

CDP – Carbon Pricing

Adoptando un precio de carbono

CDP Corporations and Supply Chains

Lucas Ribeiro

Carbon Pricing



Ser presionado o inspirarse

Cómo los otros están haciendo?

CDP como herramienta (reporte)

CDP como herramienta (soporte/benchmark)

Carbon Pricing



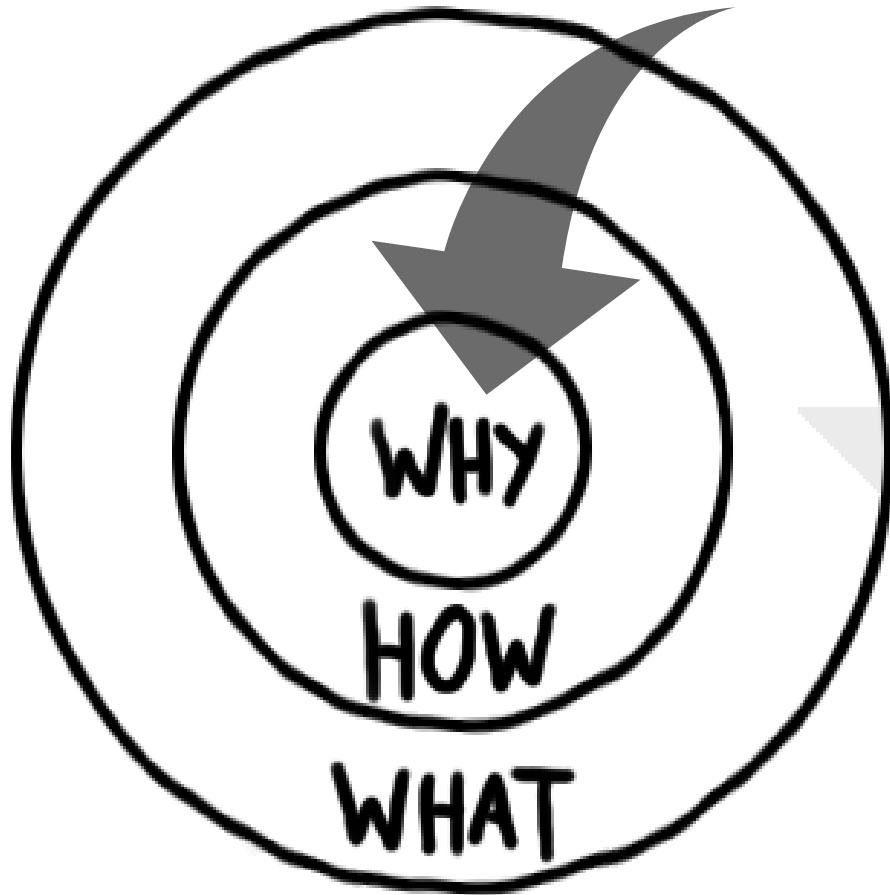
Ser presionado o inspirarse

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Teoría del círculo dorado | Presión externa



▼ Qué?

Lo que hacemos, acciones

“Las emisiones son tasadas y tenemos más costos”

▼ Cómo?

Como vamos a hacerlo, contenido

“Tenemos que reducir o compensar las emisiones de GEI”

▼ Por qué?

La causa o motivo

“Para no sufrir con las tasas, impuestos y costos más altos”

