



# Carbon Footprinting, The Carbon Trust Standard & the CRC

ESTA Conferences, April-May 2009



# Agenda

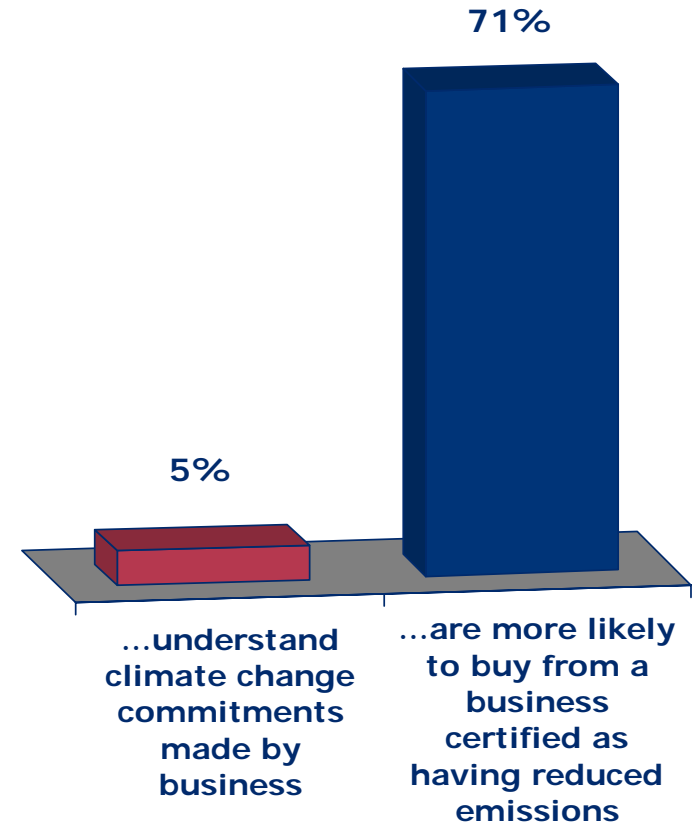
- Why bother in the Credit Crunch?
- What does good practice look like?
  - Footprinting
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- Who is doing this & how are they using it?
- How can this help with the CRC?
- Next Steps

# The Carbon Trust Standard: promoting your success in cutting carbon



- Surveys show that many consumers would like to buy from 'green' companies, but are confused by claims made by businesses
- Companies and the public sector are also increasingly considering carbon impact when choosing suppliers
- For investors carbon management has become a part of the due diligence process
- The Carbon Trust Standard proves an organisation has made genuine cuts in its emissions

% of consumers who...

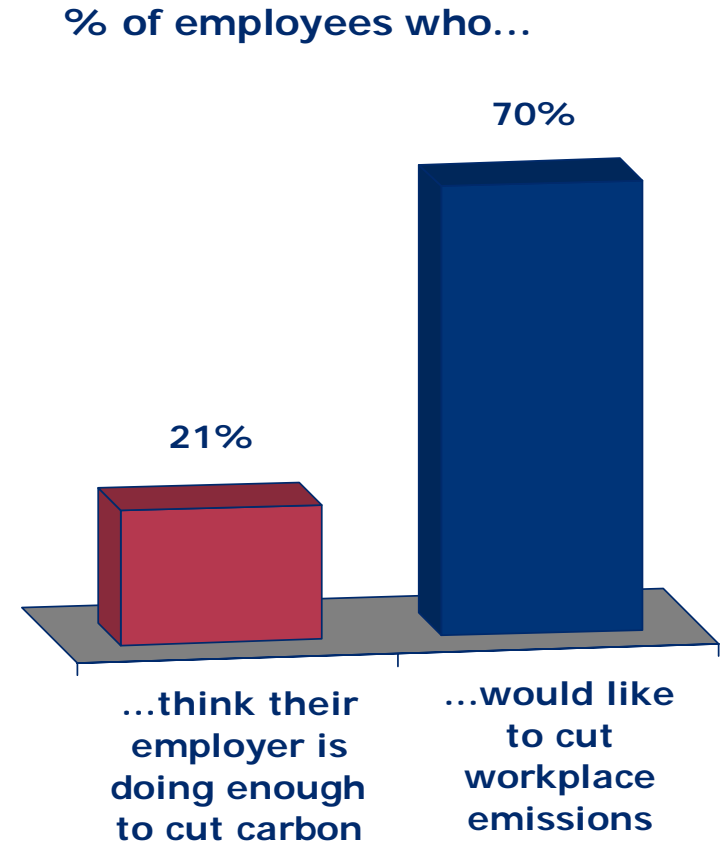


Source: Carbon Trust YouGov survey of 1968 UK adults, June 08

# The Carbon Trust Standard: communicating success to employees



- The majority of employees would like to cut workplace emissions, and don't think their employer is doing enough
- The Carbon Trust Standard helps reward employees for the contribution they have made to cutting carbon



