

# Second Anniversary Snapshot 2019/2020

### Our signatories





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This second anniversary snapshot is a record of CLC's activities and achievements from August 2019 to September 2020 with the focus of our reporting around the three pillars of our new strategy – CEO leadership, collective transparency, and climate action. Information has been gathered from survey responses from Climate Leaders Coalition (CLC) signatories and analysed by the Sustainable Busines Council (SBC).

## Signatory footprint



104 signatories, up from 91 in 2019



Employing almost 200,000 people, up from over 170,000 in 2019



Aggregated Scope 1 & 2 emissions have decreased by 3% (for signatories that have reported in both years)



43 companies have decreased Scope 1 & 2 emissions compared to 2019



Over 90% of signatories are reporting Scope 3 emissions, up 35% from 2019



22 signatories are assessing and disclosing climate risks



Signatory focus on driving emissions reduction in the supply chain



18 Signatories have signed up to the 2019 Statement

Energy Research and development officiency Infrastructure change to support mission reduction in supply chain Sustainable agriculture Packaging Energy Freight/logistics procurement LCA/ Eco-labelling Vehicle fleet Waste

Sustainable procurement programme

#### Note:

**Scope 1 & 2 emissions** are associated with business operations – such as the fuel they use and the energy they purchase.

**Scope 3 emissions** are the broader emissions associated with indirect business operations – such as business travel, freight, emissions from suppliers and the emissions associated with the use of their products.

We acknowledge that figures included in the survey results are indicative. This is due to several factors: businesses have different reporting timeframes and use different methods to measure their data. This is why the 2019 Statement includes a commitment to having data independently verified by a third party.

Measuring Scope 3 emissions is still an emerging area. There are a lot of decisions businesses need to make about what to include in their Scope 3 emission measurement. This will be key focus for CLC in the coming year.

### A word from our steering group

In a year of unimaginable adversity, these snapshot results shine the light on the remarkable resilience of our signatories and set us up for the year ahead.

We ended 2019 on a high note with the Zero Carbon Act, a very significant piece of legislation that the Climate Leaders Coalition played a key role in making happen. This gave us the framework to get on with one of the greatest challenges of our generation.

Fast forward to the beginning of 2020 when the reality was that this was now one of two of the greatest challenges facing our generation.

In July we got together to celebrate our second anniversary virtually instead of in person – just another example of how different this year has been for all of us on so many levels.

There is no question it's been a tough year. Leading during Covid has been hard. And it will continue to be that way for a long time to come. Across the year our number of signatories grew to 124. We now stand at 104, an almost 15% increase on the previous year which is significant. Although we have lost some signatories, we are confident that for some this may just be in the short term.

Moving forward, collaboration and holding each other to account is even more important to meet our commitments. Climate inaction is not part of the CLC DNA. Climate action is what we are all about. The Coalition represents a unique opportunity for businesses to work together and learn from each other – leading the way, looking at innovative ways of doing things, thinking outside the square. That's why our coalition matters more than ever. Aggregated Scope 1 and 2 emissions have decreased by 3%. Over 90% of our signatories are reporting Scope 3 emissions, up 35% over the past year.

It's fantastic to see that we now have 18 signatories signed up to our more ambitious 2019 Statement. We're under no illusion that moving towards these targets will be hard.

That's why this year we reset the CLC strategy to move into a more action-oriented phase. Our shared vision with SBC gives us even more opportunities to partner on key climate action initiatives. And that's happening now.

Thank you for your leadership, direction and input into the report to the incoming Government on climate action priorities. We will continue to positively influence climate action through our collective leadership and voice.

To all our Coalition signatories, we've made great progress in a challenging year and we thank each

and every one of you for your contribution towards building irreversible momentum in New Zealand, towards a zero carbon future for generations to come.

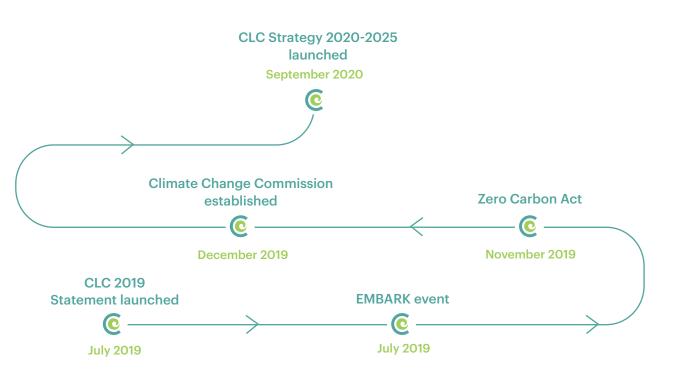
Our collective ambition will help make this happen.