Region

Sector

Internal Carbon Pricing Status

- Pricing now
- Pricing in 2 years

- Not pricing
- Not disclosing practice

Carbon Pricing Policy Status

- Existing
- Emerging

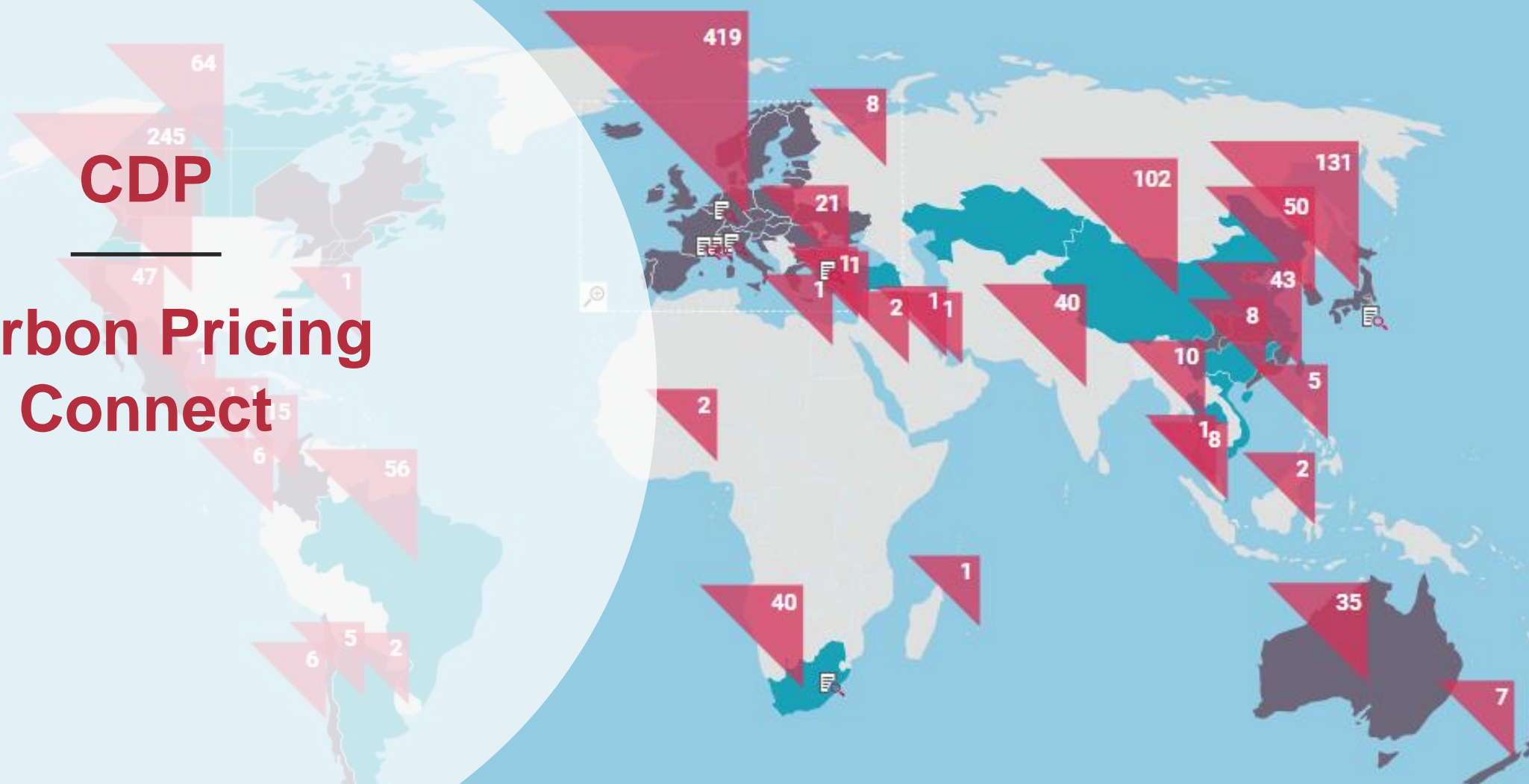


2014 2015 2016 2017

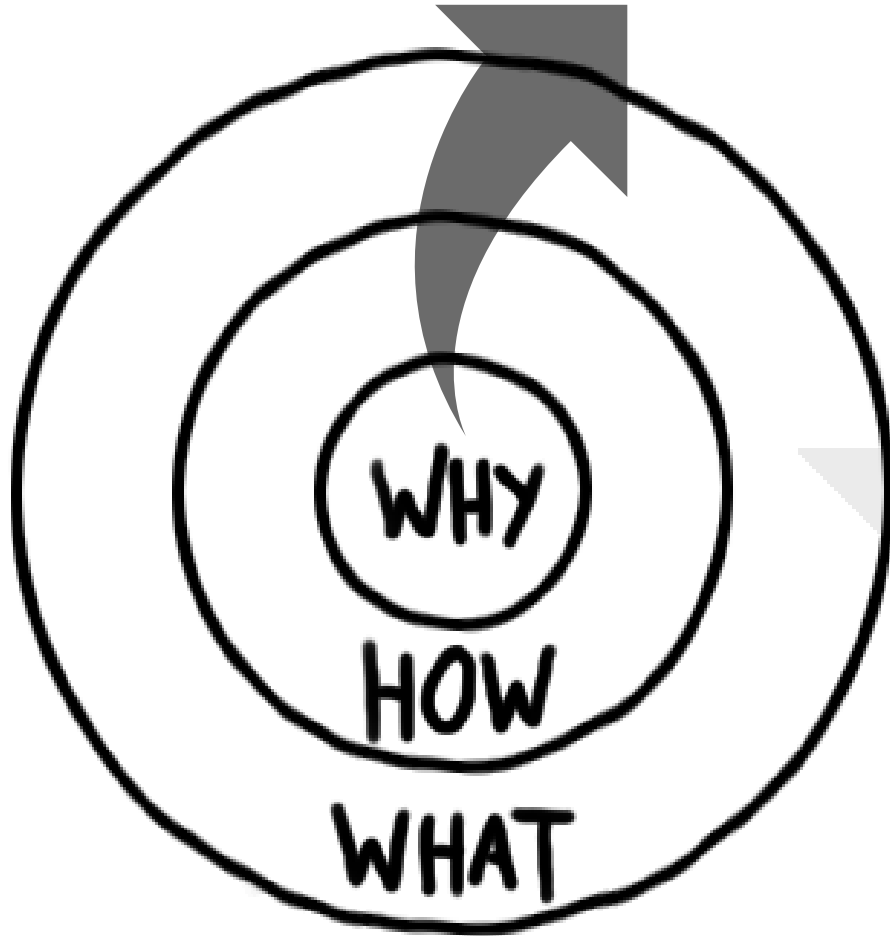


CDP

Carbon Pricing Connect



Teoría del círculo dorado | Inspiración interna



▼ Por qué?

La causa o motivo

"Irme hacia un futuro de bajo carbono, identificar oportunidades, estar seguro sobre las reglamentaciones"

▼ Cómo?

Como vamos a hacerlo, contenido

"Actuar en diferentes áreas de mi compañía y en mis alcances 1, 2 y 3"

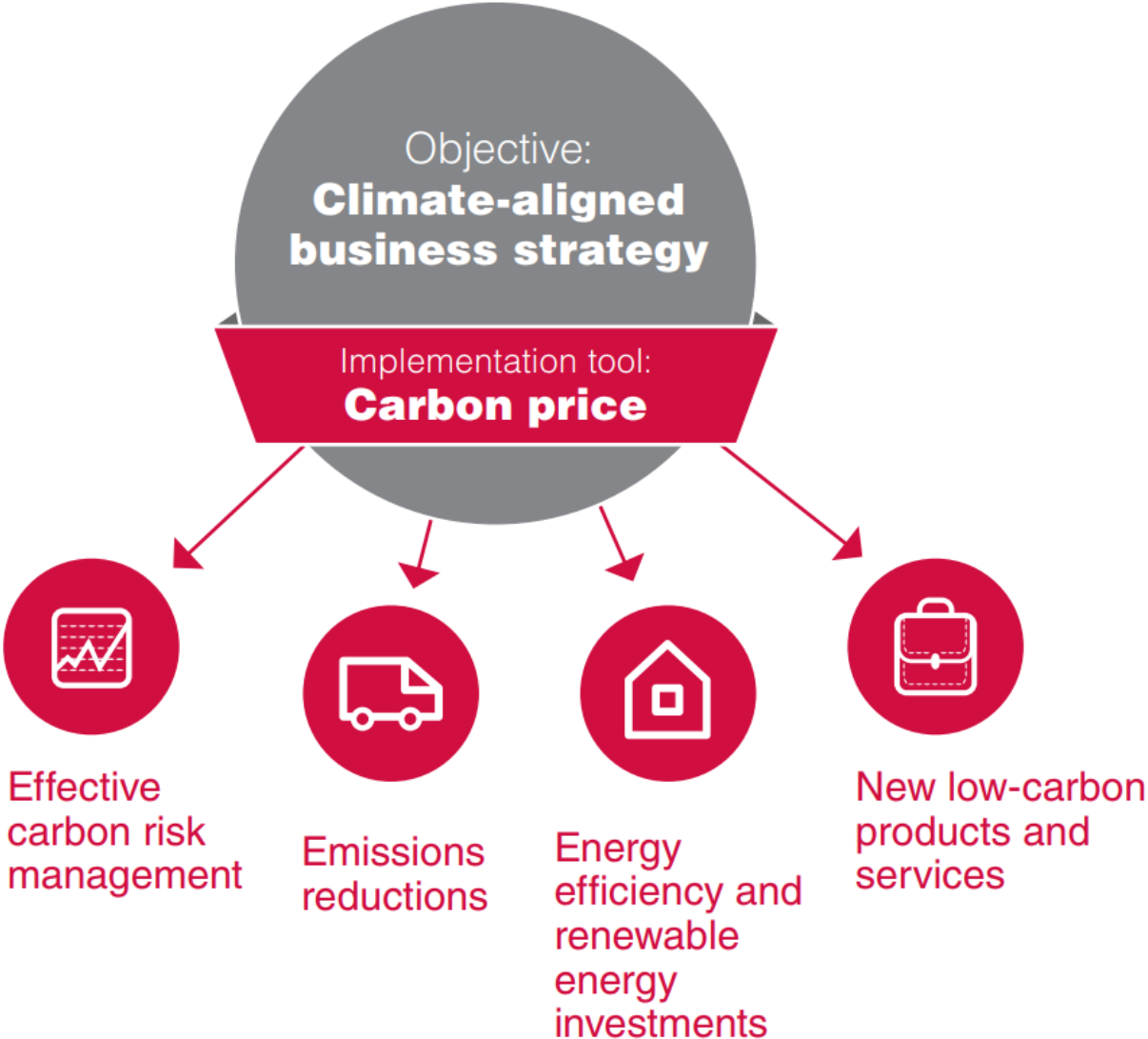
▼ Qué?