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# The Carbon Trust Standard: demonstrating ongoing reduction year-on-year



Measure

Manage

Certify

Reduce

# Measurement rules

Based on GHG protocol terminology

## Scope 1: Direct

**Fuels  
Combustion**

**Owned  
Transport**

Process  
Emissions

Fugitive  
Emissions

## Scope 2: Utilities - indirect

Purchased  
electricity\*,  
heat and steam

## Scope 3: Other indirect

Transport – business

Transport – purchased  
product\*\*

Transport – product  
distribution\*\*

Waste disposal

Transport - commuting

Franchises and  
outsourcing

Production of purchased  
materials

Use of products

 = Minimum for Level 1  
(initial certification)

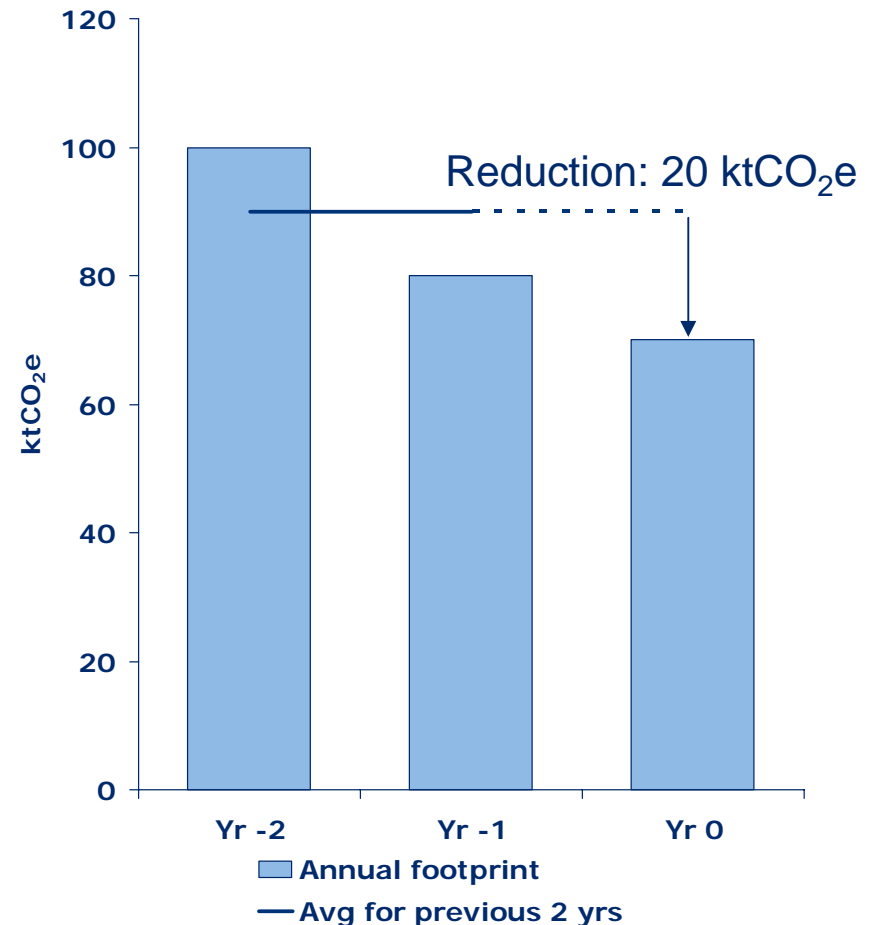
 +  = Minimum for Level 2  
(re-certification)

\* Green tariffs are treated using average grid emissions factors

\*\* From/to point of ownership transfer

# Reduction rules

- All organisations must show a footprint reduction
- Current emissions are compared to the average for the previous 2 years
- Reduction must be shown in one of:
  - Absolute footprint in tCO<sub>2</sub>e
  - A relative benchmark such as tCO<sub>2</sub>e/£m turnover (min 2.5% per annum improvement required)



# Carbon management rules

Qualitative assessment with a 60% pass mark

## ➤ Governance

- Is there a low-carbon policy?
- Who has overall responsibility for climate change matters?
- How are emissions and reductions performance reported to stakeholders?

