

Climate Leaders Coalition: Corporate Social Responsibility for Transformative Change?



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Outline



- > Climate Leaders Coalition and context of zero carbon bill?
- > Corporate Social Responsibility (CSR) and climate change
- > Climate Leaders Coalition
 - > Rationale
 - > Process
 - > Outcomes
 - > Mini-examples
- > Implications for climate governance in NZ
- > Research next steps



CLC and Zero Carbon Bill

NZ's leading businesses take up the **climate** change challenge

Scoop.co.nz - 11/07/2018

On a mission to reduce emissions in New Zealand, the group of 60 CEOs have formed the **Climate Leaders Coalition**, recognising the role that business can ...

The giants of NZ business pledge bold action on emissions. Is ...

The Spinoff - 11/07/2018

Businesses band together to tackle **climate** change

Stuff.co.nz - 11/07/2018



The Spinoff

60 leading Kiwi CEOs commit to **climate** action

New Zealand Herald - 11/07/2018

Sixty major NZ companies make **climate** change pledge

Newshub - 12/07/2018

'Historic moment': MPs erupt in applause as Zero Carbon Bill passes final reading

07/11/2019



Zane Small



Zero Carbon Bill 'gutted' before passing - youth climate activists

09/11/2019



Scott Palmer





Climate Leaders Coalition

- > Launched in July 2018 based on 2017 commitment (122 signatories) to:
 - > Measure and publicly report on emissions
 - > Public target consistent with 2 degree warming
 - > Work with suppliers to reduce their emissions
- > Revised 2019 statement:
 - > Measure, publicly report and independently verified
 - > Science based targets consistent with zero carbon bill and 1.5 degrees
 - > Assessing climate risks and publicly report
 - > Support individuals and suppliers to reduce their emissions

Represent **60%**
of NZ's gross emissions



Make up nearly
one third of NZ's
private sector GDP



Employ more than
170,000 people





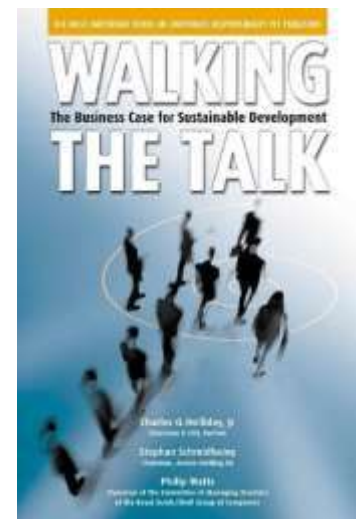
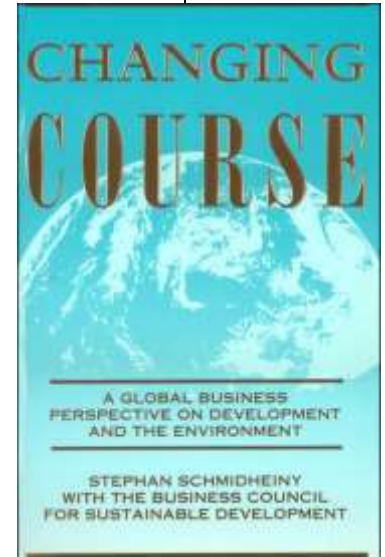
> Key questions:

- > Is CLC about risk management, social license to operate and/or progressive efforts to transform economies?
- > What are they doing / what do they say they will do?
- > How does this reshape the climate change space?
- > What does 1.5 degree commitment mean for their business?
- > Accountability gap? What is the follow through / implications of not meeting targets?

Corporate Social Responsibility (CSR) and climate change



- > Private sector engagement in climate change and sustainability
 - > 1992 WBCSD - Changing Course
 - > “only by allowing market forces to operate freely and integrating the polluter pays principle into economic and environmental policy can SD be achieved”
 - > WSSD 2002 - binding government to government commitments have proven unsatisfactory
 - > Walking the talk: The business case for sustainable development
 - > business-led voluntary commitments provide flexibility and responsiveness to achieve sustainability



Concerns re: CSR and climate governance



- > While promising commitments re: transition to low carbon economy, research warns us that these commitments might not live up to their promise
 - > need to “distinguish between substantive and symbolic intentions underpinning firms’ voluntary environmental practices” and “evidence suggests the need for vigilance among policy-makers and environmental campaigners regarding the underlying intentions that accompany environmental management practices” (Dahlmann et al. 2019)

Concerns re: CSR and climate governance



- > CSR “not only to mitigate risk, reduce cost or enhance brand value, but also to more deeply cement their position within the fabric of contemporary society, ensuring their enduring viability and license to operate” (Doyle et al. 2019)
- > Companies have shown themselves willing to take low cost actions with immediate benefits, where reducing emissions require significant capital investment and where the profitability of such investments is highly sensitive to climate change policy [however]... Voluntary regulation is discretionary ...only those firms under pressure (from within and outside the firm) and in the public spotlight will act (Bulkeley and Newell, 2015, p. 127-128).