Lo que hacemos, acciones

"Implementar un precio interno de carbono que sea una herramienta para bajar las emisiones"

Business strategy delivering climate outcomes

Carbon Price as a tool



Carbon Pricing

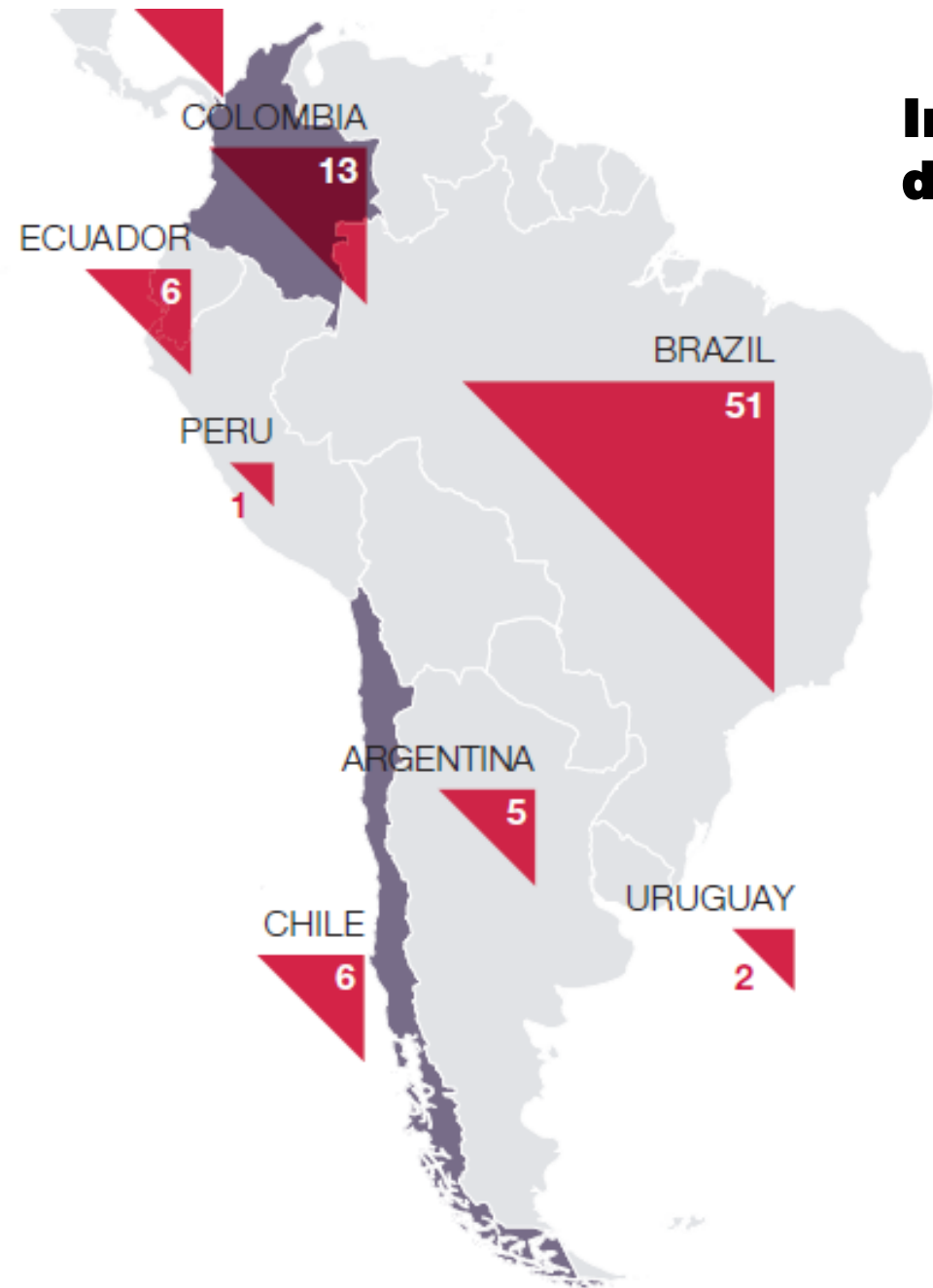
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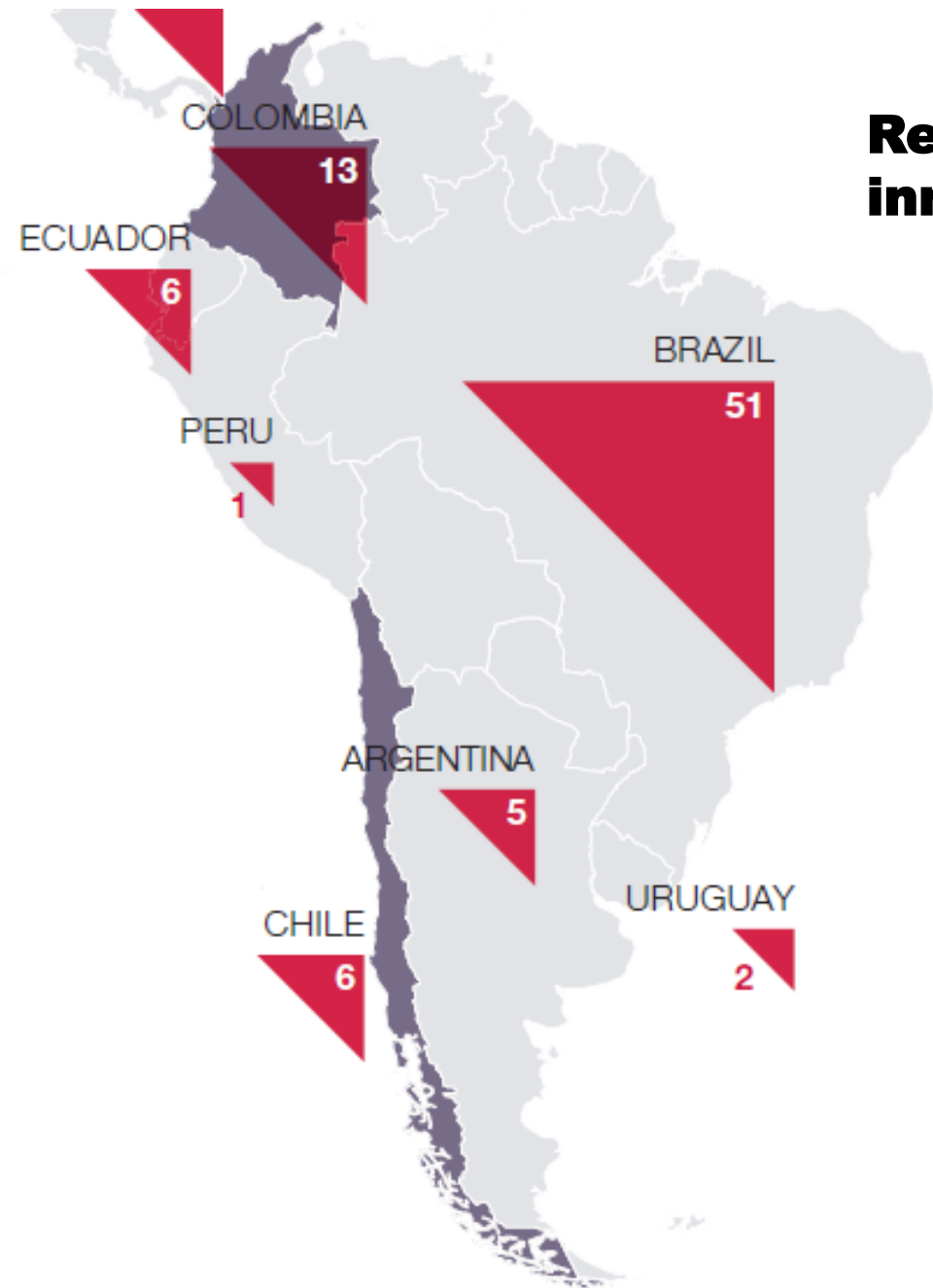
Impacto directo en la toma de decisiones estratégicas