## ➤ Carbon accounting

- Are there procedures for checking and documenting emissions and ensuring data accuracy?

## ➤ Carbon management

- Does the firm actively monitor energy use?
- Are there carbon reduction targets?
- What programmes are in place to ensure operating procedures minimise carbon impact?
- Are there awareness programmes and training for all staff?
- What capital investments have been made and are planned to reduce carbon impact?
- What programmes are in place to reduce lifecycle impacts of products and services?
- Evidence of good practice from site visit?

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# Example certifications to date

- 73 certifications
- 100+ customers



**first direct**

**O<sub>2</sub>**



**MORRISONS**



**B&Q**

**DIAGEO**

**Go-Ahead**

Trinity Mirror plc

# How is the Carbon Trust Standard used?



Suppliers Customers Consumers Jobs Responsibilities News Contacts

the home of great British potatoes. We've  
one of the country's most progressive growers  
bountiful quality crops and consumer-focused  
and catering customers. We're proud to be  
reduce supplier... and a leader in our field.

ESS...

s biggest potato buyers, packers, distributors and



**Branston news**  
Carbon Trust Standard  
Branston becomes the first food  
producer in the country to  
receive the Carbon Trust  
Standard. Read full story

Vegetable Supplier of the  
Year  
Branston has been re-awarded at  
the Tesco Produce Supplier  
Awards. Read full story

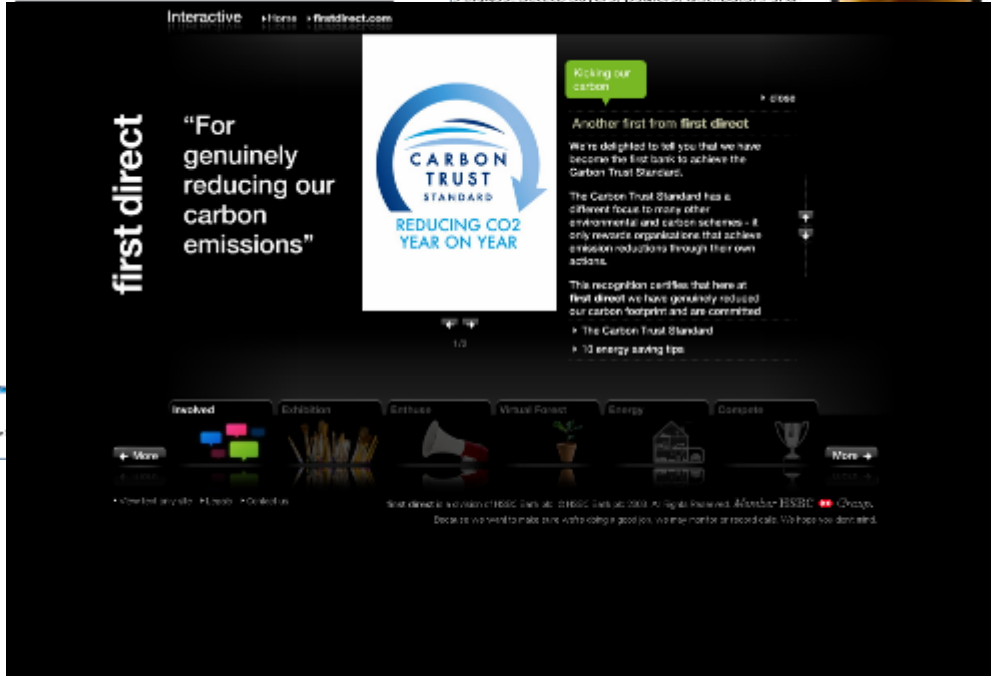


**CARBON TRUST STANDARD**  
REDUCING CO2 YEAR ON YEAR

**CERTIFICATE OF ACHIEVEMENT**

*B&C plc*

*Portwood House, 1 Hampden Corporate Park,*



**first direct**

**"For genuinely reducing our carbon emissions"**



**Kicking our carbon**

**Another first from first direct**

We're delighted to tell you that we have become the first bank to achieve the Carbon Trust Standard.

