

Climate change report shows continued improvement

The 8th edition of the South African CDP climate change report has revealed that nine companies are making the Climate Performance Leadership Index (CDLI).



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The index is part of the global A List of 187 listed international companies identified as demonstrating a superior approach to climate change mitigation and reducing greenhouse gas emissions. The companies making The A List in 2014 are Anglo American Platinum, FirstRand Ltd, Harmony Gold Mining Co Ltd, Mediclinic International, Pick n Pay Stores Ltd, Redefine Properties Ltd, SABMiller, Sanlam and Standard Bank Group. These leaders illustrate that a low carbon future does not mean low profits.

South African companies have continued to improve their disclosure and standards are now generally extremely high. This is an important indicator of progress, as disclosure is a critical first step in driving performance. Disclosure scores are higher than ever, with almost half of the companies responding scoring above 90/100 (up from a median of 83 in 2013), with two companies, Harmony Gold Mining Co Ltd and Remgro Ltd, achieving a perfect score of 100. Once again South Africa is one of the top two responding geographic samples in the world.

Lagging behind

Despite the improvements in performance, there is a gap between the recognition of risk (or opportunity) and the management actions that companies are taking. In some key areas, South African companies are lagging behind the Global 500 performance. While more companies are voluntarily establishing reduction targets, the scale and ambition of most companies' emission reduction targets does not yet match the scale of the challenge or the contribution promised by South Africa.

There has been a reduction in total reported emissions and a like for like comparison between 2013 and 2014 shows that South African Scope 1 (direct emissions from operations) and Scope 2 (indirect emissions from energy use) emissions are down 4%. With the carbon tax being reported as a significant risk by most companies, companies need to consider

setting more ambitious emission reduction targets in line with South Africa's mitigation goals.

"There is a palpable sea change in approach by companies driven by a growing recognition that there is a cost associated with the carbon they emit. As mainstream investors begin to recognise the real value at risk, we are seeing more action from some of the 767 investors representing \$92 trillion in assets that request disclosure through CDP," Paul Simpson, CEO at CDP, said.

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