



What gets measured gets bought

Markets and sustainability reporting

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Overview

- Lens of this talk is :
 - Quantitative metrics: greenhouse gas (GHG)
 - Reporting along supply chains
- Canola and EU biofuel market
- Who or what is Scope 3?
- Main drivers and developments
- Risks: how do we make sure that reporting does lead to sustainability outcomes?





Canola and the RED

- The EU Renewable Energy Directive
- RED includes default GHG values for biofuel feedstocks

COMMISSION IMPLEMENTING DECISION (EU) 2023/1760

of 11 September 2023

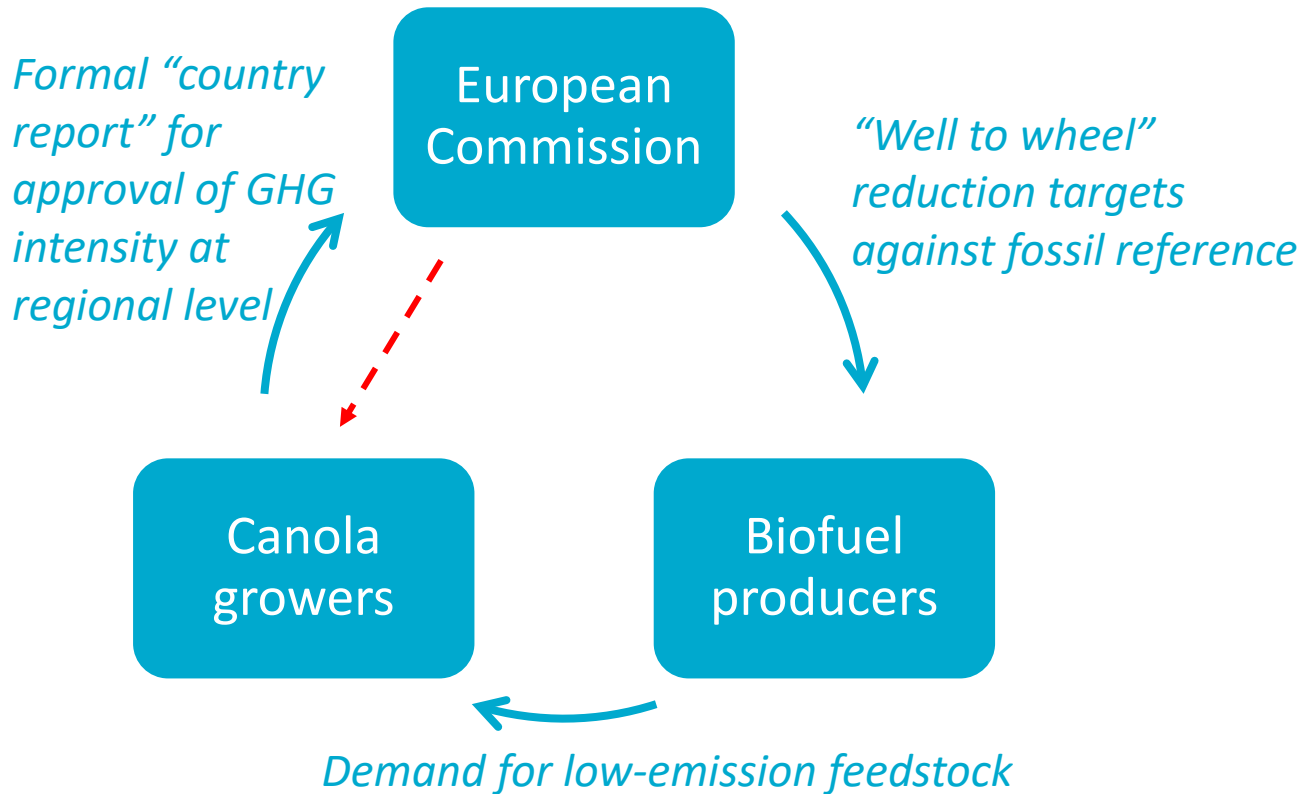
on the recognition of the report including information on the typical greenhouse gas emissions from the cultivation of canola oilseed (rapeseed) in Australia under Article 31(3) and (4) of Directive (EU) 2018/2001 of the European Parliament and of the Council

