

DISCLOSURE

# Counting among the best

**SA's top companies** are now firmly established among world leaders for their responsiveness in measuring and disclosing their greenhouse gas (GHG) emissions.

As many as 83 of the JSE's Top 100 companies have responded to the 2011 Carbon Disclosure Project (CDP). This makes it the second-highest response rate among 60 countries in which about 3 700 of the world's largest corporations were surveyed. The report shows significant progress since last year when 74 companies responded, ranking SA with the fourth-highest response rate.

The high response rate, says the CDP report, "suggests that, notwithstanding short-term concerns and the pressures associated with the economic downturn,

climate change remains high on the SA corporate agenda". The report says the response rate has been "particularly commendable". In addition, "there has also been an evident improvement in the quality of the responses".

The CDP, which is backed by 551 institutional investors holding US\$71 trillion in assets under management, provides investors with valuable information

London-based CDP.

The underlying objective of the CDP is to review and assess the disclosure and actions of companies and sectors against

what is seen as a best practice response to the challenges of climate change. The CDP questionnaire focuses on three key areas: climate change management; identification of risks and opportunity; and GHG emissions accounting and performance in reducing them and adapting to climate change. Questions provide companies

with an opportunity to identify the strengths and challenges in their management of climate change issues.

The CDP ranks companies on two key issues: the nature of the disclosure of their emissions and activities; and the quality of their performance in responding to climate change. A carbon disclosure leadership index (CDLI) rates companies in terms of the levels of transparency and quality of disclosure of their GHG emissions. A carbon performance leadership index (CPLI) ranks companies in terms of their emissions reduction targets and progress in meeting these.

Mining group Gold Fields achieved the highest scores in both indices in the 2011 report. It was closely followed by Nedbank (8th), these companies have featured in the CDLI for the past three years.

Gold Fields shared the top spot with British American Tobacco in the CPLI.

Eskom accounts for 230,3 Mt of GHG emissions. The JSE Top 100 companies account for 100,4 Mt, or 20% of total emissions. These are scope 1, or direct, emissions from sources owned or controlled by a company.

Scope 2 are indirect emissions from consumption of purchased electricity, heat or steam. Scope 3 consists of other indirect emissions, such as transport-related activities in vehicles not owned or controlled by a company, business travel, the use of sold products and waste disposal. ■

## ➔ THE BIG EMITTERS

JSE 100 companies with high emissions

Company	Metric tons of CO <sub>2</sub> (m)
Sasol	61,2
ArcelorMittal SA	11,9
Pretoria Portland Cement	4,8
BHP Billiton	3,1
Evrax Highveld Steel & Vanadium	2,8
Anglo American	2,7
Sappi	2,7
Harmony Gold Mining	1,5
Gold Fields	1,0

SOURCE: CDP REPORT

## ➔ HIGH PERFORMERS

The JSE 100 Carbon Performance Leadership Index (CPLI)

Company	Sector	Carbon Performance Score
British American Tobacco	Consumer staples	A
Gold Fields	Energy & materials	A
Exxaro Resources	Energy & materials	A-
Nedbank	Financials	A-
Pick n Pay Holdings	Consumer staples	A-
Remgro	Financials	A-
Woolworths Holdings	Consumer staples	A-

SOURCE: CDP REPORT

## ➔ AN OPEN APPROACH

The JSE 100 Carbon Disclosure Leadership Index (CDLI)

Rank	Company	Sector	Score
1	Gold Fields	Energy & materials	98
2	Nedbank	Financials	96
3	Exxaro Resources	Energy & materials	94
4	British American Tobacco	Consumer staples	91
	Harmony Gold Mining	Energy & materials	91
6	Barloworld	Industrials	89
	Woolworths Holdings	Consumer staples	89
8	FirstRand	Financials	88
	Sanlam	Financials	88
10	The Bidvest Group	Industrials	87
	Group Five	Industrials	87

SOURCE: CDP REPORT

on the extent to which companies are meeting the climate change challenge. Now in its sixth year, the SA CDP is supported by KPMG as the lead sponsor, Element Investment Management and the SA Post Office. The analysis of questionnaires sent to companies and the compiling of the report is undertaken by Incite Sustainability.

The JSE's Top 100 companies account for about 20% of SA's total annual carbon emissions, which are estimated at 510 Mt. This ranks the country among the world's Top 20 highest GHG emitters. Coal-based electricity generator Eskom accounts for about 45% of SA's emissions.

"The CDP has facilitated a mind shift and promoted awareness, among companies, the need to restructure and align themselves with climate change and sustainability imperatives," says Valerie Geen, director of Climate & Energy at the National Business Initiative (NBI), the SA partner of the