Climate Leaders Coalition: Motivation



- > CSR and cultural politics of climate change → who has agency and expertise to shape responses and practices? (Doyle et al. 2019)

Why join / what's the value? (CEO, COO, Sustainability Managers)

- > Learning and collaboration
 - > “Lots of learning, we were relatively late and it provides a way for us to catch up” - “Everyone is on the journey” - “Sharing ideas and learnings” - “Engage and collaborate with existing partners and suppliers” - “Can’t do it alone, joining allows us to contribute together”
- > Increase impact and accountability
 - > “Being together with like-minded organizations holding each other to account.”
 - > “Doing more together to increase the pace and scale of impact from our collective efforts
 - > “It’s about taking small steps which add up to giant strides”
 - > “At the very least it is a common commitment that we can all be held accountable for and provides other businesses with the confidence to lean into their own responses knowing they are not alone in doing that.”



Climate Leaders Coalition

> Process

- > Measure
 - > Report
 - > Target
 - > Supply chain
-
- > Multiple approaches to measure / accreditation

Number of organisations with emissions trending



Reasons stated for emissions trending upwards include organisations re-setting their baseline emissions profile, and business growth. Measuring and reporting emissions is the first step for signatories reducing their emissions. Some signatories do not yet have comparable data from previous years to enable them to report on trends.

The 24 organisations who reduced their emissions did so by a combined 569,000 tonnes of CO₂ equivalent over last year's reporting period. This is the equivalent of taking

264,618 petrol cars off the road*

(*using EECA methodology)



The Warehouse Group celebrating being NZ's first large company to go carbon neutral

10 businesses committed to the Science-Based Target initiative

15 signatories carbonZero certified



16 signatories in the Certified Emissions Measurement and Reduction Scheme (CEMARS)



What counts and who counts?

- > Private sector engagement with GHG mitigation provides opportunity to redefine problem and solutions (Ormond 2015).
 - > Key is measurement – identify and quantify emissions – process of reshaping responsibility (direct vs. supply chain). Becomes technical accounting rather than socio-political problem – potential of green capitalism
- > Carbon footprinting by private sector → enclose climate responsibility in certain places and not others, of controlling what gets made visible and what doesn't – knowledge production device (Walenta 2018)
 - > Imposes a veneer of evenness → all GHGs are equal, emissions in one sector are made equivalent to others



Transparency and Reporting

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SUSTAINABLE

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

Key: ● Yes ● In progress ● not achieved Blank = no information provided

Signatory (listed in order of sign-up)	Measured emissions	Publicly reported emissions	Set a public emissions reduction target consistent with keeping within 2°C of warming	Worked with suppliers to reduce emissions
Original signatories				
1 Z Energy	●	●	●	●
2 KiwiRail	●	●	●	●
3 Vector	●	●	●	●
4 The Warehouse Group	●	●	●	●
5 Ports of Auckland	●	●	●	●
6 Fontana	●	●	●	●
7 NZ Post	●	●	●	●
8 Spark	●	●	●	●
9 IAG New Zealand	●	●	●	●
10 Ngāi Tahu Holdings (incl NT Tourism, Farming, Seafood)	●	●	●	●
11 Air New Zealand	●	●	●	●
12 Toyota New Zealand	●	●	●	●
13 Westpac New Zealand	●	●	●	●
14 BNZ	●	●	●	●
15 SkyCity Entertainment Group	●	●	●	●
16 ecostore	●	●	●	●
17 Christchurch Airport	●	●	●	●
18 Stuff	●	●	●	●

Signatory (listed in order of sign-up)	Measured emissions	Publicly reported emissions	Set a public emissions reduction target consistent with keeping within 2°C of warming	Worked with suppliers to reduce emissions
19 DCS	●	●	●	●
20 Wellington Zoo	●	●	●	●
21 Oji Fibre Solutions	●	●	●	●
22 Vodafone New Zealand	●	●	●	●
23 Contact	●	●	●	●
24 Deloitte	●	●	●	●
25 TRUE	●	●	●	●
26 Enviro-Mark Solutions	●	●	●	●
27 Ecotricity	●	●	●	●
28 Sanford	●	●	●	●
29 Transpower New Zealand	●	●	●	●
30 Ravensdown	●	●	●	●
31 Meridian	●	●	●	●
32 Dempsey Wood	●	●	●	●
33 Unilever Australasia	●	●	●	●
34 DB Breweries	●	●	●	●
35 IR Group	●	●	●	●
36 Flick Electric Co	●	●	●	●
37 Proxima	●	●	●	●
38 Auckland Airport	●	●	●	●
39 Energy TS	●	●	●	●
40 Fuji Xerox New Zealand	●	●	●	●