Neal Barclay, CE Meridian Energy Mike Bennetts, CLC Convenor and CE Z Energy Tony Gibson, CEO Ports of Auckland Jolie Hodson, CE Spark Malcolm Johns, CE Christchurch International Airport Barbara Nebel, CEO thinkstep-anz Craig Olsen, CE IAG NZ David Walsh, CE NZ Post CLC Steering Group

'We've all had a tough year and it's clear we will be dealing with the economic realities for a long time to come. CLC signatories are change-makers. We have a trusted voice in making sure that the \$14B set aside to invest in the Covid response is well spent on initiatives that accelerate progress on climate change.'

Mike Bennetts, CLC Convenor and CE Z Energy





'Leadership has been hard this year. With Covid-19 and climate disruptions I had to take a step back with my leadership team. This wasn't just business; this was personal for everyone. Adaptability and agility were critical, but even more so were empathy and empowering our people. We wanted to give them the space to do what they needed to do. This will be key over the coming months and years.'



# World's first 90% recycled clear bottle

Sustainability is a business foundation for DB, which uses the three pillars of people, planet and prosperity to shape its approach.

The brewer collaborated with Visy (formerly OI-NZ) to produce 10 million DB Export bottles made from 90% recycled content.

This world-first pilot has been insightful to identify what's achievable, and has relied on shared values, strong relationships, shared drive and good communication to bring it to fruition. In addition, DB will switch out coal for woody residue biomass at its Timaru site in 2021, and has just started to scope alternatives for the natural gas being used at its Waitemata brewery.



Peter Simons, Managing Director DB Breweries



### 87% reduction of Scope 1 emissions

Despite the impacts of COVID-19, the airport team is continuing work on its Green Transition Plan and researching further decarbonisation plans to continue to look for opportunities to transition to a low carbon future.

Christchurch Airport recently replaced its diesel and LPG boiler system with a ground source heat pump (GSHP) system to provide heating and cooling requirements for the airport terminal building.

In November 2019, the final diesel boilers were decommissioned in the International Terminal Building and the entire airport moved over to the new GSHP system. GSHP works by harnessing the artesian water flowing underneath Christchurch and the Canterbury Plains to both heat and cool Christchurch's entire terminal building. By tapping into wells to access groundwater, the airport is provided with a sustainable, reduced-cost energy-efficient source.

A full picture of the entire annual  $CO_2e$  savings will be available in November 2020, and it's likely the airport's Scope 1 emissions will have decreased by 87% against their baseline year.

Making a difference to the greatest place on the plan



### Our strategy

We begin our second anniversary snapshot with a major milestone which sets CLC's future direction – the launch of our Strategy: 2020 – 2025.

CLC's Steering Group and the Sustainable Business Council's (SBC's) Advisory Board have aligned strategically to share resources and amplify our message to accelerate climate action. We will each maintain our distinct identity and purpose, but this means:

CLC and SBC share a vision.

CLC will have its own distinctive mission and purpose, remain CEO-led, and have its own Convenor and steering group of CEOs.

SBC will provide operational and administrative support to the CLC.

SBC's Executive Director can represent the CLC when appropriate.

• Organisations can continue to sign-up to the CLC, without being a SBC member and vice versa.

Services and resources for SBC members/CLC signatories may be shared to maximise impact.

Climate Leaders Coalition Strategy 2020-2025



Strategy 2020-2025



#### **CLC/SBC SHARED VISION**

A New Zealand where business, people and nature thrive together.

#### **MISSION**

CEOs leading the response to climate change through collective, transparent and meaningful action on mitigation and adaptation.

### **PURPOSE**

To build irreversible momentum in New Zealand towards a zero carbon future.

#### **BY 2025**

#### New Zealand businesses are:

- Influencing climate action in the value chains of signatories.
- Creating momentum, so other businesses must act on climate change.
- Maintaining pressure on Governments of all stripes to adopt policies and make investments that enable the transition to a zero carbon economy.



