



Carbon, Climate and Compliance – What you need to know for 2023

MARCH 2023

ndevrenvironmental.com.au

Prepared for:



Acknowledgment of Country

I acknowledge the Traditional Custodians of the land on which I work and live, the Wadawurrung People, and pay my respect to Elders past, present, and emerging.

Artwork:
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1.0

About Ndevr Environmental

Ndevr Environmental and its subdivision Ndevr Human Rights, focus on accelerating the transition to a sustainable, ethical, net zero future.

For over 13 years, we've partnered with businesses and governments, to provide innovative solutions to meet emerging challenges, and relentlessly pursue the transformation of commitment into action – to create real and meaningful impact.

Accessible, expert and reputable. We are a team of diverse specialists, not generalists and we practice what we preach.

1,560+

Impact projects completed

2010-2023

668,000+

Tonnes of client's greenhouse gases offset

With carbon neutral certifications between 2012-2023



14,000+

Suppliers assessed for Modern Slavery Risk

2020-2023

550+

Trained on technical human rights issues

2020-2023



“

We've got a long way to go, but I really feel momentum is now unstoppable and with a team of driven and passionate change-makers alongside me, together we are achieving our mission every day – to help business transition to a sustainable future by contributing to climate action for the earth and its people.”

Matt Drum, Co-Founder and Managing Director, Ndevr Environmental



Prepared for:

Agenda

Item	Details
1.	Background
2.	Big ticket items to keep in mind for the year ahead
	Safeguard Mechanism Reforms
	Carbon Market – Chubb Review
	NGERs – ICER Method
	Mandatory climate reporting on the horizon
3.	What does all this mean for business?
4.	What you should do now – plan for this year
5.	Questions



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Background – Context 2023

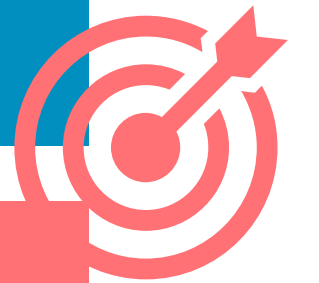


1.1

Significant Shift in the Environmental Landscape from 2022 - 2023



- Change of government
 - increased emissions reductions targets
 - Australia's First Annual Climate Change Statement and Targets
 - Australia's presence at COP
 - Mandatory climate risk reporting on horizon
 - Similar nature-based and biodiversity reporting requirements will likely come and the biodiversity market is in a rapid phase of creation
- This all signals a major shift for corporates and investors towards more ambitious climate action and that this is now an integral part of any entities operations and growth plan to ensure they future proof their business.
- Greenwashing/transparency and credibility in Net Zero targets as a major theme that will influence the future of the climate action.

43% by 2030**Net zero by 2050**

2.0

Big Ticket Items



2.1 Safeguard Mechanism (SGM) Proposed Reforms

- The Australian Government's Safeguard Mechanism (SGM) places emissions limits – or baselines – on Australia's largest emitters. Facilities with more than 100,000 tonnes of scope 1 (direct) carbon emissions per annum must keep their emissions below a baseline or purchase Australian Carbon Credit Units (ACCUs) to make up the difference.
- The Federal Government announced in 2022 that it will reform the Safeguard Mechanism by way of regulation, to help industry reduce emissions in line with Australia's climate targets.
- Submissions closed Feb24th and the Government has indicated it will seek to present the reforms to parliament in March and legislation to enact them in July 2023.

Main changes to note

- Companies with facilities covered by the safeguard mechanism, should expect an emissions reduction of 4.9% year on year, depending on the industry and starting intensity.



2.2

Carbon Market – Australian Carbon Credit Units and Chubb Review



- Carbon markets an integral part of the solution
- Expectations that demand will continue to grow especially under the Safeguard
- But also intense criticism
- In Australia: Chubb review and carbon market proposed changes
- Traditionally creation of ACCUs dominated by a few carbon project developers with companies needing ACCUs (for carbon neutrality or towards net zero) purchasing ACCUs.
- Landscape changing: Many organisations looking to generate their own credits and participate in the market.
- Monetise ACCUs: spot market or government contract through reverse auction system
- Upcoming auction: Auction #15 on 29 and 30 March 2023



2.3 New Emissions Reduction Fund ICER Method

Industrial and Commercial Emissions Reduction Method

- Eligible activities: reduce emissions from energy consumption or industrial process emissions
- Flexible and technology neutral
- ICER method can support both well-known and innovative approaches to emissions reduction.
- In addition to lowering emissions, well-designed projects undertaken under the ICER method could potentially reduce energy-costs, improve productivity and reduce maintenance costs at a facility.



2.3 Mandatory Climate Risk Reporting & ESG



- Mandatory climate reporting on the horizon
- AU gov position very clear
- Two new ISSB Standards: Standard in Q2 of 2023
 - General Sustainability-related Disclosures
 - Climate-related Disclosures
- ESG reporting
 - Modern slavery risk
 - Taskforce for Nature-related Financial Disclosures

“
The Government is committed to introducing standardised, internationally-aligned requirements for large businesses and financial institutions to make clear, credible and globally comparable disclosures of their climate-related risks, and opportunities and plans.