- Australia: updated specific GHG values for canola approved
 - New values commence on 2 October 2023
 - Other non-EU reports implemented: Canadian canola (2017), Argentinian soybeans (2022)





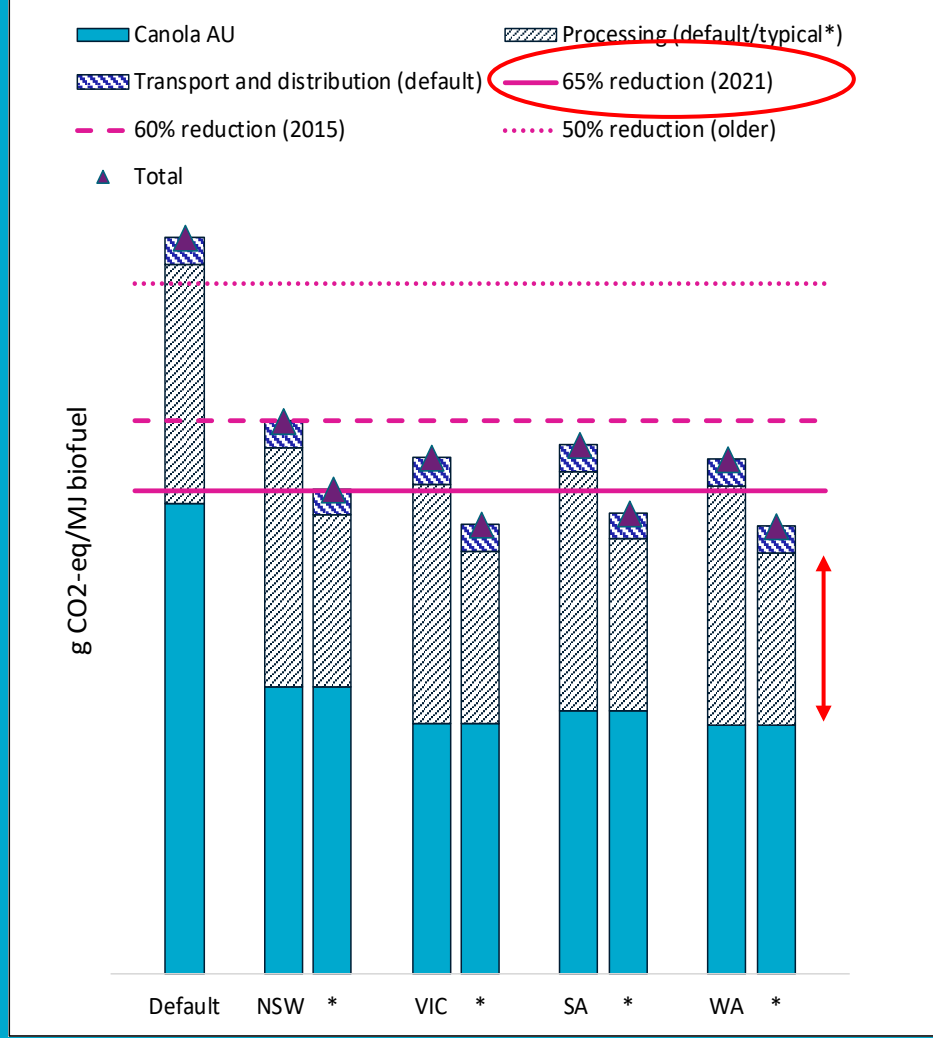
Canola growers are not faced with legislation, but with requirements set by buyers: market access





