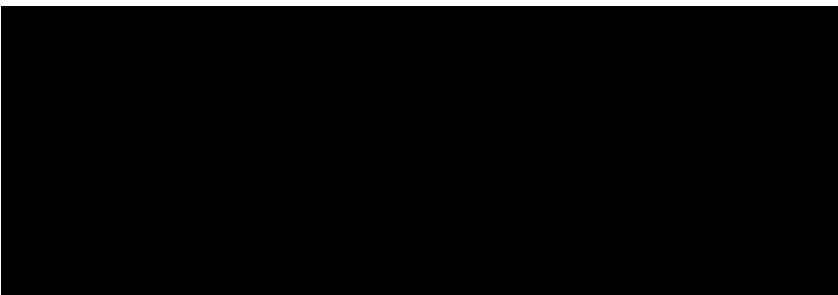**Submission by**



to


the Commerce Commission


on


Draft Collaboration and Sustainability Guidelines


23 August 2023

**NZTECH SUBMISSION ON DRAFT COLLABORATION AND SUSTAINABILITY GUIDELINES**

**INTRODUCTION**

1.  NZTech welcomes the opportunity to comment on the Draft Collaboration and Sustainability Guidelines. We support the guidelines' underlying premise of encouraging industry collaboration to further sustainability objectives provided this does not restrict competition.

2.  This industry-wide submission on behalf of NZTech members does not seek to address every aspect of the draft guidelines but instead focuses on certain key elements, and in particular the importance of industry collaborating on non-mandatory guidance. Industry players can collaborate on voluntary commitments to level up the sustainability standards which technology providers adopt and this has been an approach widely adopted overseas. Some of our members will be making more detailed individual submissions and we urge the Commission to also consider these.

3.  NZTech recently completed its second annual review of operations against an internationally accepted ESG benchmark (the UK's Future-Fit Business Benchmark). We are using this benchmark as a tool to measure and improve our organisation and its impact on people and the planet.

    https://nztech.org.nz/wp-content/uploads/sites/8/2023/07/NZTech-ESG-Report-August-2023.pdf

4.  We identified several areas where improvements had been made, and opportunities for further improvement. These include aiming to move to fully 100% renewable and net carbon zero energy, conducting an initial high-level review of procurement impact by assessing performance of cloud providers, and initiating a waste minimisation initiative.

**ABOUT NZTECH**

5.  NZTech is the peak body for the tech sector in New Zealand and a leading voice for the New Zealand technology ecosystem. We represent 20 tech associations with over 2,000 members who collectively employ more than 100,000 New Zealanders.

6.  Our mission is to support a values-led, nationally connected tech community that is collectively lifting equity, sustainability and prosperity for all in Aotearoa New Zealand by creating jobs, export growth and impact through tech for good.

7.  NZTech is a lead partner in the Digital Tech ITP, a collaboration between the New Zealand tech sector and the New Zealand Government, to help grow the sector.

**COMMENT**

8.  **Clean Energy**

    Many NZTech members have made global commitments to run their operations on 100% renewable energy. This remains a challenge in some areas. In New Zealand, where renewable energy is distributed across the North and South Islands, Power Purchasing Agreements (PPAs) offer an important option for supplying services with low latency but powered 100% by renewable energies which may be generated in another location.

    Due to the lack of a national renewable energy certificate programme, such investments – while adding to an overall increase in supply of renewable energy to the national grid – may not be credited back to the organisations which wish to claim renewable energy certificates (RECs) against them. This can have a dis-incentivisation effect.

    *Government policies should incentivise the production, availability and direct corporate procurement of clean and renewable energy, and the recognition of a national renewable energy certification scheme.*

9.  **Energy Efficiency**

    Since energy and infrastructure costs represent a significant proportion of operational cost for many of our members, they have a strong incentive to reduce energy use.  For example, despite exponential growth in demand for digital services, members have managed to limit their increased demand for electricity by focusing on energy efficiency.

    *Government policies should be guided by regular engagements and consultations with business and support collaboration for further energy efficiency improvements.*

10. **Emissions**

    Our members recognize the importance of managing their carbon footprint. They understand that what gets measured gets improved.

    *Reporting requirements should follow a recognised international standard for consistency.*

11. **Water**

    Members are aware that water is a scarce resource. Many are taking steps to minimize their water use, harnessing new technologies and increasing water recovery and re-use without adversely impacting the environment.

    *Government should provide clear and consistent guidance to facilitate water conservation and re-use projects.*

12. **Waste**

   Members recognize the urgency of managing electronic waste and are participating in the circular economy through programmes aimed at responsible re-use, recycling and disposal.  The World Bank estimates that globally 2 billion tons of electronic waste is generated annually with expectations of this number growing approximately 2% year on year to 3.4 billion tons by 2050.

   *New Zealand regulators should support further innovation in circular economy business models and practices.*

13. **Ecosystems & Communities**

   More work needs to be done to promote healthy ecosystems and communities. Our data centre members, for example, understand that investing in ecosystem health (i) increases business and community resilience, (ii) reduces the risk and impact of disruptive natural events on the availability of cloud services on which customers depend, and (iii) strengthens human connection with the natural environment.  Unfortunately, the health of ecosystems internationally is deteriorating more rapidly than previously thought, as noted in the latest United Nations Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services study.

   *Government and industry should work together to assure healthy, biodiverse ecosystems that are critical to the health of communities and the planet.*

**CONCLUSION**

14. Thank you for the opportunity to provide feedback on the draft guidelines. We are happy to engage further to discuss our submission and provide any further assistance that might be helpful.

Yours sincerely,

*NZTech Submission*
*Draft Collaboration and Sustainability Guidelines*