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Carbon Footprinting your Business

1.5
DEGREES

5 STEPS TO CALCULATE YOUR BUSINESS'S CARBON FOOTPRINT

INTRO

Calculating your company's carbon footprint might seem a bit daunting and after a first glance at the Government's 152-page document "Environmental Reporting Guidelines," you have every right to feel overwhelmed. Take a look at our whitepaper, which summarises the important steps your business needs to make and the marketing opportunities calculating your businesses carbon footprint will leverage.

We don't have to wait for the Govt to mandate it, start your business's journey to Net Zero today. Gain competitive advantage by calculating and reducing your Carbon Footprint, reduce costs and gain efficiencies and retain staff and hire great new employees by becoming carbon neutral today.

What with the economic uncertainty of Brexit and the demands of running your own business calculating your carbon footprint might be towards the bottom of your things you'd love to do but never get around to list.

However, with the Government's target for the country to become net-zero by 2050, and with the likelihood of these timescales being brought forward due to consumer pressure, it's time to bite the bullet and measure your carbon footprint today.

As the Stern Review mentioned in 'The Economics of Climate Change' estimated that, globally: 'Markets for low-carbon energy products are likely to be worth at least \$500bn Shareholders'.

BUSINESS ADVANTAGES

- Reducing waste reduces costs
- Increasing efficiency reduces costs
- People want to work for businesses that are good for the planet, so staff retention is higher
- A competitive advantage, if you're competitors aren't doing it yet let's tell everybody about your achievements and differentiate your business.
- As part of your footprinting, you'll have to benchmark your suppliers so the impact of you reducing your footprint will ripple through your business network.

SIMPLE 5 STEP PROCESS

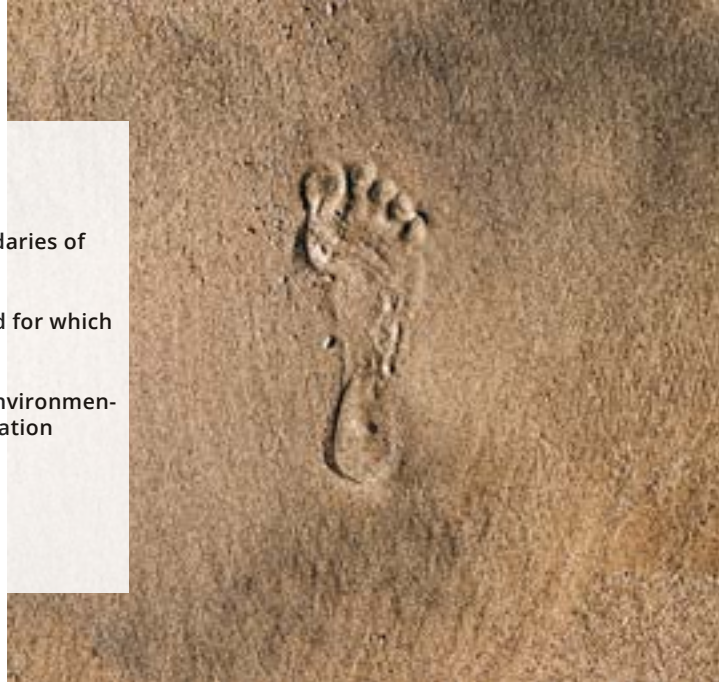
Step 1 Determine the boundaries of your organisation

Step 2 Determine the period for which you should collect data

Step 3 Determine the key environmental impacts for your organisation

Step 4 Measure

Step 5 Report



WE'VE TAKEN THE GOVT'S ENVIRONMENTAL REPORTING GUIDELINES AND STREAMLINED THEM TO MAKE THEM MORE RELEVANT AND USEFUL TO YOUR ORGANISATION.

1. DETERMINE THE BOUNDARIES OF YOUR ORGANISATION

To determine the boundaries of your organisation depends on the complexity of your organisation, however for the majority or small or medium sized organisations in the UK this is pretty straightforward, you would report on the impacts from everything that you own and operate. If your organisation is more complicated then it may be appropriate to report based on your financial control boundary, operational control boundary, or the equity share boundary of your organisation.

2. DETERMINE THE PERIOD FOR DATA COLLECTION

To allow comparison with the financial performance of your organisation it is recommended to report for 12 months corresponding with your company's financial year.

3. DETERMINE THE KEY ENVIRONMENTAL IMPACTS FOR YOUR ORGANISATION

The Govt recommends using the "polluter pays principle" which assigns responsibility to those parties that directly cause the pollution or use a natural resource. Using this model, emissions caused or resources used directly by your organisation fall under your direct responsibility.

Depending on your operations your emissions will fall under one or more of the following categories:

- **Greenhouse gases**
- **Water**
- **Waste**
- **Materials and resource efficiency**
- **Biodiversity/ecosystem services**
- **Emissions to air, land and water**

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4. MEASURE

For small and medium size organisations Environmental Reporting can easily be delegated to your staff using a distributed spreadsheet such as a Google Sheet or Office 365. A standardised spreadsheet report will simplify the compilation of a final result. Ideally actual or primary data sources should be used but if data is estimated (or industry standards are used) then the estimation technique should be outlined in the report.