#### **CEO LEADERSHIP**

CEO-led commitment to climate action in business.

### **COLLECTIVE TRANSPARENCY**

Annual reporting on emissions, actions and risks.

#### **CLIMATE ACTION**

Delivering on the 2017 and 2019 Statements.

### **DEMONSTRATE ACTION**

Annual Snapshot reporting collective emissions and climate action including adaptation and influence. Hold one another to account.

### **COLLABORATION & VALUE CHAIN**

Onboarding, mentoring, media and communications, showcasing best practice, collaborations.

Leveraging value chain.

### **SBC RELATIONSHIP**

Platform for government advocacy, thought leadership, partnerships, communications, sector and issue-specific workstreams.

# CEO leadership

### CLC signatories have proven that business can drive real change through collective action.

To be a signatory of the CLC, signatories must commit to ambitious climate action and sign up to one or more Statements. Led by their CEOS, they have demonstrated extraordinary business leadership through:

- Committing their businesses to the <u>2017 Statement</u> with the intention of all signatories moving towards the <u>2019 Statement</u>.
- Holding one another to account through annual reporting, CEO-to-CEO conversations, and exiting from the CLC those businesses that don't meet their Statement commitments.
- Sharing knowledge, celebrating progress and demonstrating what can be achieved by businesses to reduce emissions and adapt to climate change.
- Collectively having a voice and influence.

A group of our CEOs worked together to produce the 2019 Statement – a more ambitious commitment to pursue efforts to limit the global temperature increase to 1.5 °C.

This is in addition to the original 2017 Statement to keep warming below 2 °C. Momentum is building for the 2019 Statement, with 18 organisations now signedup to it. Signatory focus on driving improved emissions reporting through the supply chain

### Criteria in Supplier sustainability questionnaire procurement policies

**Criteria in** Require emissions reporting suppliers contract

Address emissions in Support tender documents emissions reporting

### Signatories signed up to the 2019 Statement

ANZ ASB Christchurch Airport DB Breweries Downer NZ IAG Meridian NZ Post Sanford Spark Synlait The Warehouse Group thinkstep-anz Toitū Envirocare Victoria University of Wellington Waste Management Westpac Wright Communications







# Preparing for climate change in the kiwifruit industry

Climate change is impacting how kiwifruit are grown as well as supply chains and consumer expectations around the world. Zespri has worked with its research partners to understand the impacts of climate change on its growing regions. Last year, Zespri undertook an assessment of the risks and opportunities of climate change using the Taskforce for Climate-related Financial Disclosures framework.

In addition to the physical risks, this helped Zespri identify the legal and transition risks of increasing environmental regulation and rising consumer expectations in relation to climate change action. As well as setting climate mitigation targets, Zespri has set adaptation targets. These are to report publicly on its climate risks by August 2021, and to build an industry-wide adaptation plan by December 2022.

Developing an industry-wide adaptation plan will help bring together the actions Zespri already has underway, such as the new varieties development programme which includes assessment of drought and pest resistance. This is all part of helping the industry build resilience for the long-term.

'As a signatory to the Climate Leaders Coalition and a member of SBC, the work that the two organisations are doing has been so important. For Stuff, this is the year that we have launched ourselves a really big commitment through our newspapers and website to educating and informing people about what's happening with our climate and environment. A year or two ago people would have thought that nobody really wanted to read that content and now every week we have thousands and thousands of people logging in to read the stories and what they really tell us is that they want to make change, and they want to know what to do'

Sinead Boucher, CE Stuff

## Collective transparency

#### Signatories' progress against the 2017 Statement

By joining the Coalition, each signatory has committed to talking climate action as outlined in the following statement.

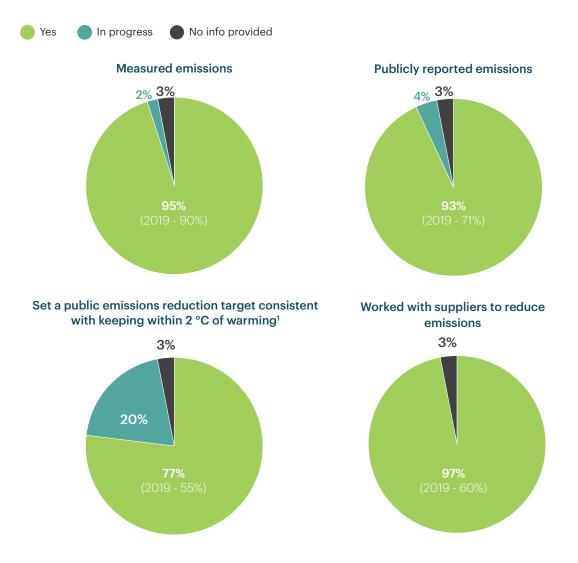
For the generations after us, for the country we love, for the viability of our businesses, we are ambitious for action on climate change. If we act now we can forge a path to create a future that is low-emission, positive for our businesses and economy, and inclusive for all New Zealanders. We are committed to playing our part to make that future real. If we don't, our competitiveness is at risk.