The Carbon Trust Standard has a different focus to many other environmental and carbon schemes - it only rewards organisations that achieve emission reductions through their own actions.

This recognition certifies that here at first direct we have genuinely reduced our carbon footprint and are committed to the Carbon Trust Standard

10 energy saving tips



- Advertising
- Website
- Email
- Annual report
- Branding
- Press releases
- Carbon Trust Standard advertising
- etc.



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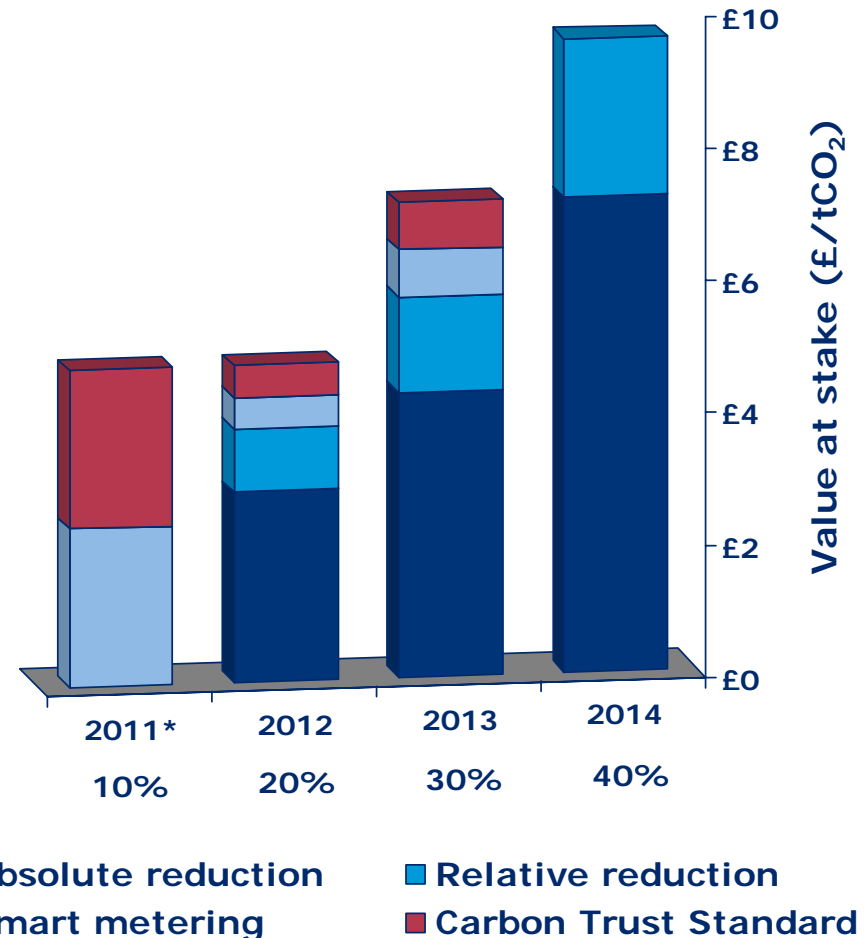
# What is the CRC?

- **Mandatory** emissions trading scheme focusing on large non-energy intensive organisations
  - Minimum ½hrly metered electricity consumption of 6,000MWh in calendar year 2008; equivalent to >~£500k spend
  - ~5,000 organisations, equating to emissions of ~50 MtCO<sub>2</sub> not covered by the EU ETS and CCAs
  - Cover emissions starting from April 2010
  
- **Organisation** based scheme, including direct and indirect emissions
  - Ultimate/nominated UK parent responsible for all subsidiaries' emissions; including electricity and other direct fuel use
  
- HMT **revenue neutral** design
  - Auction, with proceeds recycled to participants