Meeting targets

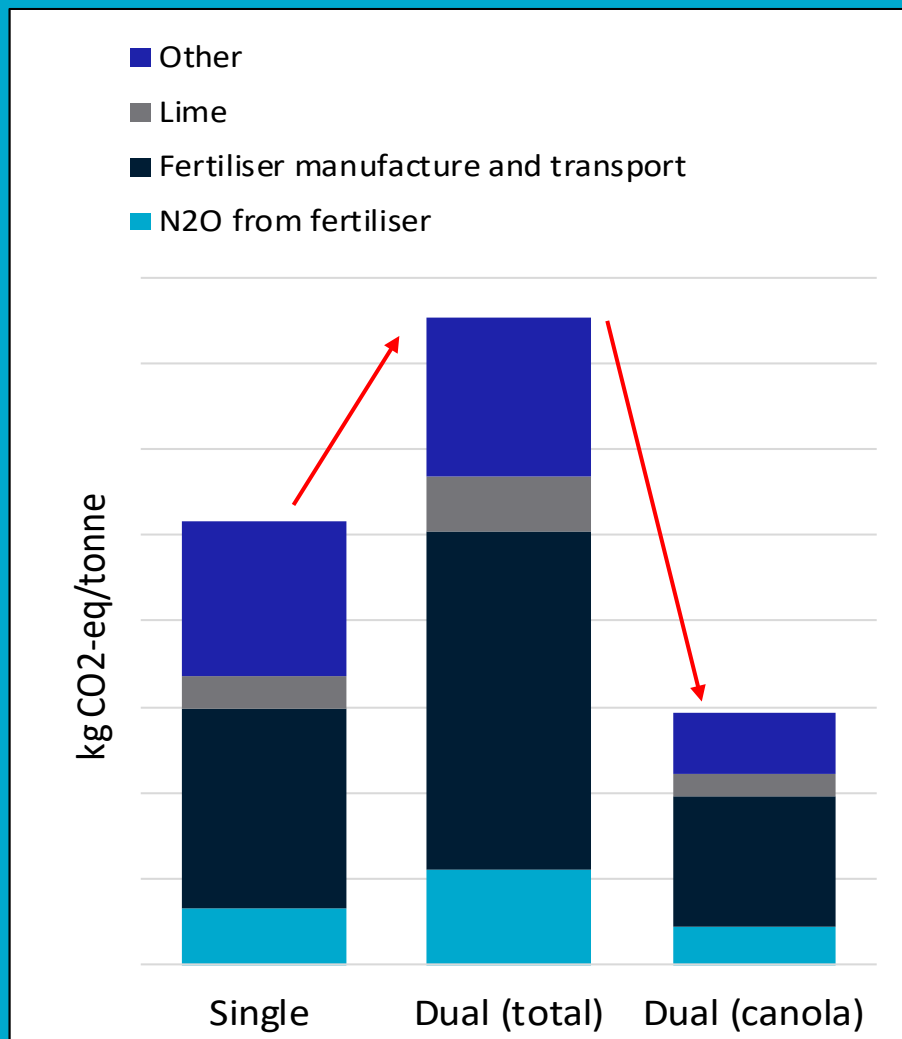
- Buyers' decision will depend on own emissions and target imposed on them
- AU canola allows for meeting 65% reduction target if processor emissions are "typical" or lower
- Country-specific emission factors key aspect





