

# 10 TIPS...

## ...for developing your carbon footprint.



### 1 Have a clear understanding of why you are developing your carbon footprint

Do you want to ...understand your key emissions source? ...go carbon neutral? ...reduce your emissions by 50% against a baseline of 2000? ...offer low carbon products? ...report your footprint to investors? It's important to be clear about your aims so that your colleagues and the board understand why the data is being collected and what it's going to be used for. If you are setting up data collection systems for the first time, it also gives you the opportunity to develop a tailored and workable process.

### 2 Use a recognised standard to guide the process

The GHG Protocol, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), (<http://www.ghgprotocol.org>) and ISO 14064, developed by the International Standards Organisation (<http://www.iso.org/iso>) provide globally recognised standards for measuring and reporting the carbon footprint of your organisation.

### 3 Use external expertise to help kick-start the process

There are a number of specialist firms with experience in carbon footprinting. Using their expertise can often be the most cost effective way of measuring your carbon footprint. Most will also be able to assist you develop a carbon management strategy, set targets for reducing carbon emissions and provide guidance on off-setting.

- > HSBC worked with ICF Consulting
- > Starbucks worked with CH2MHill
- > Sky worked with the Carbon Neutral Company

### 4 Engage your colleagues to ensure accurate and timely data

There is a lot of data to collect and it needs to be timely and accurate – this requires a commitment from across the organisation. It is useful to appoint champions for different carbon emissions sources who understand the data needs. Automated data collection and information management systems also play a crucial role in increasing the efficiency and accuracy of carbon data.

### 5 Develop a business case to gain senior support

*For Starbucks, the business case was straight forward. Climatic changes are impacting coffee beans due to increased weather volatility in Latin America and precipitation reductions in Costa Rica. There is a business need to understand and reduce carbon emissions as part of the solution to reduce climatic impacts.*

Understanding the carbon footprint of your organisation is the first step to reducing it. However, it requires commitment and resources. Ensure that you have a solid business case that senior managers will buy into to

take the initiative forward. Business drivers include; reliance on resources that may become limited or more costly if climate change occurs, increasing interest from investors, exposure to regulatory risk, and meeting customer requirements to quantify the carbon impacts of the business. Business benefits should also be highlighted, for example, seeking areas for reducing energy costs and identifying business opportunities to work with customers and/or suppliers.



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#### 6 Develop clear indicators

It is crucial to choose indicators that enable you to measure improvement in your carbon footprint. Indicators may be used to provide actual or normalized measures. Some commonly used indicators for actual measures include carbon dioxide equivalent CO<sub>2</sub>e (defined by the *IPCC Guidelines for National Greenhouse Gas Inventories* [<http://www.ipcc-nggip.iges.or.jp/public/gl/invs1.htm>]) and energy units such as kWh. Typical normalized units include CO<sub>2</sub>e or energy use per product unit, dollar of revenue, staff member and cubic metre of office space,

#### 7 Consider the carbon footprint across your value chain

For many businesses, the main carbon impact is not within the boundaries of owned operations but in the value chain. Utilising life cycle assessment approaches can be a useful way to understand the full impacts across the value chain. Once you know where your main impacts are you can influence that part of the value chain by working with relevant consumers or suppliers.

- > *Sky is encouraging consumers to reduce their carbon footprint through communications campaigns and offering more energy efficient products.*
- > *Starbucks is supporting carbon emissions reductions in its supply chain through a renewable energy initiative.*

#### 8 Be transparent about how business changes impact your carbon footprint

One of the challenges of managing your carbon footprint is that there are many factors that influence it. It is important to consider the carbon impacts of growth, mergers & acquisitions, expanding market places, changing portfolios and product ranges. Factoring these into internal and external commitments is important to ensure that innovative ways to reduce actual emissions continue to be identified. It should also raise awareness about the carbon impacts relevant to business decisions. Annual re-adjustments of the emissions baseline developed in your initial carbon footprint are also important to accurately track progress against performance.

#### 9 Develop a road map if it's too daunting to do everything at once

*HSBC has been developing a more complete picture of their carbon footprint since 2001 when they first produced a public Environmental Report. Over the last five years, HSBC has progressively increased the number of its operations providing data.*

Any large organization with multiple business divisions operating in multiple countries is likely to find measuring its carbon footprint a challenge – this gets even more complex when you look beyond your own boundaries and into the value chain. Rather than shying away from the challenge, putting together a comprehensive roadmap that involves

manageable steps will enable you to achieve your end goal.

#### 10 Build in-house expertise

Although external expertise can be useful, building internal knowledge and experience will be invaluable over time. Measuring and monitoring carbon requires significant technical knowledge and gaining understanding of the issues most relevant to your operations will assist in developing complete and accurate information.