# The Carbon Trust Standard is linked to initial CRC recycling payments



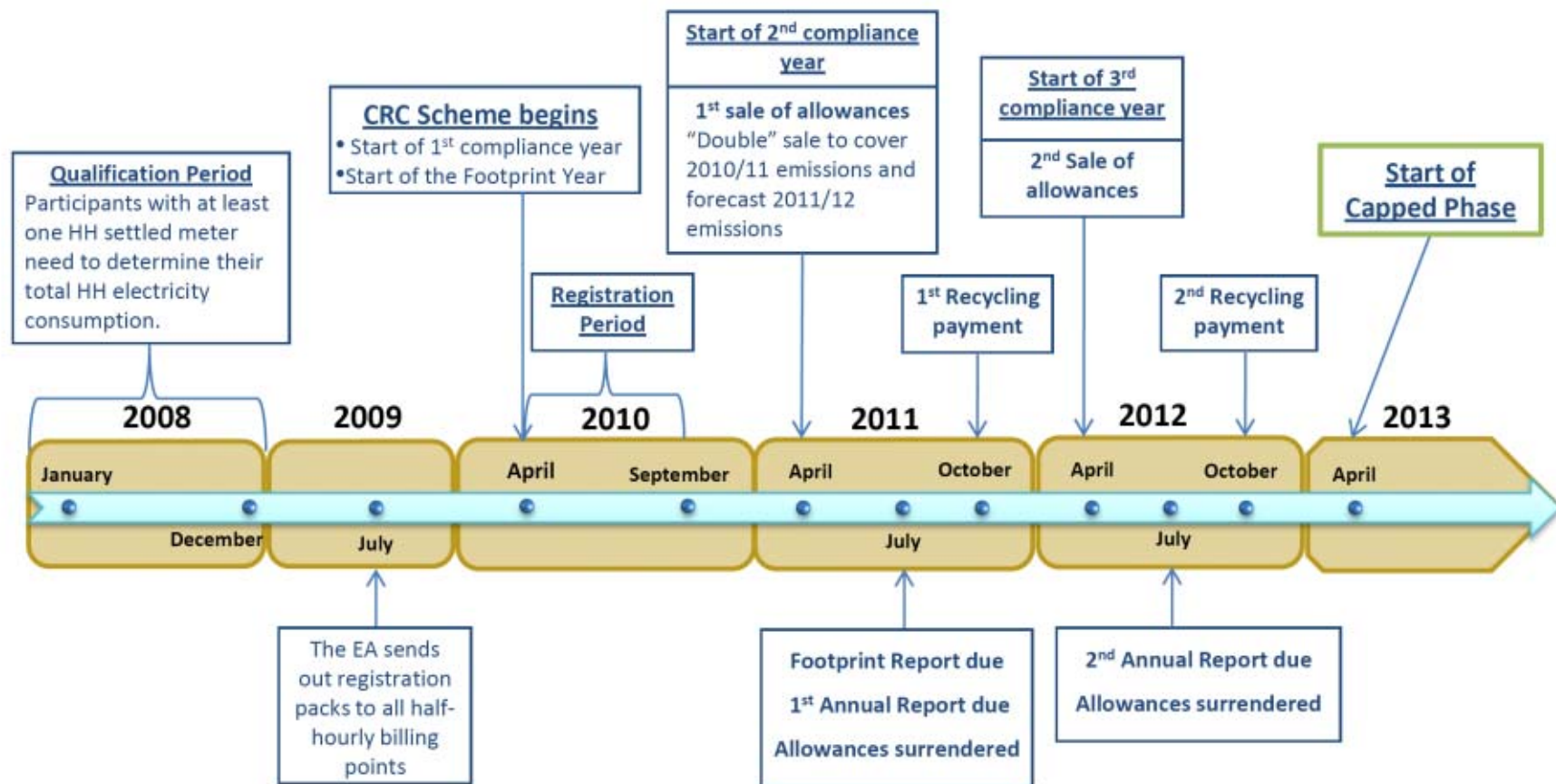
- Achieving the Standard will:
  - Boost league table ranking
  - Increase cash back through recycling
- Achieving certification now gets 2011 benefit
- 10,000 tCO<sub>2</sub>e footprint (~£1m energy bill)
  - £120k allowances p.a.
  - £240k 1<sup>st</sup> purchase
  - £48k at stake (2011)




\*Double payment in 2011 to reduce cash-flow impact  
 Note that figures are based on draft legislation