... The impacts of carbon pricing scenarios on the new investment projects proposals are reviewed in light of the specific context of the host country and of its regulatory framework, and inform decision making. The Group has decided to no longer pursue new developments in coal, believing that a carbon price will steadily be established in the world's various regions and that coal-fired power plants will be adversely affected in the future. ENGIE announced in 2016 that it will close/sell coal assets progressively.

ENGIE, France, Utilities

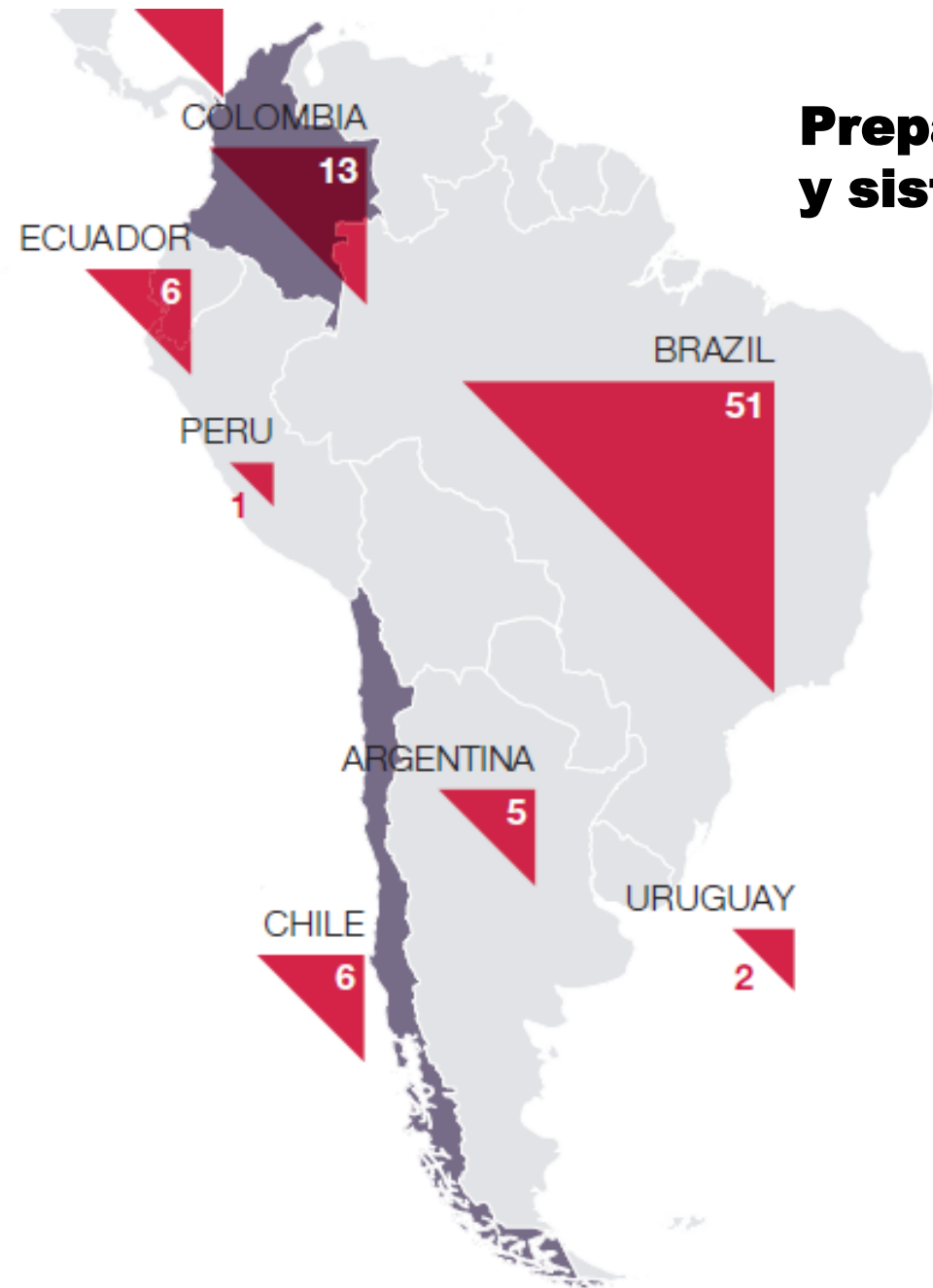
Redireccionar recursos hacia innovaciones en negocios y procesos



