



# The Carbon Disclosure Project

## Sustainability Covenant

# Sustainability Covenant

This voluntary SUSTAINABILITY COVENANT is a statutory agreement under section 49AA of the *Environment Protection Act 1970* made on the 17th day of March 2008.

## Between:

**Environment Protection Authority** ('EPA Victoria'), of 40 City Road Southbank in the State of Victoria;

-and-

**Carbon Disclosure Project** of 40 Bowling Green Lane, London, United Kingdom;

## In which the parties agree to:

- Increase the efficiency with which the parties use resources to produce products and services;
- Reduce the ecological impact of those products and services and of the processes by which they are produced; and
- Increase the capacity of the parties to influence the resource efficiency and ecological impact of the communities, including business, government and non-government organisations, that they work with.

EPA is of the opinion that this Sustainability Covenant is likely to be effective in increasing the resource use efficiency and reducing the ecological impact of the parties and their stakeholders and as such is a signatory to this Sustainability Covenant.

## Background

EPA has a vision of the Victorian community living sustainably. The most recent estimate of Victoria's Ecological Footprint indicates that if everyone in the world lived the way Victorians currently do, we would need four planets to sustain the global community. This is clearly a long way from "living sustainably".

Victoria is not alone in facing this challenge. Societies all around the world are realising the need to pursue economic and social objectives within nature's limits. Communities must keep finding new and better ways to produce desired goods and services in order to lead the lifestyles aspired to. One key to doing this is to foster and harness innovation.

To this end, EPA is collaborating with various segments of the Victorian community, including business and industry, other government agencies, NGOs and the general public, particularly with those who are leaders in supporting innovation. It is also collaborating with leading international organisations and experts who are contributing to the goal of achieving sustainable societies. EPA aims to bring these partners together to help build society's capacity to progress towards sustainability.

To do this, EPA is establishing mutually beneficial relationships with leading international organisations through the creation of 'Global Innovation Partnerships'.

Increasingly, the most critical environmental issue facing business and industry is the impact of climate change. Reducing greenhouse gas levels is vital for the future of our planet and, consequently, fundamental to truly sustainable business operations. Development of approaches and strategies to equip businesses to plan for, manage, and respond to climate change is essential.

*"Climate change is the greatest long-term challenge facing the international community. That might seem an extreme statement in a world trying to cope with the pressing challenges of terrorism, famine, war and disease; unfortunately, it's true."*

The Rt. Hon. Margaret Beckett, UK Foreign Secretary, August 2005

**Through this Partnership**, EPA will draw on the experience of the CDP and its associated networks to support EPA's climate change programs. Most specifically, EPA will seek CDP's advice on how to assist Victorian businesses who are trying to develop carbon management strategies. This will ensure that efforts in Victoria to tackle the effects of climate change, including carbon neutrality programs, are informed by CDP's international experience.

EPA will continue to provide financial and other support to the CDP Secretariat directly through the Australia and New Zealand Investor Group on Climate Change (IGCC) for the development, publication and promotion of the global and Australian CDP reports. This will support the efforts of Australian investors in reporting, and importantly understanding, the risks and opportunities presented by climate change.

It is intended that this Partnership will ensure innovative climate change strategies are developed by Victorian businesses, and will also build upon the initial success of the inaugural Australia and New Zealand CDP Report 2006. Ultimately, the Partnership aims to help make Victoria the first place in the world where the environment is routinely viewed as a business opportunity, not a business cost.

# Parties to the Covenant

## Carbon Disclosure Project

The Carbon Disclosure Project (CDP) facilitates the world's largest institutional investor collaboration on the business implications of climate change. CDP represents a process whereby many institutional investors collectively sign a single global request for disclosure of information on Greenhouse Gas Emissions. CDP has historically sent this request to the largest companies in the world including the FT500. In 2007, on behalf of 315 investors with assets of \$41 trillion, this was expanded to 2400 companies, with 1300 responding with an answered questionnaire.

From its initial launch in 2000 to the most recent (5th) report released in 2007, the CDP has produced the world's largest registry of corporate greenhouse gas emissions data, creating a critical and up-to-date information repository for the investment community to facilitate superior equity and debt investment decision-making.

## EPA Victoria

EPA Victoria is an independent, statutory body established under an Act of the Victorian Parliament and charged with protection of the Victorian environment. While historically focusing on site-specific pollution prevention and control measures, the EPA is increasingly expanding its range of tools to assist business and adopting more innovative approaches to its important regulatory function.