#### We take climate change seriously in our business:

- We measure our greenhouse gas emissions and publicly report on them.
- We set a public emissions reduction target consistent with keeping within 2 °C of warming.
- We work with our suppliers to reduce their greenhouse gas emissions.
- We believe the transition to a low emissions economy is an opportunity to improve New Zealand's prosperity.
- We support the Paris Agreement & New Zealand's commitment to it.
- We support the introduction of a climate commission and carbon budgets enshrined in law.

<sup>1</sup>This includes a net zero target supported by science-aligned reduction plan.

#### **Collective progress**



### Progress by individual organisation

The following table shines a light on the progress each signatory has made on meeting their commitments. This information was compiled from survey responses, with analysis provided by the Sustainable Business Council.



This year we are showing progress against the 2019 Statement commitments. While there is some overlap, this goes beyond the 2017 Statement. Although some companies have 'not started' it doesn't necessarily mean they aren't meeting their commitments.

Key: Achieved In progress Not started No information

Signatory	2019 statement	Independently verified carbon footprint	Targets aligned with science	Targets considered in planning cycles	Assessing & disclosing climate change risks	Proactively support people to reduce emissions	Proactively support suppliers to reduce emissions
3R Group	charternoint						
4Sight			Ŏ				
AECOM			Ŏ		Ó	•	
Air New Zealand <sup>2</sup>		Ó			Ó		
Anderson Lloyd <sup>3</sup>							
ANZ	C 2019 Statement						
ANZCO Foods <sup>4</sup>							
ASB	C 2019 Statement						
Auckland Airport							
Auckland Council							
Auckland Transport⁵							
Bank of New Zealand							
Веса							
Carbon and Energy Professionals							
CHEP							
Christchurch Airport	C 2019 Statement						
Colenso BBDO							
Contact							
Countdown							
Counties Manukau Health							
DB Breweries	C 2019 Statement						
Deloitte							
Dempsey Wood							
DETA Consulting							
Downer	C 2019 Statement						
Ecostore <sup>3</sup>							
Ecotricity							
Ekos							
Emsol							
Carbon EMS							
EECA							
Energy Solution Providers							

Signatory	2019 statement	Independently verified carbon footprint	Targets aligned with science	Targets considered in planning cycles	Assessing & disclosing climate change risks	Proactively support people to reduce emissions	Proactively support suppliers to reduce emissions
EY (NZ)							
Firstgas		Ŏ			Ó		
Fisher & Paykel Healthcare						Ó	
Flick							
Fonterra							
Foodstuffs (NZ) Ltd <sup>6</sup>							
Freightways <sup>7</sup>							
Fuji Xerox							
Fujitsu							
Heartland Group <sup>4</sup>							
IAG	C 2019 Statement						
Jacobsen Holdings							
Kiwi Property							
KPMG							
Lion							
Livestock Improvement Corpor	ation Ltd (LIC) <sup>7</sup>						
Lyttelton Port Company							
Meridian	C 2019 Statement						
Ministry for the Environment							
Mondiale							
Naylor Love							
Netlogix <sup>8</sup>							
New Zealand Green Building Co							
NZ Post	C 2019 Statement						
Ngai Tahu Farming							
Ngai Tahu Tourism <sup>9</sup>					$\bullet$		$\bullet$
Ngai Tahu Holdings <sup>9</sup>							
Ngai Tahu Seafood <sup>9</sup>							
OCS							
O-I							
Orion New Zealand Ltd <sup>7</sup>							
Oxygen Consulting							
Panuku							
Port Nelson <sup>10</sup>							
Porter Novelli							
Ports of Auckland							
Proxima							
PwC							
Raglan Food Co							
Ravensdown							