... Viña Concha y Toro views this internal price of carbon as a key strategic element, a practice that will make all of our business units aware of the impact we have and how we can help fight climate change. We also hope to help them understand how climate change can affect our own business. Naturally, we expect this internal carbon price to stimulate innovation in our products and processes, driving competition and stimulating investment in low carbon technologies. Internally, this carbon pricing works as a fund.

**VIÑA CONCHA Y TORO,
Chile, Consumer Staples**

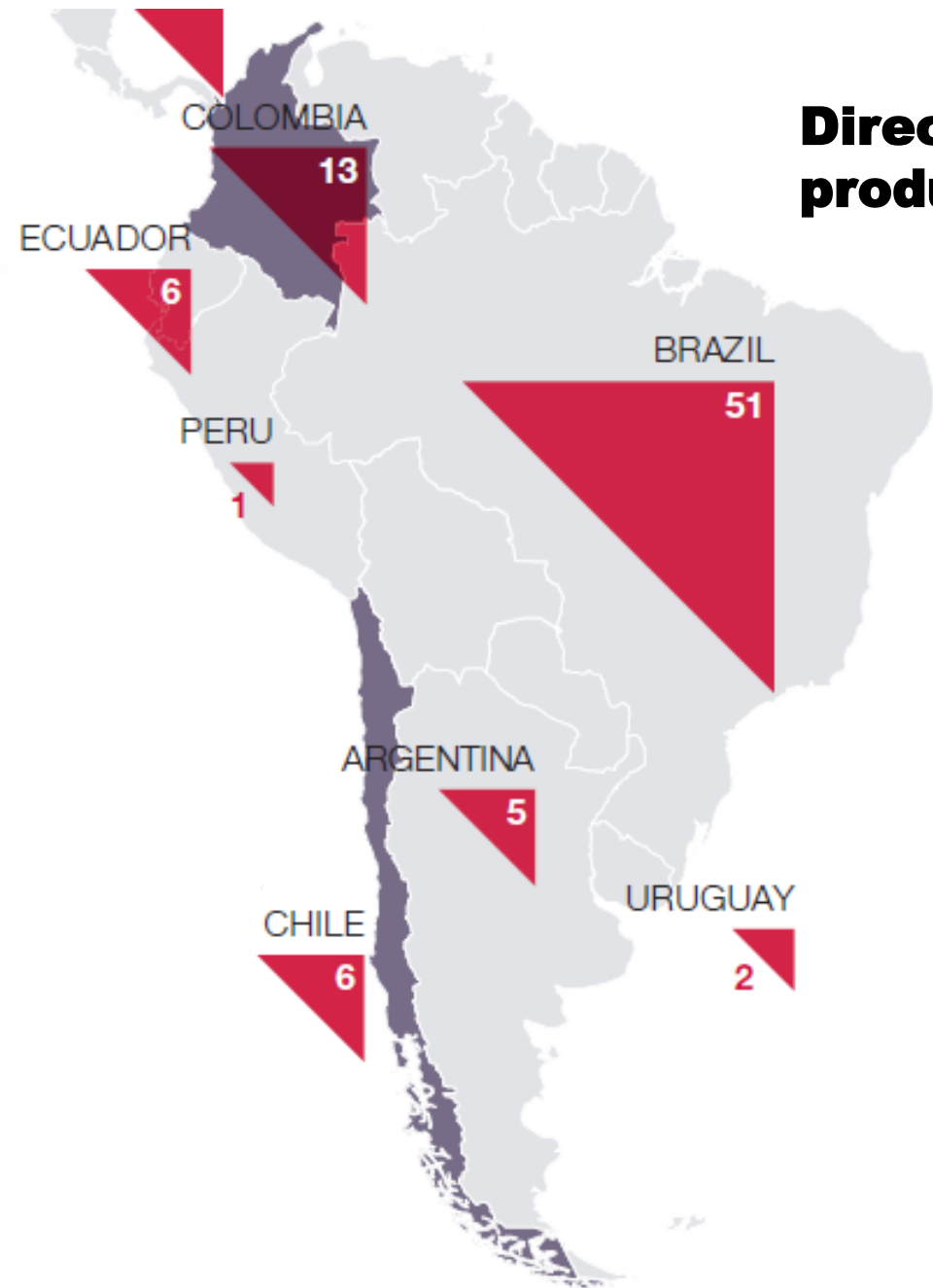
Prepararse para reglamentaciones y sistemas de impuestos



... ACCIONA stays ahead of the creation of new carbon pricing mechanisms and the price increase in existing markets by establishing an internal price for its medium to long term projects. This shadow price drives investments in technology and low carbon production processes so as to mitigate the risk created by the possible inclusion of certain activities of ACCIONA in systems that tax emissions with high prices, such as those estimated by the European Investment Bank or the European Bank for Reconstruction and Development of €36/tCO₂ in 2016, €45/tCO₂ in 2030 and €72/tCO₂ in 2050. The Company uses shadow prices to promote the choice of energy efficient options and clean fuels. For example, the price has been used in the bid for a public tender in Australia which valued actions to minimize GHG emissions.

ACCIONA, Spain, Utilities

Direccional inversiones hacia productos de bajo carbono



... In 2010, DANONE put a price on carbon in its capital expenditures approval process to redirect investments toward lower carbon solutions, clean technologies, renewable energy, any project contributing to cut emissions. In 2016, after a benchmark study and a regulatory watch, DANONE updated its internal price of carbon and decided to set it at a relatively high level, 35€/t to internalize potential future cost of carbon in long term. The return of investments are assessed with the impact of the carbon implication. It enables the management to arbitrate between different options, to choose the most virtuous and efficient ones to achieve the goals of Danone's Climate Policy.