Allocation

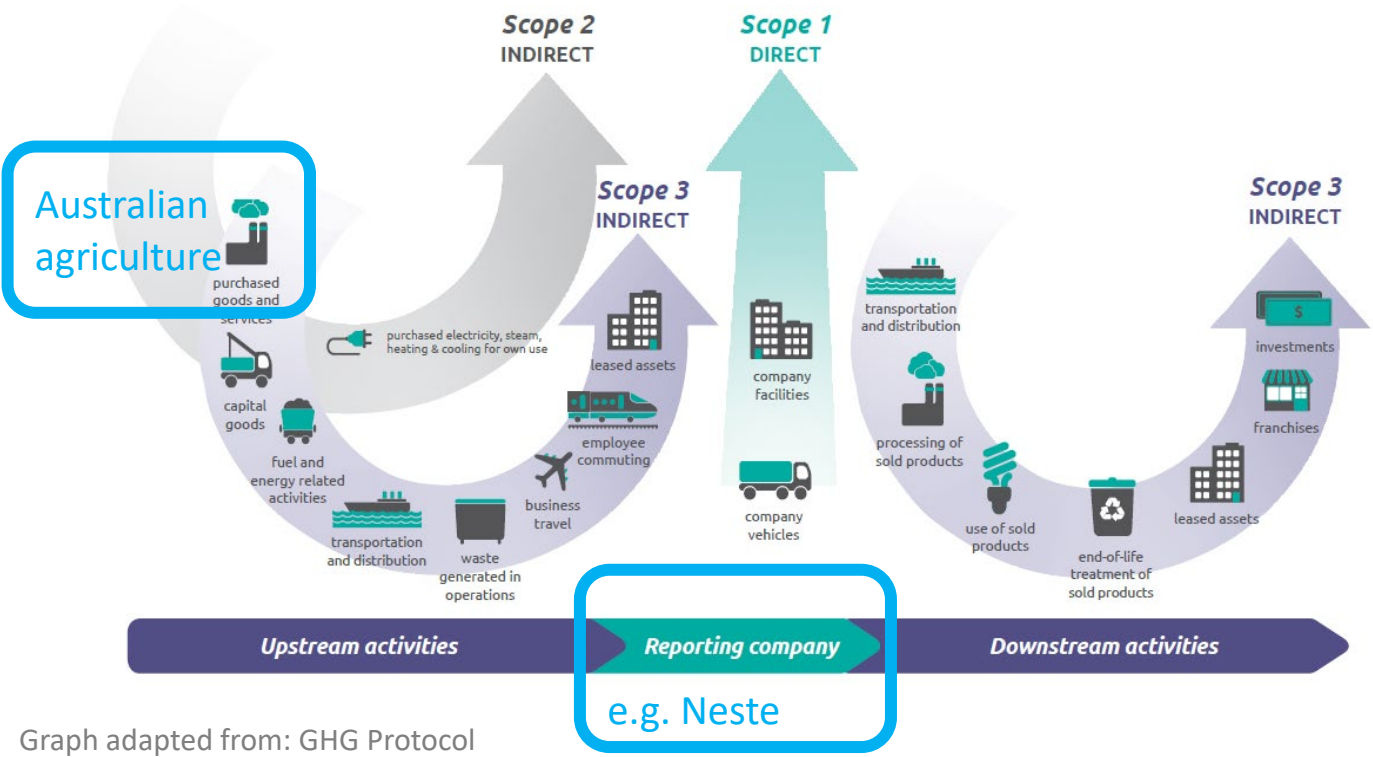
- Increasing “dual purpose” cultivation especially in NSW
- Co-product sheep
- System emissions go up, but there is “multifunctionality”
- Allocation based on plant energy to grazing vs grain
- Net emissions oilseed lower