Signatory	2019 statement	Independently verified carbon footprint	Targets aligned with science	Targets considered in planning cycles	Assessing & disclosing climate change risks	Proactively support people to reduce emissions	Proactively support suppliers to reduce emissions
Sanford <sup>11</sup>	C 2019 Statement						
Silver Fern Farms <sup>12</sup>							
Sistema Plastics							
SkyCity							
Soar Printing							
Spark	C 2019 Statement						
Stuff							
Summerset Group Holdings Ltd <sup>3</sup>							
Suncorp New Zealand							
Synlait <sup>12</sup>	C 2019 Statement						
Thankyou Payroll <sup>13</sup>							
The Warehouse Group	C 2019 Statement						
thinkstep-anz	C 2019 Statement						
TIL Logistics Group <sup>7</sup>							
Toitū Envirocare	C 2019 Statement						
Toll <sup>14</sup>							
Toyota							
Transpower							
Trust Tairāwhiti - Eastland Group							
Vector <sup>15</sup>							
Victoria University of Wellington	C 2019 Statement						
Warren and Mahoney <sup>3</sup>							
Waste Management	C 2019 Statement						
Watercare							
WEL Networks							
Westpac	C 2019 Statement						
Wright Communications	C 2019 Statement						
WSP	-						
WWF		-	-	-			
Z Energy				•			
Zespri							

- <sup>2</sup> Air NZ has adopted the IATA industry target for their international emissions, and the objectives and targets set out in the Zero Carbon Act for their domestic emissions.
- <sup>3</sup> CarboNZero accredited. Science-aligned target or reduction plan will be finalised by end March 2021.
- <sup>4</sup> Joined September 2019. Emissions reporting and science-aligned target will be published by end March 2021.
- <sup>5</sup> Existing target is ambitious but not yet science-aligned. Target linked to science will be published by end December 2020.
- <sup>6</sup> Science-aligned target will be published by end December 2020.
- <sup>7</sup> Science-aligned target will be published by end March 2021.
- <sup>8</sup> Emissions reporting and science-aligned target will be published by end March 2021.

- <sup>9</sup> Previously met 2017 Statement requirements. Reporting on hold this year.
- <sup>10</sup> Net Zero target. Science-aligned reduction plan will be finalised by end December 2020.
- <sup>11</sup> Current sector based pathway is not yet available from SBTi. Interim target will be published by end March 2021.
- <sup>12</sup> Existing target is ambitious but not yet science-aligned. Target linked to science will be published by end March 2021.
- <sup>13</sup> Carbon Neutral. Science-aligned target will be published by end October 2020.
- <sup>14</sup> Science-aligned target will be published by end January 2021.
- <sup>15</sup> Net Zero target. Science-aligned target will be published by end March 2021.

### Climate action

Our signatories have made significant strides to reduce their emissions with a range of exciting initiatives. One of the key impacts CLC Signatories can have is in supporting their value chain to reduce their emissions, with initiatives ranging from helping suppliers along their carbon measurement journey to partnering on implementation.

Over the past year, CLC signatories have been supporting their staff to reduce their commute and business travel emissions with initiatives like flexible and remote working, increased use of teleconferencing, minimising air travel, and increasing virtual events.

All of these things have become commonplace and fast-tracked due to Covid-19. Others are working towards electrifying transport for employees and the public. Several are actively educating their staff on sustainability issues and ways to cut down their own emissions. And many have been taking action to reduce waste in their own value chain, both through their own minimisation and product stewardship schemes.

'Through CLC we continue to really push the boat out – now more than at any other time we need very strong and joined up leadership on climate change'.

Simon Limmer, CE Silver Fern Farms



### NZ's first fully electric chiller van

Sanford has put New Zealand's first fully electric chiller van on the road. The new van is used to transport the freshest possible fish with the lowest possible carbon footprint.

The van is a first for New Zealand because not only is the motor powering the van electric, but the chiller is too, enabling the vehicle to transport up to 1,000kgs of seafood with no direct emissions.

The temperature in the van can be monitored remotely and the van is charged in just two hours at a recharging spot in the Auckland Fish Market carpark, where there is also space allocated to recharge visitors' electric vehicles.