”

3.0

What these Mean for Business – Opportunities and Risk



3.1

Opportunities and Risks



Risks

- Mandatory climate reporting
- Mandatory nature reporting
- Greenwashing: Credible climate action and reporting

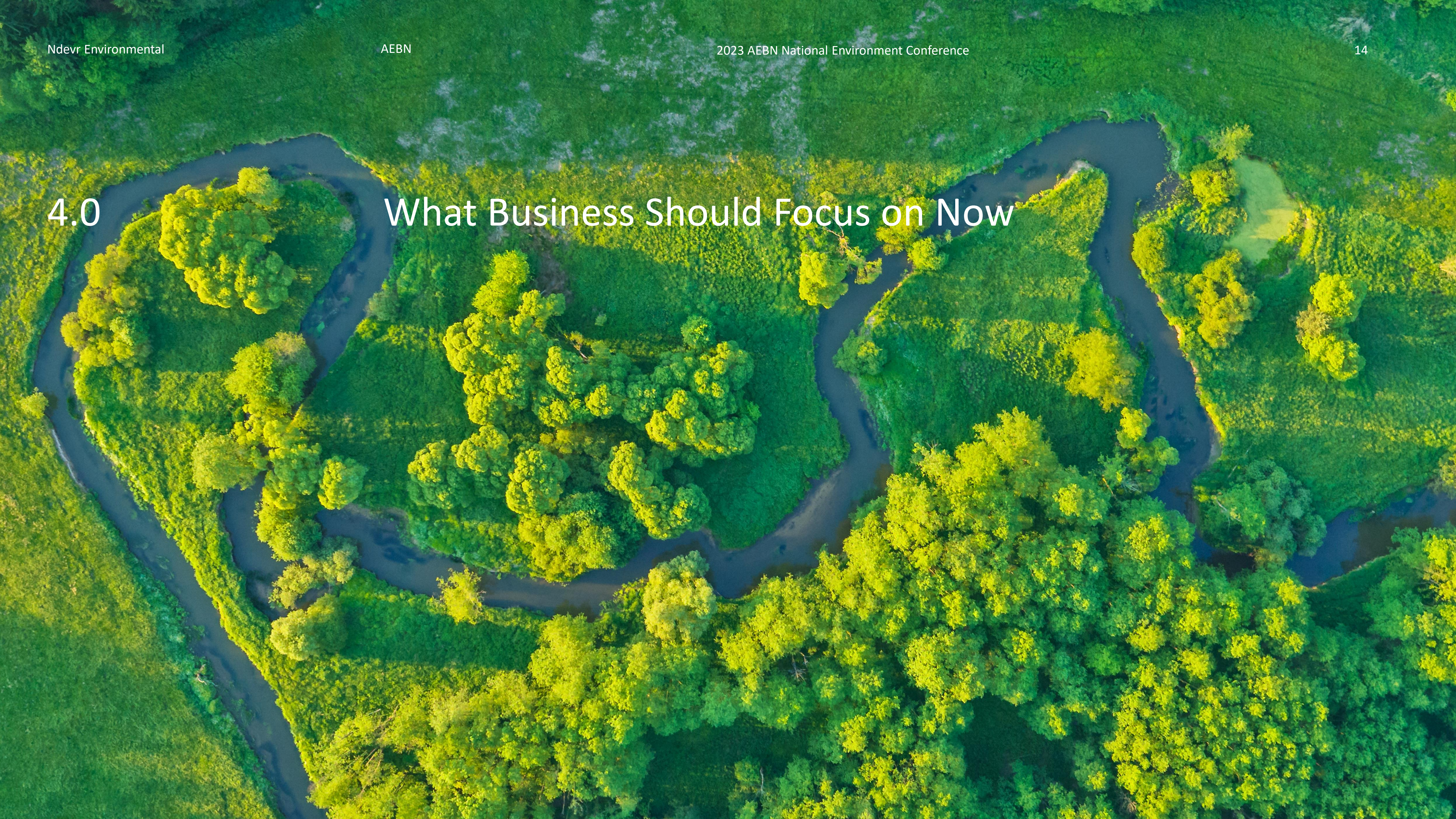
Opportunities

- Participation in carbon markets – industrial and nature-based
- The rise of nature credit markets



4.0

What Business Should Focus on Now



4.1

What to do Now

1. Get your house in order
2. If you don't already, get an understanding of your current footprint with a GHG inventory
3. Build an emissions reduction trajectory that aligns with best practice; even better commit to a science-based target
4. Remain vigilant on the developments in nature-related impacts and disclosure frameworks – biodiversity and social impact reporting will not be far behind climate disclosure.

There is a likelihood that within this decade, GHG accounts will be as important a performance measure as financial accounts.



Questions?

Contact

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We acknowledge the Traditional Owners of the land on which we work and live and are committed to advancing reconciliation through our Innovate Reconciliation Action Plan. We look optimistically towards a sustainable and inclusive future.

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SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