SAMPLE DATA COLLECTION SPREADSHEET

| <i>Area / Supplier</i> | <i>External Y/N</i> | <i>Actual Energy</i> | <i>Estimated Y/N</i> |
|----------------------------------|-------------------------|---------------------------|--------------------------|
| Office - Gas | N | 50kWh | N |
| Office - Electricity | N | 10kWh | N |
| Office - Supplies | N | 1kWh | Y |
| GSuite | Y | 0 | N |
| Accounting Software | Y | 1kWh | Y |
| Web Hosting | Y | 10000kWh | N |
| Staff Commuting | N | 0.00 | N |
| | | | |
| Avg Carbon Intensity Electricity | 130g / kWh | <i>1.3 Tonnes of CO2</i> | |
| Avg Carbon Intensity Gas | 227g / kWh | <i>0.01 Tonnes of CO2</i> | |
| Avg Carbon Intensity Transport | 125.9g CO2/km | <i>0.94 Tonnes of CO2</i> | |
| | | | |
| Total CO2 | | <i>2.25 Tonnes</i> | |
| FTE | 30 | | |
| Turnover | £950,000 | | |

NB: For larger organisations a full EMS (Environmental Management System) which is a framework rather than a technical solution is recommended.

SIMPLE 5 STEP PROCESS

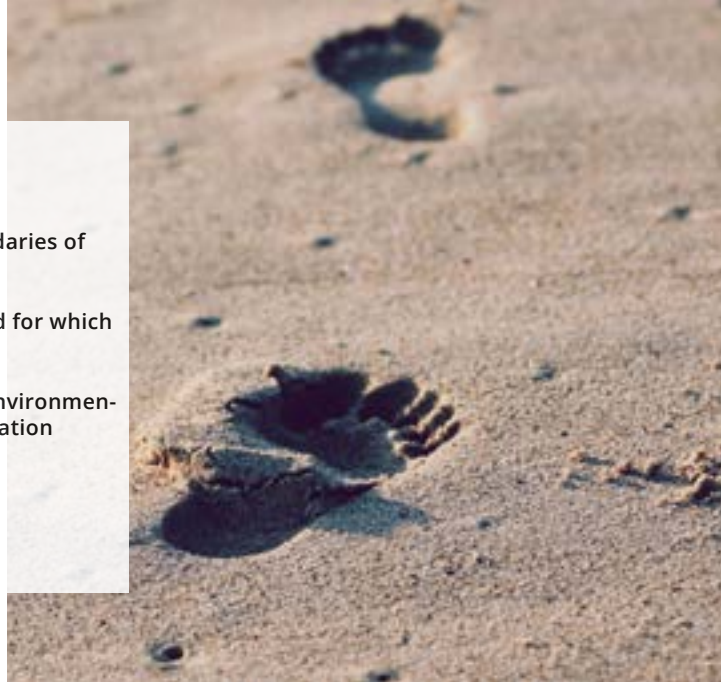
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5. REPORT

Transparency is key to a great Environmental Report so your organisation shouldn't gloss over negative environmental impacts, if you do have high emissions then be honest about them in the report and create goals for the longterm reduction. You should summarise your numbers based on the metrics you have measured above, provide progress against your targets, explain who has responsibility for your impacts - ideally somebody at board level.

Critically for your business your report should include identified risks and opportunities that arise from your impact on the environment and whether you may be subject to environmental fines today or in the future.

Finally your report should outline your plan to address these risks and opportunities and tie that in with your business plan.

ENVIRONMENTAL REPORT

THE ACTIONS

On the path to Net-Zero

KPIS AND METRICS

To take into account business growth it is important to normalise the KPIs in your report. This means the figures should be reported per unit produced, or per Full Time Equivalent Staff, or our favourite, the financial metric per £ million or £ 100k turnover. This will provide a carbon intensity ratio which can be reported on year on year and allow comparisons across departments and products. If this is the first year of calculating your environmental impact then this will form the base year of your reports going forwards, a base year must stay the same unless the organisation changes significantly due to an acquisition or significant outsourcing.

TARGETS

Targets should be set and published against your KPIs ideally an intensity target based on your emissions per unit sold, or FTE or per 100k of revenue. Your targets should then be verified by an independent third party and then published alongside your company's financial statements

UPSTREAM SUPPLY CHAIN & YOUR DOWNSTREAM IMPACTS

You should be aware that your supply chain may create a larger impact than your own impact, this is particularly difficult to quantify when you have outsourced systems to large internet based multinationals. Therefore it is an important aspect of this process to engage with your suppliers and also to encourage your suppliers to report. Future purchasing decisions should be based on this information gathered from 3rd parties. Similarly, your downstream impacts should be considered and measure on a case by case basis.