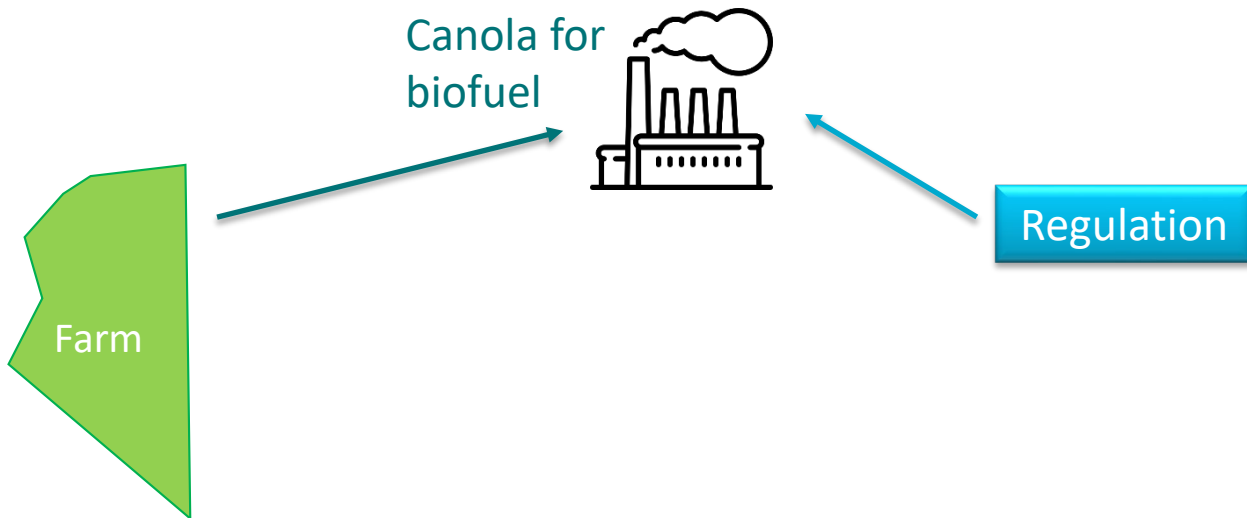


Supply chain : Scope 3

One (canola) plant's Scope 1 is another (biofuel) plant's Scope 3

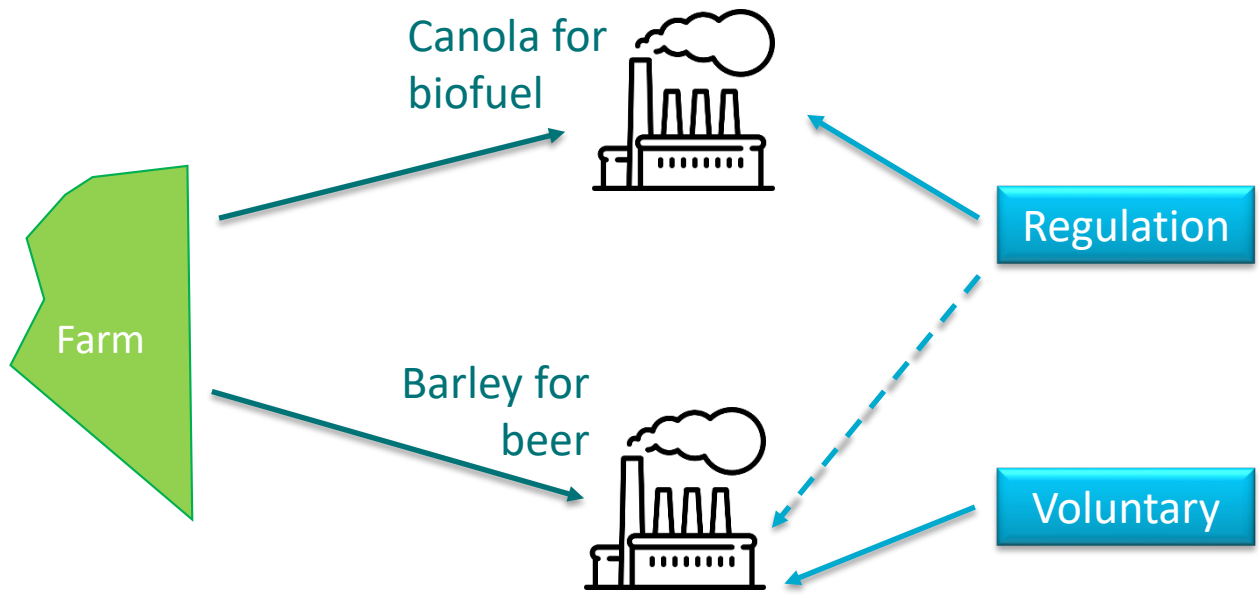


Reporting landscape



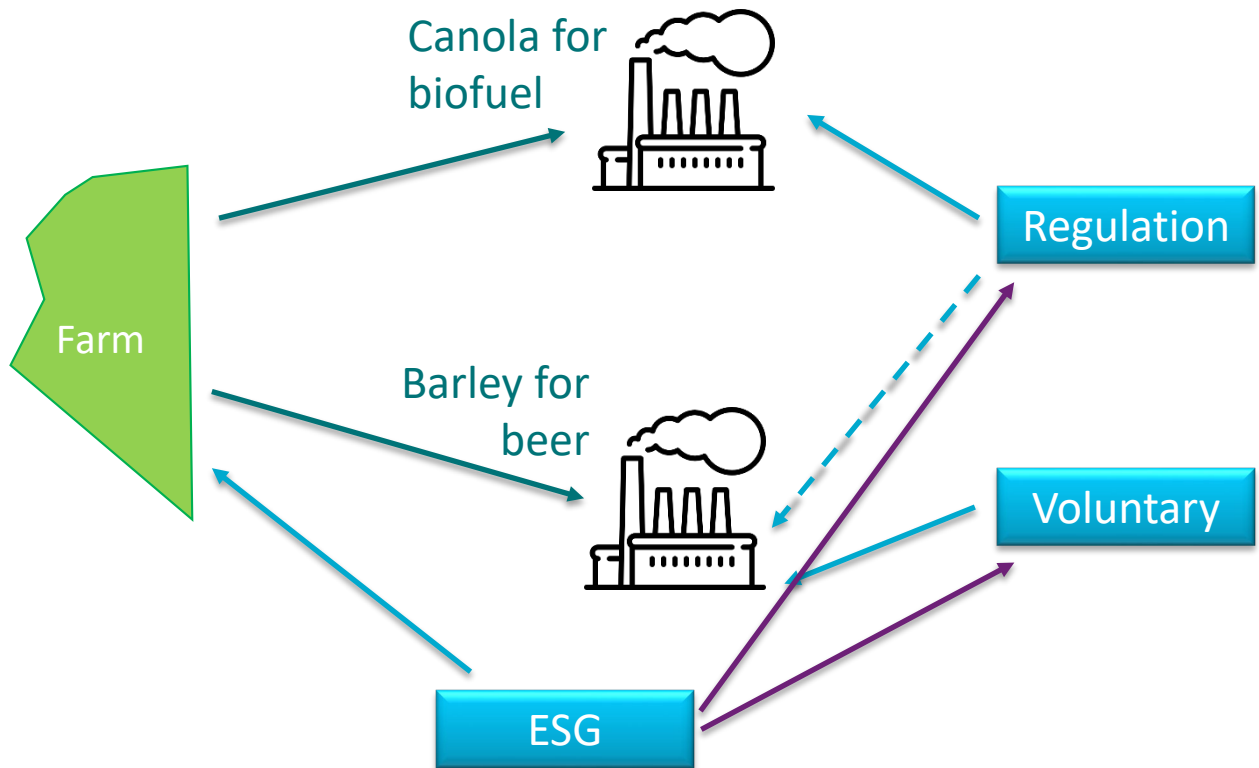


Reporting landscape





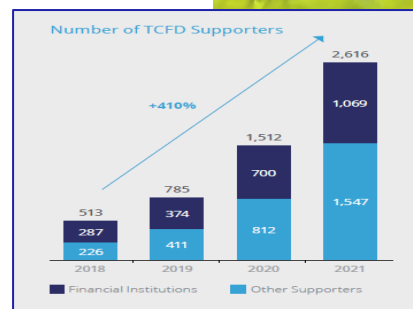
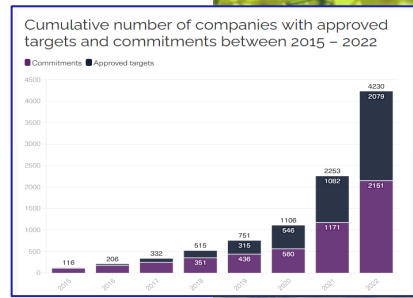
Reporting landscape





Main drivers

- Regulation
 - Climate-related Financial Disclosure (Japan, UK, Singapore, New Zealand; Australia, USA, Brazil,...)
 - Suite of EU directives (Corporate Sustainability Reporting, Renewable Energy) and strategies
- Voluntary
 - Science-Based Targets initiative (SBTi)
- ESG
 - Task force on Climate-related Financial Disclosure (TCFD)
 - *Task force on Nature-related Financial Disclosure (TNFD)*





Risks

- Just a box ticking exercise...no real sustainability impact
- Multiple methods....administrative overload
- Inappropriate methods may cause perverse incentives... legislators are not exactly (agriculture) GHG experts
 - Allocation, emissions factors
 - Focus on inputs (e.g. N) rather than effects (e.g. SOC)
- Lack of data and research to demonstrate effects of management changes....no incentive to improve
 - Controlled traffic farming
 - Enhanced efficiency fertilisers
 - Data collection and management need to improve





Key messages

- Reporting landscape is changing very, very fast
- Regulation can provide certainty but (agriculture-specific) risks need to be managed
- Data collection is becoming an essential part of operation

Make sure “what’s measured gets bought”
becomes “what’s measured improves”

