

# Advantages of the Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is a global initiative encouraging big business to report their carbon footprint and water usage and the steps that they are taking to reduce it. It was introduced to South Africa in 2007 and has recently also been extended to cities.

This year, CDP has requested climate change information from the 100 largest South African companies by market capitalisation, based on the FTSE JSE All Share Index. Although companies are not yet obliged to disclose their carbon emissions, some experts believe they may soon be required to do so.

"There is no obligation yet for businesses to report their emissions," says Tim James, director of sustainableIT. "However, this situation is changing rapidly internationally and locally, and the government has indicated that it will introduce carbon taxation in the 2013/14 budget. What this means exactly is unknown, but it is clear that as least some businesses will be required by law to report and disclose their footprints in the short term."

## Benefits for businesses

Whether it is obligatory or not, James says that there are a number of business benefits to calculating your carbon emissions. "The main benefits would include identifying emissions sources, which can then reveal reduction opportunities. Reducing emissions often lead to reduced costs, which is important in the tough economic times we find ourselves in. It is also important to understand your carbon profile and hence your risk exposure when emissions taxation and/or emissions caps are introduced."

James believes there are intangible benefits to green business as well. "Improved staff morale and marketing and public relations benefits are but a few," he states, although he believes that companies will only demonstrate a real commitment to environmental awareness once they see the improvements thereof reflected in their bottom line. "There is also no doubt that in geographies where legislation has been passed to support emissions reduction, business uptake is far more significant."

## Steps to take

There are several steps companies could take in determining their carbon emissions. "First and foremost companies should measure their emissions and do so using a recognised standard such as the Greenhouse Gas Protocol," James says. "This can be achieved by using tools such as The Carbon Report ([www.carbonreport.co.za](http://www.carbonreport.co.za)) or through a consulting approach. The process involves identifying emissions sources, gathering non-financial data that supports these sources, and then quantifying the emissions. In reality this is not an onerous task and is an important step in embracing a sustainable future."

Once companies have gained further insight into the state of their carbon emissions, they can examine the possibilities of emissions reduction or offsetting. "Business should always target emissions reduction opportunities prior to offsetting any emissions," James advises. "This not only lowers costs but demonstrates the sustainable journey and a commitment to emissions reduction. However, you will never be able to eliminate all emissions, at least with current technologies and these can be offset through a reputable offset provider. Offsets should be certified or verified through one of the globally recognised standards like the Voluntary Carbon Standard, Plan Vivo or the CDM Gold Standard."

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