Progress in Meeting Pledge commitments

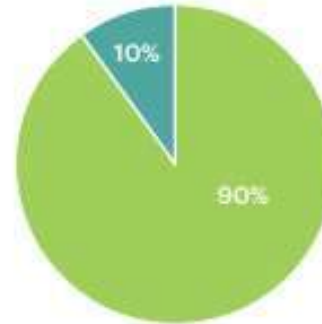


Collective progress against the Coalition's pledge

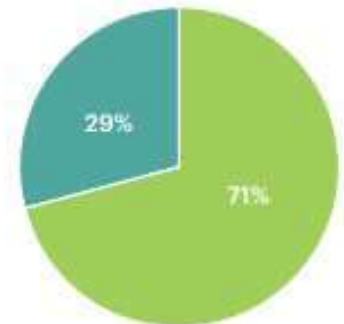
(*Individual signatories' progress and a full copy of the pledge are available on page 11)

● Yes ● In progress ● No info provided

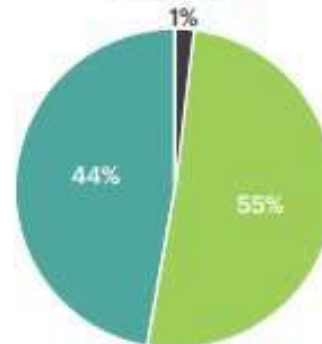
Measured emissions



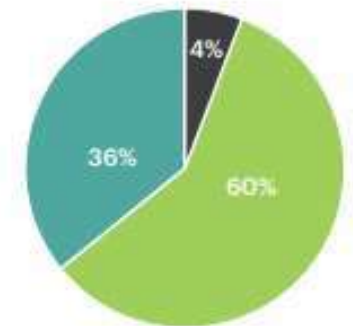
Publicly reported emissions



Set a public emissions reduction target consistent with keeping within 2°C of warming



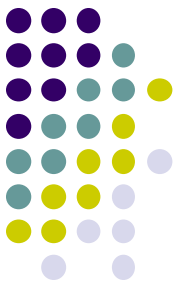
Worked with suppliers to reduce emissions



- > Impression that things are well on their way
- > Disconnect b/w process and actual emissions?
- > What does 2 or 1.5 degree commitment look like for their business?
- > Transparency about actual reductions?



Z Energy



- > "I'm committed to our work on bringing digital, innovation, and productivity together to create a great customer experience while we contribute to the big things New Zealand needs to deal with, like climate change." Z Energy CEO
- > Committed to reducing NZ's reliance on fossil fuels and the carbon intensity of products they sell
 - > Commercial biodiesel plant
 - > EV charging stations
 - > First plastic bag free petrol station
- > Partnership with Fonterra
 - > 484 tankers 100M km per year
 - > 160 converted to biodiesel – 4% reduction in emissions
 - > Contributes to Fonterra's goal of reducing emissions by 30% across global operations and carbon neutral by 2050
- > Proven customer, tested model → roll out and expand biodiesel capacity
- > Save 55k tonnes of emissions in operations, but sell 9.3M tonnes in products



Fonterra



- > “Fonterra supports a combined and collaborative approach to helping New Zealand achieve its Paris Climate agreement, while growing productivity and output at the same time.” Fonterra COO
- > Committed to net-zero emissions for global operations by 2050, with 30% reduction by 2030
 - > Transition dairy factories away from coal (Brightwater 25% reduction in CO2 emissions shift to biomass) saving 2400 tonnes a year
 - > 100 EVs for light vehicle fleet
 - > All farms have Environmental Farm Plans by 2025 and farm within regional environmental limits
- > Produces 22.2M tonnes per year (1% distribution, 9% processing, 90% on farm)

Discussion – Implications?



- > What are they doing? Core vs. value chain? To what extent is it a departure from business as usual vs. actual leadership / transition / transformation
- > CLC role in shaping responsibility for emissions, asserting control and ownership and responsibility, but uncertainty re: outcomes
- > What does CLC mask and what does it reveal (group vs. individual corporate contributions)?
- > Zero carbon bill vague re: how sectors respond to emissions budget → focus on creating enabling environment for transition to occur
- > CLC variable on transparency of commitment / actions
- > Companies representing 60% of NZ emissions have committed to do something. But what? Accountability
- > Government role to create economic conditions to allow transition to occur, rather than play a stronger regulator role → carrot vs. stick.
- > By making CLC emissions visible → develop arguments re; problem and solutions → what happens when low hanging fruit doesn't exist?