RISK AND CONTINUITY

Across the world we are already seeing the impacts of climate change and your business should be ready to adapt by strengthening its business resilience. You should focus your climate resilience strategies on areas which will help the bottom line of your business, namely that will provide cost savings in their own right. Similarly, your business should now be in a prime position to take advantage of new opportunities.



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**KPI 1 OPERATIONAL
CARBON INTENSITY**

25

**TONNES OF CO2 /
£100K REVENUE**

ONEPOINTFIVE

◆
On the path to Net-Zero

***It's time
for a new
Business
As Usual***

WHAT DOES NET-ZERO ACTUALLY MEAN?



'NET ZERO' REFERS TO ACHIEVING AN OVERALL BALANCE BETWEEN EMISSIONS PRODUCED AND EMISSIONS TAKEN OUT OF THE ATMOSPHERE. UNTIL THE DEVELOPMENT OF AT SCALE CARBON CAPTURE THE BEST WAY OF TAKING EMISSIONS FROM THE ATMOSPHERE IS BY LETTING NATURE DO IT THROUGH REWILDING PROJECTS.



The science is clear: the amount of carbon dioxide in the air determines the degree of warming of our world. Since the industrial revolution we have seen about a 1 degree rise in average global temperature due to about 100 ppm increase in atmospheric CO₂.

Today in 2020 we are already seeing the effects of this temperature rise, with forest fires, dramatic temperature increases in the poles and extreme weather events in the UK and Europe.

Given the evidence that global temperature is linked to CO₂ outputs this means that to hit the target of 1.5 degrees we simply have to reduce the amount of new CO₂ added to the atmosphere to around zero as soon as possible. There is some variation across

Many scientists believe that even if we hit these reductions and the net zero goals by 2050 we will have to invest heavily in techniques that remove atmospheric carbon dioxide which have yet to be invented - carbon capture.

However, it is possible to become a carbon reducing (a carbon negative) organisation today given a strategy of reduction and by funding rewilding/ tree planting projects such as Trees For Life (<https://treesforlife.org.uk/>) and also by purchasing carbon credits via the UN's Carbon Offset Platform (<https://offset.climateneutralnow.org/>) which funds international programmes to increase renewable energy production.

Carbon offsetting can often be described as green washing and in some situations this is the case, however, as long as it is carried out alongside a carbon reduction and the funding is for tree planting, carbon capture or rewilding projects then there

will be a genuine rebalancing of CO₂, although the number of these projects and the degree of rewilding is finite and ultimately constrained by the available projects.

"The Paris Agreement central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius."

the world as to when this can be but the UK and other European countries have set a target of 2050. To reach this goal there are some intermediate targets of 40% reduction from 1990 levels by 2030 and a 20% reduction by 2020.

ENVIRONMENTAL REPORT

OUR APPROACH

On the path to Net-Zero

We create a lightweight report using the UK Govt's "Environmental Reporting Guidelines" as a blueprint to understand where your business is today.

DELIVERABLES

Supplementary to providing the Environment Report our unique carbon footprinting process also delivers the following:

- An environmental policy for your website
- A full annual emissions report for your annual directors or strategic report
- A bottom line carbon intensity calculation for your business, i.e. your carbon emissions per 100k revenue
- Annual targets for emissions reductions
- Recommendations on how to achieve your emissions reductions
- Presentation to your staff of findings and plans for reduction
- Depending on the size and complexity of your operations your report can usually be delivered within 2 weeks of project sign off

COSTS

The complexity of producing the carbon emissions report depends on the size of your organisation, therefore our costs are calculated based on your annual turnover.

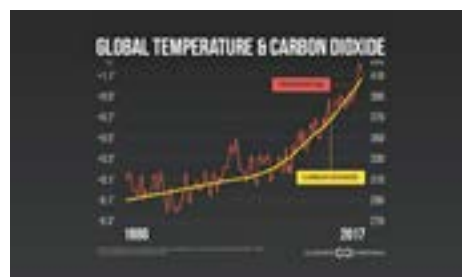
| £0-£1m Turnover | £1-£5m Turnover | £5m + Turnover |
|-----------------|-----------------|----------------|
| £750 | £950 | £ask |

Understanding and reducing the environmental impact of your business is a longterm process, to encourage your business to take a long term approach the costs are reduced on the following basis.

| Length of Contract | £1 -£5m Turnover | £5m+ Turnover |
|--------------------|------------------|---------------|
| 1 Year | £750 | £950 |
| 5 Years | £550 | £750 |
| 5 Years | £450 | £650 |

As part of our solution, we can also recommend and supply carbon reduction approaches such as green technical solutions, green energy for your business, tree planting solutions and UN carbon credit purchases.

This will ensure your current impact is mitigated while your business reduces it's footprint going forwards.



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BUSINESS BENEFITS OF CARBON REPORTING

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