DANONE, France, Consumer Staples

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Cómo los otros están haciendo?

CDP como herramienta (reporte)

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Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap and Trade or Carbon Tax)?



Yes



No, but we **anticipate** being regulated in the next three years



No, and we **do not** anticipate being regulated in the next three years

Panorama externo (C11.1)

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Select all that apply from the following options:

- Alberta carbon tax
- Alberta SGER
- Australia ERF Safeguard Mechanism
- BC carbon tax
- BC GGIRCA
- Beijing pilot ETS
- California CaT
- Chile carbon tax
- China national ETS

(C11.1b)

System name	% of Scope 1 emissions covered by the ETS
<i>Fixed table rows are populated by selection in C11.1a</i>	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places and no commas]

(C11.1c)

Pricing system	% of emissions covered by tax	Total cost of tax paid
<i>Fixed table rows are populated by selection in C11.1a</i>	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places and no commas]

Escenario interno C11.3

(C11.3) Does your organization use an internal price on carbon?

- Yes
- No, but we anticipate doing so in the next two years
- No, and we don't anticipate doing so in the next two years

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price	GHG Scope	Application	Actual price(s) used (Currency /metric ton)
Select all that apply: <ul style="list-style-type: none"> • Navigate GHG regulations • Stakeholder expectations • Change internal behavior • Drive energy efficiency • Drive low-carbon investment • Stress test investments • Identify and seize low-carbon opportunities • Supplier engagement • Other, please specify 	Select all that apply: <ul style="list-style-type: none"> • Scope 1 • Scope 2 • Scope 3 	Corporate structure that price is applied to (i.e. business units, corporate divisions, facilities) Text field [maximum 1,000 characters]	Numerical field [enter a number from 0-99,999,999,999 using a maximum of 2 decimal places and no commas]

Variance of price(s) used	Type of internal carbon price	Impact & implication
Text field [maximum 2,400 characters]	Select all that apply: <ul style="list-style-type: none"> • Shadow price • Internal fee • Internal trading • Implicit price • Offsets • Other, please specify 	Text field [maximum 2,400 characters]

Escenario
interno
C11.3

Objective

Coverage/GHG scope

Business application

Price level and variance

Implication and impact

Escenario interno (C11.3)



- ▼ El objetivo de su precio interno de carbono
- ▼ Múltiples objetivos son aceptados
- ▼ Reflexión acerca de los resultados esperados del precio de carbono

Purpose	Potential objectives/outcomes
Tool to assess and manage carbon-related risks	<ul style="list-style-type: none"> • Assess risk exposure • Inform strategic response & future-proof assets and investments against regulatory risk, including investment in new technologies or energy efficiency to decrease cost • Demonstrate management of risk to shareholders
Tool to identify carbon-related opportunities	<ul style="list-style-type: none"> • Reveal cost-cutting and resiliency investment opportunities throughout value chain • Change employee and supplier behavior • Discover new market and revenue opportunities • Influence R&D investment decisions
Transition tool	<ul style="list-style-type: none"> • Align investment strategy with 2-degree scenario and align business with the Paris Agreement • Accelerate reduction of GHG emissions; drive investment in energy efficiency initiatives, renewable energy procurement, R&D of low-carbon products/services • Generate revenue to re-invest in low-carbon activities

Objective
Coverage/GHG scope
Business application
Price level and variance
Implication and impact

Escenario interno (C11.3)



GHG emissions	Examples of relevant decisions
Scope 1	Investment and production decisions
Scope 2	Energy purchasing decisions
Scope 3 upstream	Materials sourcing and procurement decisions
Scope 3 downstream	R&D decisions for innovative products for the current/ future market

Objective
Coverage/GHG scope
Business application
Price level and variance
Implication and impact

- ▼ Cuál su perfil de emisiones? Cuáles las principales actividades de su compañía?
- ▼ Cuál impacto de cada área en el precio de carbono?
- ▼ Cuál impacto del precio de carbono en cada área?

Escenario interno (C11.3)



STRONG
INFLUENCE

Collected fees used for climate action or rewarding low-carbon decisions

Passing criterion in business decisions

Embedded in overall costs calculations as a financial indicator

Included qualitatively in the decision-making process

WEAK
INFLUENCE

Tracking compliance prices without directly affecting business decisions

Objective
Coverage/GHG scope
Business application
Price level and variance
Implication and impact

- ▼ Áreas clave de actuación
- ▼ Cuál el nivel de influencia del precio de carbono?
- ▼ Cuál el nivel y tipo de toma de decisión afectado?

Escenario interno (C11.3)



Common price determination methods

For scenario analysis/assessment of risk and opportunities

For a transition tool that drives decarbonization

Based on price projections from existing or emerging carbon pricing regulations

Based on internal consultation (to determine price level needed to influence business decisions, or accelerate decarbonization)