# Current DECC published CRC timeline

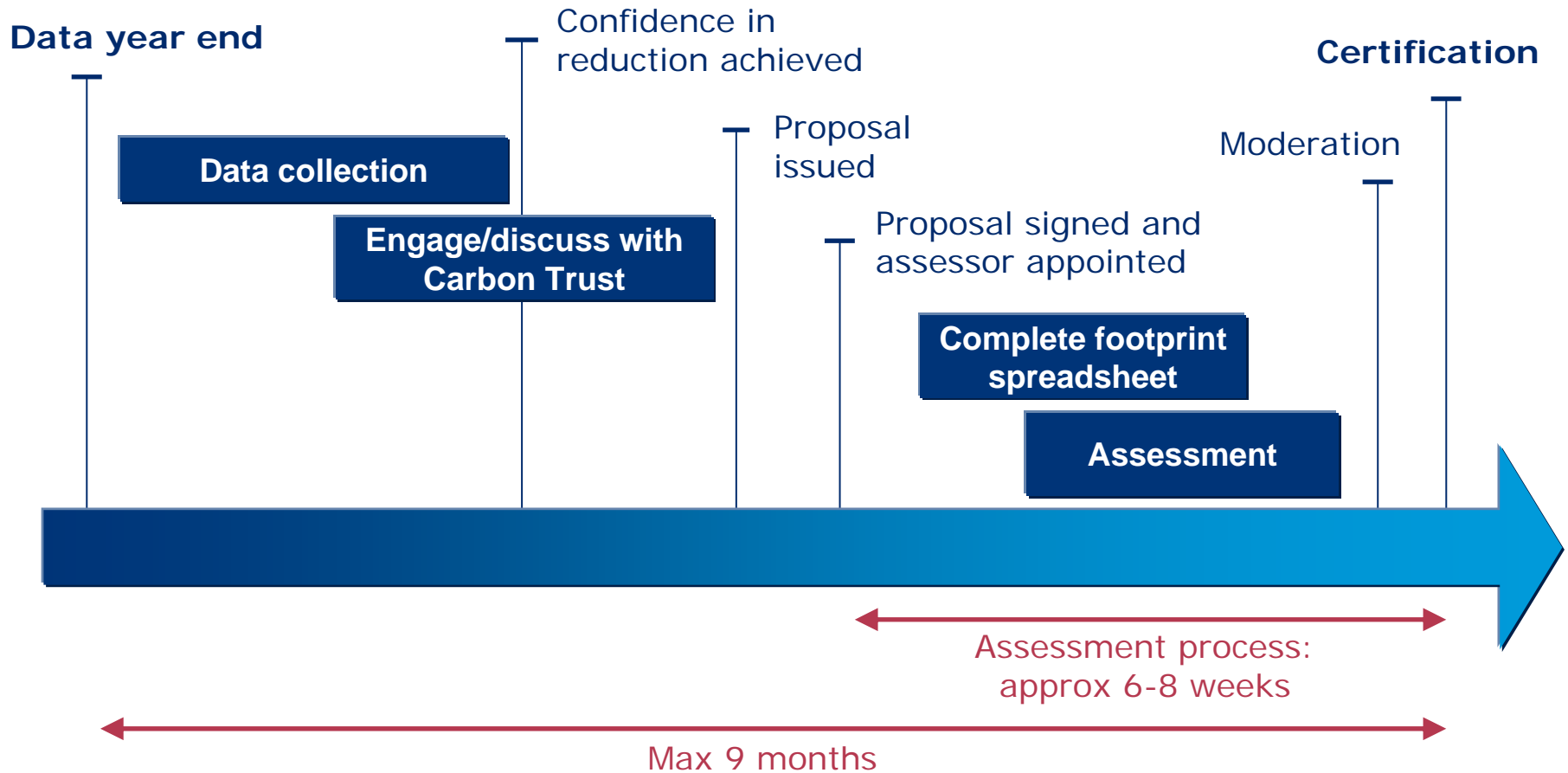
## As at 1/12/08



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- A decorative blue wave graphic at the bottom of the slide.

# Achieving the Standard: engagement timeline example



# Contact details and more information



- **Website:** [www.carbontruststandard.com](http://www.carbontruststandard.com)
  - Case studies
  - Rules and tools
  - Enquiry form
  - News + updates
  
- **Helpline:** **0800 019 1443**
  
- **Email:** [Henry.Garthwaite@carbontrust.co.uk](mailto:Henry.Garthwaite@carbontrust.co.uk)  
[Adam.Leaver@carbontrust.co.uk](mailto:Adam.Leaver@carbontrust.co.uk)
  
- **Dedicated account management team**