# iag

### Reducing energy in commercial buildings

IAG's focus on reducing energy in their commercial buildings has resulted in carbon reductions of 442 tCO<sub>2</sub>e from electricity alone from FY16-FY19, as well as reducing property costs, introducing more flexible working and improving transport options for its employees.

The built environment is responsible for approximately 20% of our country's carbon footprint, so it's not surprising CLC signatories are focusing on emissions from the buildings they occupy.

Initiatives include consolidation into fewer buildings, and proactively choosing more sustainable and energy efficient premises using ratings such as Green Star and NABERSNZ.



Signatories are actively working on:





# Small energy steps making a world of difference

Energy management and efficiency is an important process in emissions reduction. Silver Fern Farms is proving the cumulative impact of implementing smaller scale energy efficiency projects across multiple sites.

This will reduce approximately 1,400 tCO<sub>2</sub>e through its Energy Transition Accelerator, developed in partnership with EECA and Waikato University.

Silver Fern Farms is not alone. CLC signatories are undertaking a range of initiatives from creating competition using carbon dashboards, through smart technologies for HVAC and lighting, to optimising logistics.



# Making it happen

### The year ahead

#### Our focus will be on:

- Building our signatories' capability to deliver on the 2019 Statement.
- Continuing to work with Government, the Climate Change Commission, BusinessNZ and key stakeholders to advocate and accelerate climate action.
- Progressing our recommendations in our report to the incoming Government on climate action priorities.
- Developing guidance for signatories on reducing emissions in the value chain to drive action with suppliers.
- Building capability on new themes including investing in the transition, risk and disclosure, decoupling emissions from growth, and adaptation.

### By 2025

#### New Zealand businesses are:

- Influencing climate action in the value chains of signatories.
- Creating momentum, so other businesses must act on climate change.
- Maintaining pressure on Governments of all stripes to adopt policies and make investments that enable the transition to a zero carbon economy.





### New Zealand's first 1 MW floating solar project

Vector Powersmart has built New Zealand's largest solar system in the heart of Auckland's busy North Shore, helping Watercare meet its energy selfsufficiency and emission reduction goals.

The floating solar array on the Rosedale wastewater treatment pond is a landmark system and the country's largest solar project. It is also the first to reach megawatt scale, and the first time floating solar has been used in New Zealand. Floating solar is already gaining significant traction overseas as it makes good use of marginal or constrained land and can help reduce evaporation losses on freshwater reservoirs. The challenge for Vector Powersmart was to design and complement Watercare's existing onsite biogas generation with another clean energy source located in Auckland's dense urban environment. This innovative project required a partnership approach and shared commitment to delivering on climate action.



# Commit to climate action and join the movement

Organisations of any shape and size can join the Coalition provided they can demonstrate they are meeting the commitments outlined in our 2017 Statement at the time of signing up.

Organisations can also sign up to our second higher ambition statement if they can demonstrate they are meeting the commitments within two years of signing up or by July 2023, whichever is earliest.

Further information and the application form are available online at

### www.climateleaderscoaltion.org.nz

"Being a member of the Climate Leaders Coalition has been a valuable way of gaining visibility for climate action across our business. We are proud to be a signatory to the CLC and will continue to play our part in creating a low carbon future for New Zealand."

Vittoria Shortt, CE ASB

More information **www.climateleaderscoalition.org.nz** Email **info@climateleaderscoalition.org.nz** 

Designed by Tahi Design

Photo credits: Shutterstock (cover), DB Breweries (p5), Christchurch Airport (p6), Zespri (p9), Sanford (p14), Silver Fern Farms (p15), Vector and Watercare (p16), Ports of Auckland (p17).



### World's first electric tug

In 2016, the port set itself the goal of being zero emission by 2040, recognising that urgent action is needed on climate change, and wanting to be part of the solution.

When POAL joined CLC, it chose to commit to the Science Based Targets initiative in order to ensure its emission reduction targets were in line with a 2 °C target.

This year, Ports of Auckland has signed a contract with Dutch company Damen Shipyards to buy the world's first fully electric port tug.

The new tug will be delivered in 2021 and will have a 70-tonne bollard pull, the same as the port's strongest diesel tug, Hauraki.

The new tug will save approximately  $465 \text{ tCO}_2\text{e}$  annually, by replacing one of its diesel tugs. As a world first, Ports of Auckland's commissioning of the tug has created a leadership impact, proving what is possible with bold ambitions.





ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

www.climateleaderscoaltion.org.nz