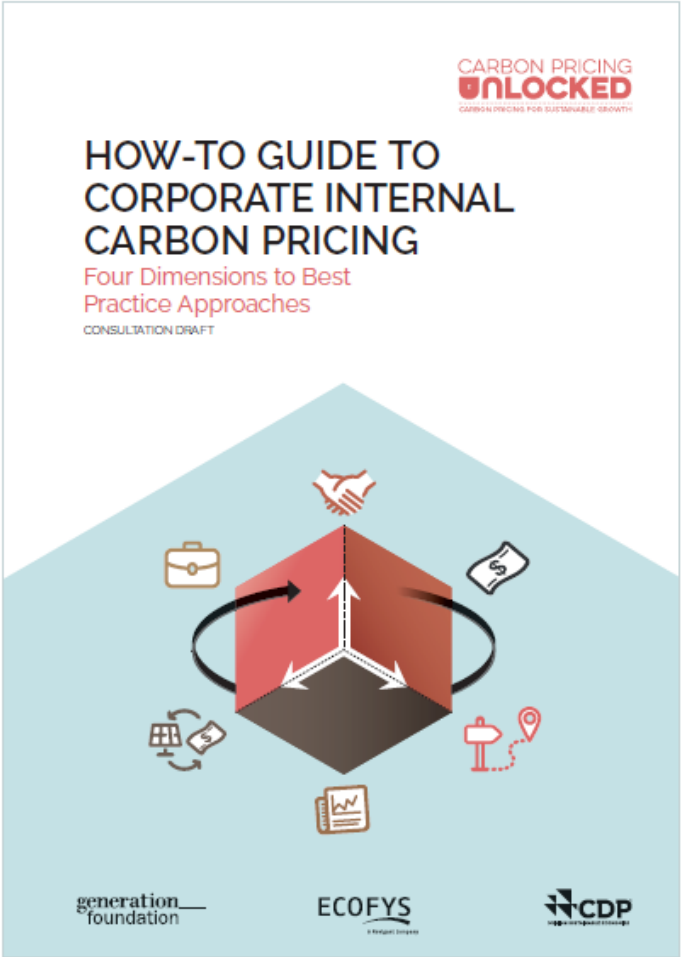
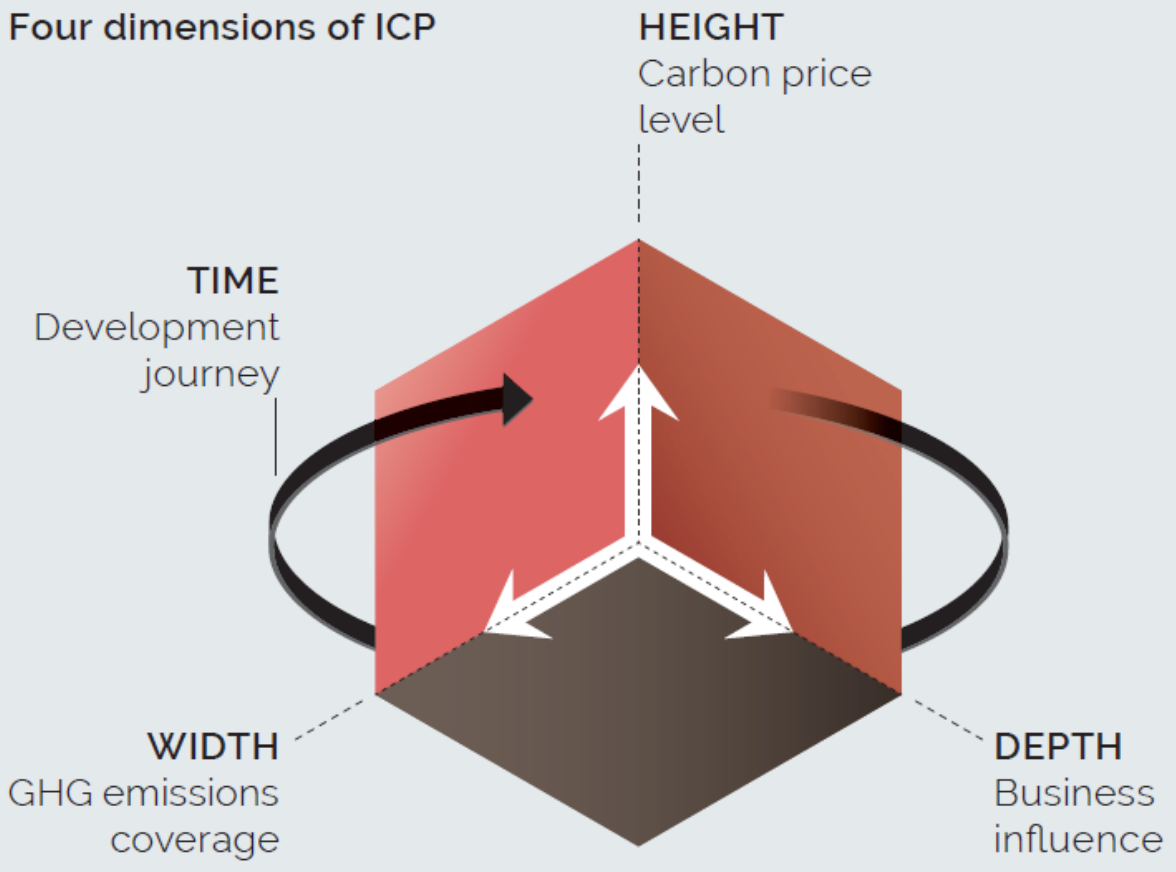
Based on a benchmark against peers within a sector

Based on technical analyses of investment needed to achieve a specific climate-related objective (MAC curve)

Objective
Coverage/GHG scope
Business application
Price level and variance
Implication and impact

- ▼ Dinámica de precio, objetivos y aplicaciones
- ▼ Evaluación de resultados y revisión del precio
- ▼ Benchmarking con otras compañías o ubicaciones

Escenario interno (C11.3)



- Objective
- Coverage/GHG scope
- Business application
- Price level and variance
- Implication and impact**