The Victorian Deputy Premier and Minister for Environment, Water and Climate Change, John Thwaites, recently announced that 'The Environment Protection Authority will be equipped to help ensure that Victoria becomes one of the first places in the world where the environment routinely becomes a business opportunity rather than a business cost.'

**EPA's vision is *The Victorian community living sustainably.***

A community living sustainably knows the impacts of the decisions it makes and the actions it takes on the environment and:

- **efficiently** uses and renews resources.
- **understands** how what is good for the environment is good for the economy and society.
- **lives in a healthy environment** that provides clean air, water and land.
- **meets the needs of today** without compromising the ability of future generations to meet their needs.

**EPA's purpose** is to protect, care for and improve our environment.

**EPA's values** are collaboration, innovation, integrity and respect

**EPA's objectives** are to increase resource efficiency, reduce emissions impact, enhance our reputation and benefit the economy.

# Commitments of the Covenant

The following commitments are intended to achieve the overall objective of this Covenant. They are designed to ensure that international expertise on climate change risks and opportunities is consistently applied to the strategies and approaches adopted by the Victorian community.

General Commitments	Specific Commitments
Promotion of mutually beneficial events and programs	<ul style="list-style-type: none"> <li>• Collaboration for promotion of the CDP Global Report in Australia.</li> <li>• Promotion and support by EPA of CDP Australia/New Zealand through ongoing funding of the IGCC Secretariat.</li> </ul>
CDP and EPA commit to sharing knowledge and expanding international sustainability networks	<p>CDP and EPA will identify opportunities to:</p> <ul style="list-style-type: none"> <li>• Share knowledge and resources in areas of mutual interest such as the commercial implications of climate change and strategies to address its impacts, particularly carbon neutrality approaches.</li> <li>• Support and expand an international climate change network through the introduction and networking of likeminded organisations and individuals.</li> </ul>
As required, advise and comment on development and proposed implementation of specific programs for both parties	<ul style="list-style-type: none"> <li>• EPA will seek advice from CDP on climate change-related programs, particularly those that contain the most potential for assisting the Victorian business community, such as:               <ul style="list-style-type: none"> <li>o EPA's Carbon Innovators Network</li> <li>o EPA's 'Greenhouse Business Calculator'</li> <li>o EPA's own 'Beyond Carbon Neutral' strategy</li> </ul>               Up to \$15,000 per annum will be provided to CDP by EPA on a fee-for-service basis for the provision of this advice.             </li> <li>• CDP will seek advice from EPA on climate change-related matters, particularly the Australian version of the CDP through the Australia/New Zealand IGCC.</li> </ul>

## Life of the Covenant

This sustainability covenant will be in place for a period of three (3) years. This period may be extended if agreed by both parties.

## Management of the Covenant

The parties to the covenant will jointly be responsible for the management of the over-arching performance of the covenant. The parties will jointly liaise to agree any actions relevant to the achievement of the commitments. These actions may then, as necessary, be formalised through arrangements such as Memoranda of Understanding, Contracts or Letters of Agreement.

The parties will review the progress of the covenant annually to identify any additional and/or replacement actions, or any future focus, required including, if appropriate, the future relationship of the parties beyond the life of the covenant.

The parties to the covenant will report following each review covering the achievements of each covenant commitment along with any lessons learned and anticipated future actions to be undertaken. These reports will be made available to all stakeholders via the websites of the parties.

## More information

In accordance with section 49AC(b) of the Act, the parties will ensure that this Covenant is readily accessible to the public and that it is published on the internet.

In accordance with section 49AC(c) of the Act, the parties authorise the copying of all or any part of the Covenant by any person who wishes to do so. The parties also authorise the use by such a person of any copies made by the person.

## Contact Information



EPA Victoria  
Business Sustainability Unit  
40 City Rd, Southbank  
Melbourne VIC 3006  
Ph: 03 9695 2722  
F: 03 9695 2579  
E: [business.programs@epa.vic.gov.au](mailto:business.programs@epa.vic.gov.au)  
W: [www.epa.vic.gov.au/sustainability\\_covenants](http://www.epa.vic.gov.au/sustainability_covenants)

## CARBON DISCLOSURE PROJECT

Carbon Disclosure Project  
40 Bowling Green Lane  
London EC1R 0NE  
United Kingdom  
Ph: +44 (0) 207 960 5660  
E: [info@cdproject.net](mailto:info@cdproject.net)  
W: [www.cdproject.net](http://www.cdproject.net)