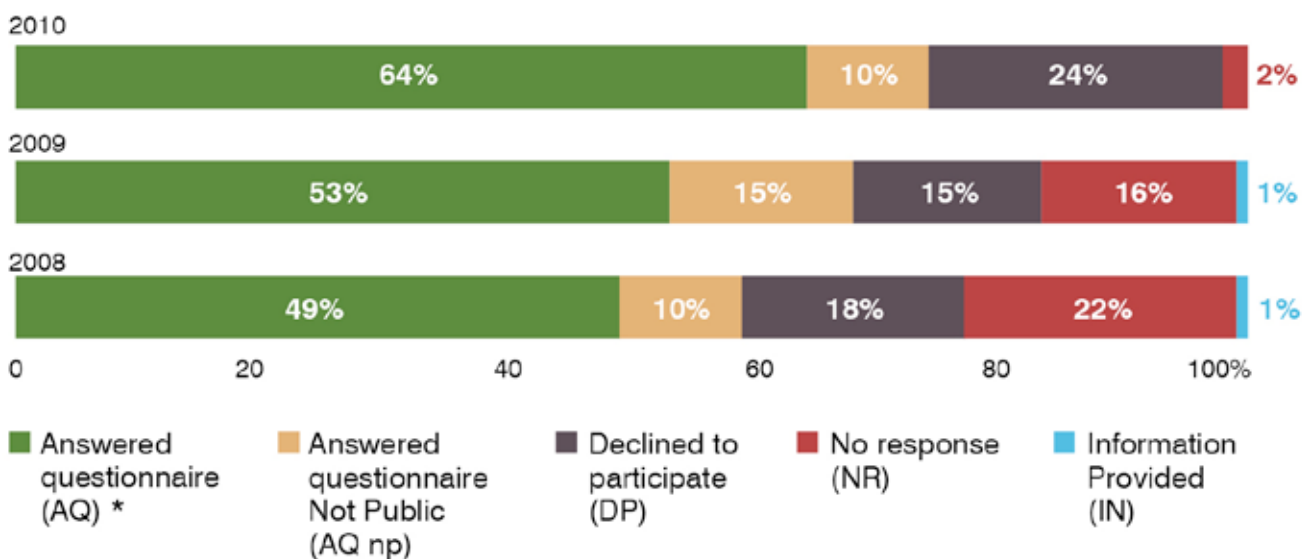




CARBON DISCLOSURE PROJECT (CDP)

The CDP is the biggest repository of greenhouse gas emissions data collected by individual companies globally. The CDP represents an efficient process whereby many institutional investors collectively respond to a single global request for disclosure of information on greenhouse gas emissions, the associated risks and opportunities, and climate change management strategies. Thousands of large corporations have been reporting on their emissions through the CDP website since 2003 when the first report (CDP1) was launched. In 2010 the global CDP requested information from the world's largest 4 500 corporations on behalf of a collaboration of 534 institutional investors, with assets under management of US\$66 trillion.

Fig. 3: JSE 100 response rate - CDP 2010 vs. CDP 2009 and CDP 2008



* Includes 'SA' which denotes 'See Another' i.e. one company that responded via their parent company not listed on the JSE (African Oxygen); and two companies that responded via a parent company listed in the JSE 100 (RMB Holdings, Investec).

The NBI is the South African partner to the CDP and is the only country in Africa participating among 30 other countries internationally. The SA sample includes the JSE Top 100 listed companies and a special case study each year on Eskom. The type of information generated by the CDP attracts various stakeholders that include Business, the media, government, universities, international and local investors. The 2010 South African CDP report is available on the NBI's website.

CDP Water Disclosure

The CDP recently introduced another initiative called the CDP Water Disclosure programme. The 2010 global report was backed by the 137 signatory investors with assets to the tune of \$16 trillion. Unlike the investor CDP, the Water Disclosure focuses mainly on gathering company level quantitative and qualitative information on water. The CDP Water Disclosure also requests information on water management and governance, risks and opportunities and water accounting. In 2010, about 302 companies globally, (three of these being from South Africa) responded to the CDP Water Disclosure. A total of, 12 South African companies that were featured in the only country report globally. Both the global and South African Water Reports can be accessed from the NBI's website.



In 2011 the South African CDP Water Disclosure will target 60 companies in the top 100 of the JSE listed that are intensive water users. In addition to the CDP Water Disclosure, the NBI will also convene platforms for best practise sharing and other opportunistic events that will enable dialogues between business and stakeholders from other sectors e.g. government and civil society.

For more information, on any of these programmes and projects, contact ce@nbi.org.za