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Benchmark Club 2019

Soporte y Benchmark

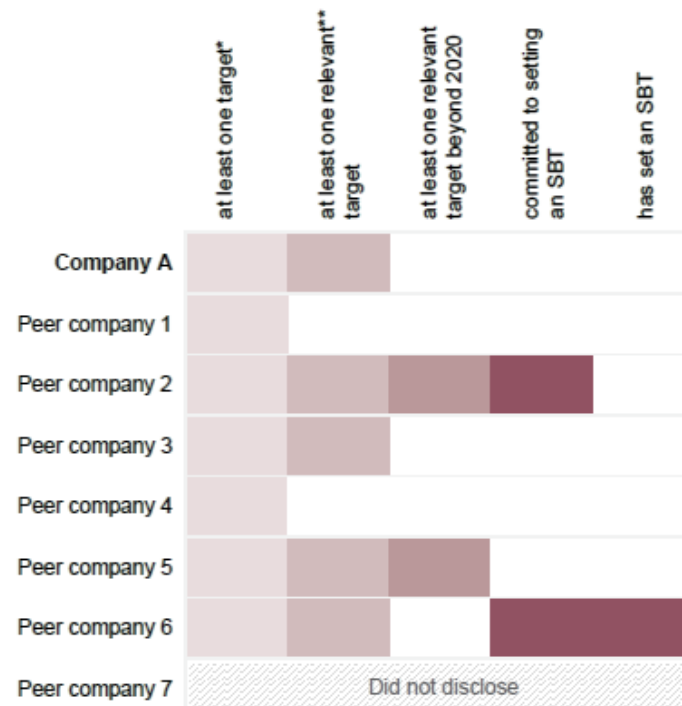
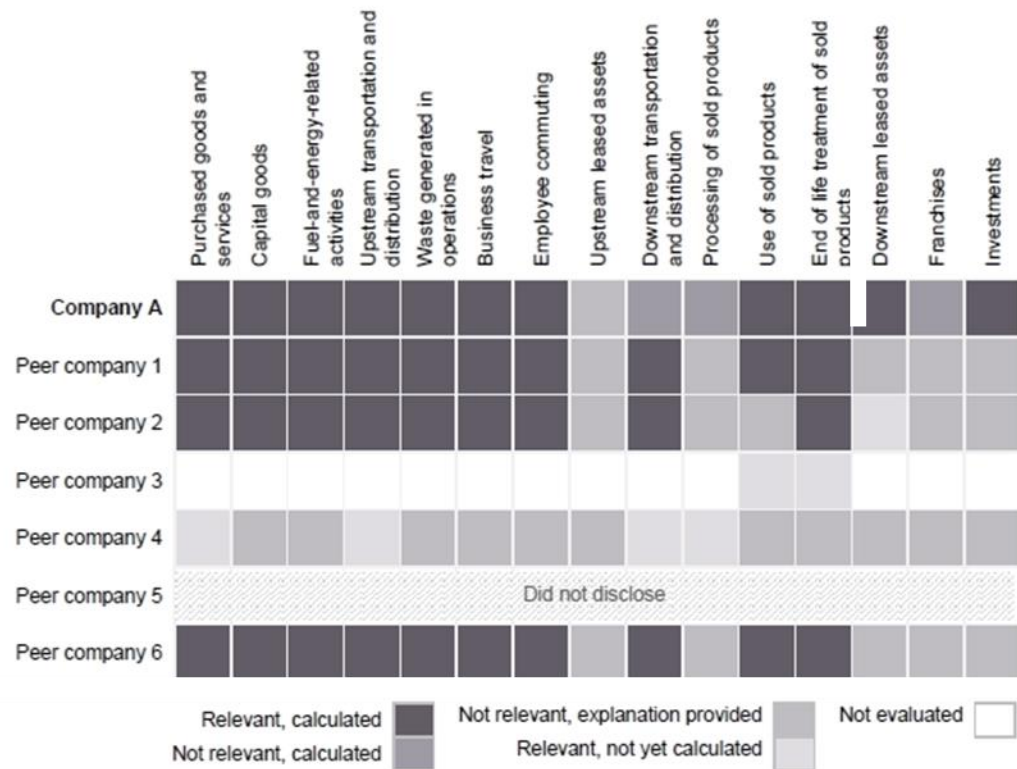


▼ Account Management

Soporte en la respuesta a CDP y en temas de cambio climático
Gap Analysis and Final Review – puntos de mejora
Benchmark Report – mejores prácticas

▼ Technical Workshops

Talleres técnicos acerca de los temas relevantes
en nuestros cuestionarios



Do you report the results of your risk management procedures to the Board?

You answered "yes" to this question

90% of your peers answered "yes" to this question

10% of your peers answered "no" to this question

Benchmark Club 2019

Datos/Insights

Benchmarking con compañías de todo el mundo hecho de manera clara y objetiva, acerca de los temas más sensibles del cuestionario.



Benchmark Club 2019



Soporte y Benchmark

▼ Data and insights (CDP Analytics)

Nuevas maneras de usar los datos de CDP, benchmarking, oportunidades y sinergias

▼ Chat with experts

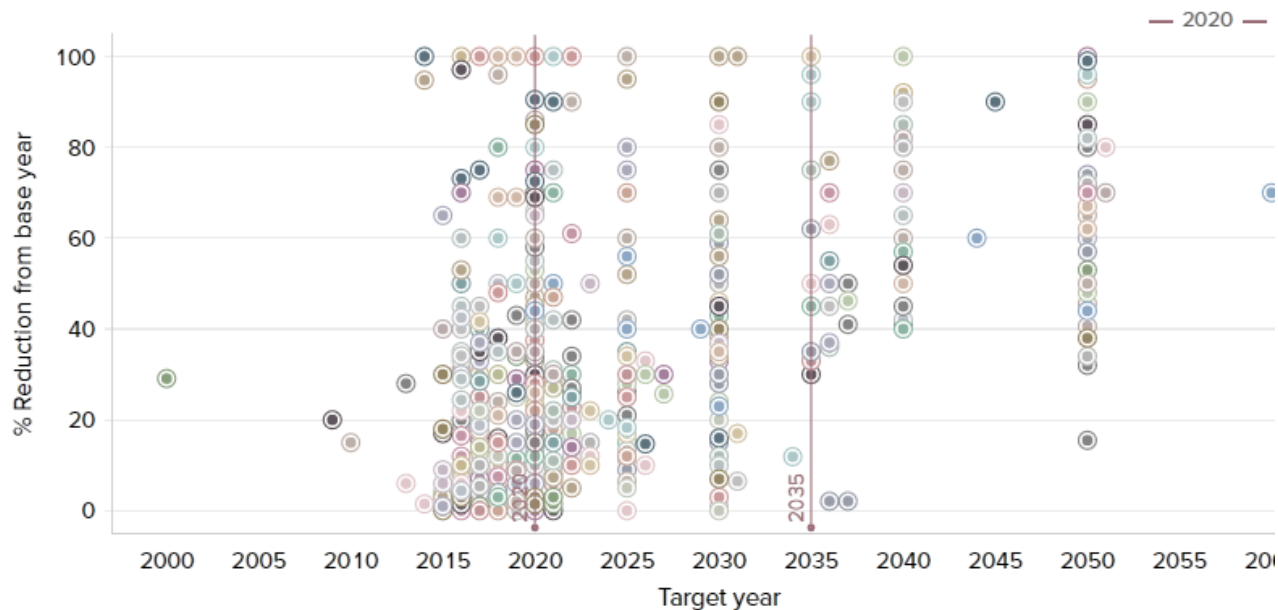
Paneles con expertos (Service Partners) para discusiones más detalladas

▼ Hub Benchmark Club and Webinars

Webinars, encuentros y talleres exclusivos a lo largo del año acerca de asuntos relevantes

Year: 2017 Organization: All Base year: 1900 2020 Target year: 2000 2100 % reduction from ba... 0 100

More Filters



Benchmark Club 2019

Datos/Insights

Una nueva forma de mirar a los datos de CDP, identificando las mejores prácticas, una fuerte herramienta para buscar a las oportunidades de mejora e innovación.



2014 2015 2016 2017

Gracias por la atención

Lauro Marins | Lucas Ribeiro

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Corporations and Supply Chains**
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