



Transparency and reporting in the utilities sector

Free roundtable, September 2010

Topic:	Transparency on forest-based biomass use by energy utility companies and the commercial and competitive implications of carbon reporting
---------------	--

Date:	Tuesday 7th September, 2010
--------------	-----------------------------

Time:	13:00–17:00 (optional welcome lunch 12:00–13:00)
--------------	---

Venue:	Imperial College, London
---------------	--------------------------

Places:	Max 20 people
----------------	---------------

Bookings:	Rob Pearson rob.pearson@twotomorrows.com <i>Please indicate if you will be joining us for lunch</i>
------------------	--

Cost:	Free of charge
--------------	----------------

You are invited to a creative and confidential roundtable workshop for companies in the energy utility sector.

Together, we will consider transparency on forest-based biomass use by energy utility companies, and the commercial and competitive implications of carbon reporting. Both areas have increasing implications for sustainability reporting in the utilities sector.

You will hear from sustainability and industry experts, share best practice, experiences and ideas, and network with your peers in an informal setting.

To lead the event, we will draw on our many years' experience advising the world's leading companies on sustainability.

This is one of a series of free roundtable events hosted by Two Tomorrows offices in London, San Francisco and Seoul to address today's most pressing sustainability and corporate responsibility issues.

Guest speakers

- Tracey Campbell, Forest Footprint Disclosure Project
- Neil McIndoe, Trucost

Discussion points

- **Forest footprint disclosure:** The Forest Footprint Disclosure project reported early this year on the results of the first disclosure request sent to over 200 international companies for details of their 'forest footprint'. This term indicates the extent to which procurement policies for forest risk commodities (FRCs) such as palm

oil, soy, timber, beef, leather and biofuels are linked to deforestation. For each of 10 business sectors including utilities, the report summarises responses based on a unique methodology covering current performance and management of performance improvement. It also examines the key issues for individual FRCs and the challenges ahead for business, NGOs and government in tackling the link between the use of commodities in supply chains and deforestation. First-round disclosure by utility companies was limited, although others have committed to disclosure later this year in the second round.

- **Carbon reporting:** Although the WRI/WBCSD GHG Protocol sets out a clear framework, applying it to a utility company's activities can be complicated, for example when allocating energy consumed into Scope 1 and Scope 2 emissions, and when classifying emissions linked to electricity purchased from other operators to resell to end customers. In addition, gas suppliers face a challenge in reporting methane emissions from natural gas leakage.
- **Carbon efficiency:** Carbon efficiency or intensity – emissions per £/€ million in revenue or per kWh – is now taken into account in some asset pricing models. Standard & Poor's includes carbon in assessments of the future cash flows of EU power companies and related credit risks. Longer-term targets for carbon intensity have been set by some companies for many years, but there are important differences between companies in how these are being used. Are these targets now being used as part of competitive positioning?



Questions we will debate

- Do you understand your exposure to forest risk commodities? Do you have a policy in place relating to these issues?
- What are the risks and opportunities of using forest risk commodities? How might these drivers change over time and how does this affect reporting?
- What different approaches are being adopted by European energy utilities in reporting carbon emissions, carbon intensity performance and targets?
- What are the implications for companies using carbon reporting and intensity targets for competitive advantage?



Imperial College, London