



British Chamber of Commerce

Tim Lancaster 25-Feb-10

Carbon Trust Director in China



Agenda

➤ Carbon Trust?

➤ UK Business drivers & support

➤ Accreditation & labelling



Carbon Trust?

- Independent company, funded by UK government & own profits, required to re-invest profits in its mission
- Mission: 'to accelerate the move to a low carbon economy'
- Approach:
 - **Helping organisations to save carbon now**
 - **Developing new low carbon technologies**
- Locations: UK, China, USA, Middle East

UK Performance

- Since our inception we have helped businesses and public sector organisations to save around **23 MtCO₂** which equates to cost savings of around **£1.4billion**.
- We have supported the development of over **250** new low carbon technology projects and companies in the UK, investing over £12 million as venture capital, alongside private funding of £108 million
- On average, we leverage **£7** of private investment for every **£1** of public money that we spend

Our UK activities cover 5 complementary business areas



Insights

Explains the opportunities surrounding climate change



Solutions

Delivers carbon reduction solutions



Innovations

Develops low carbon technologies



Enterprises

Creates low carbon businesses



Investments

Finances clean energy businesses

Carbon now

Developing new low carbon technologies

Activities in China



1. Joint Venture with CECIC for technology transfer, incubation and investment

2. Trial of advice to businesses



3. Pilot of cities programme with Nanchang, Jiangxi

4. Product footprint trial



5. Work to establish industry sector best practice scheme



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Examples



CLIMATE CHANGE STRATEGY

Reducing our direct footprint

- Reducing emissions from our buildings
- Reducing emissions from distribution
- Developing renewable energy supplies

Innovation

- SCI as world leading centre for sustainable consumption research
- Working to develop low-carbon supply chains
- Engaging governments to incentivise a low-carbon economy

Leading a revolution in green consumption

- Empowering customers to make greener choices
- Providing low-carbon products and services
- Incentivising customers to change their behaviour

2009 – Opened first zero carbon store & reduced distribution emissions by 23%

2012 – Halve distribution emissions

2020 – Halve buildings emissions + 30% reduction in product lifecycle emissions

2050 - 'a zero carbon business'

Examples



- Empowering customers to make greener choices
 - **Carbon labelling** – In the UK they have labelled 120 products and footprinted 500; now extending to Korea
 - Half of customers said that a wider application of the label could change their purchasing decisions.
- Providing low-carbon products and services
 - They sell green products in all the countries in which they have stores, including energy efficient lightbulbs and energy efficient appliances
 - UK stores are launching a **home efficiency service** which will enable customers to generate their own energy through solar systems.
- Incentivising customers to change their behaviour through Clubcard
 - They provide green Clubcard points for reusing carrier bags as well as for recycling other products, e.g. printer cartridges
 - In Korea, they give green Clubcard points to customers who cycle to the stores.



Why do businesses become low carbon?



- Cost avoidance – avoiding carbon taxes
- Cost reduction – 20% easy savings
- Good publicity: Customers; investors; employees
- More customers
- Business opportunity – automotive sector 65% value at risk*



*Source: Climate Change a Business Revolution study by McKinseys & Carbon Trust

Creating business change

- Cost incentive:
 - Business must recognise that carbon has a cost (usually through government targets, taxes & emissions trading)
 - Investments are linked to certainty about cost

- Advice & assistance:
 - Un-biased advice & expert assistance
 - Financial incentives & loans
 - Best practice & case studies from similar businesses
 - Support for low carbon technology development

- Public & market recognition:
 - Ability for consumers to buy on basis of carbon efficiency
 - Information for investors on carbon efficiency

Giving carbon a cost

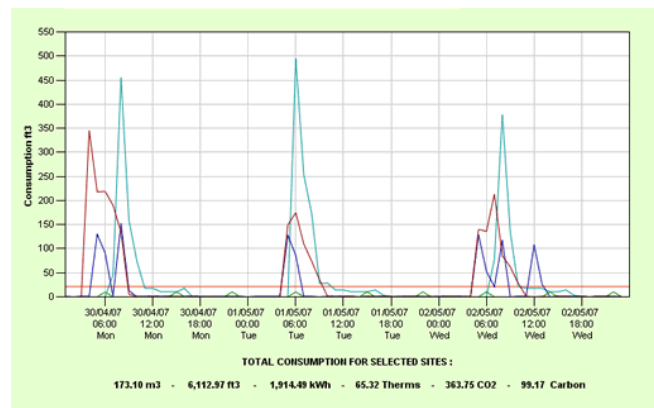


- Climate Change Levy 2001 tax on fuel used by large organisations; reduced if committed to reduce energy use
- UK Emissions Trading Scheme 2002-6
- EU Emissions Trading Scheme since Jan-05
- Carbon Reduction Commitment from Apr-10: Cap & trade scheme for large organisations outside EU ETS

Build awareness through metering & monitoring



- Measuring & monitoring energy usage is the first step to reducing it
- UK organisations with a peak load >100kW all have half-hourly meters
- Analysing the data can lead to free cost savings



Advice & assistance from CT



- 400 free publications + videos & posters
- Free advice line + website: www.carbontrust.co.uk
- SMEs can get loans of up to £500K for good projects from a £100M fund
- Larger customers get an Account Manager plus consultants visit their company and write a report suggesting energy-saving projects
- Companies gain tax breaks for using good equipment (ECA scheme): <http://www.eca.gov.uk/etl>
- Consultancy & financial support provided to business associations to help members save carbon

Carbon Management – The process for larger companies



Building the team & determining the scope

Setting the baseline and goals

Identifying the risks and prioritising the opportunities

Designing a cost effective strategy

Complete with budgets, targets & success metrics

Technical Specialist
Energy Management

Project Management
Engaging stakeholders
Engaging the Board



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Accreditation: recognising real carbon reduction



➤ Currently awarded to over 200 organisations:

- Standard approach to organisation carbon footprint measurement
- Rewards real carbon emission reductions and enables clear communication to customers and stakeholders
- Early action benefits under the Carbon Reduction Commitment



LONDON FIRE BRIGADE

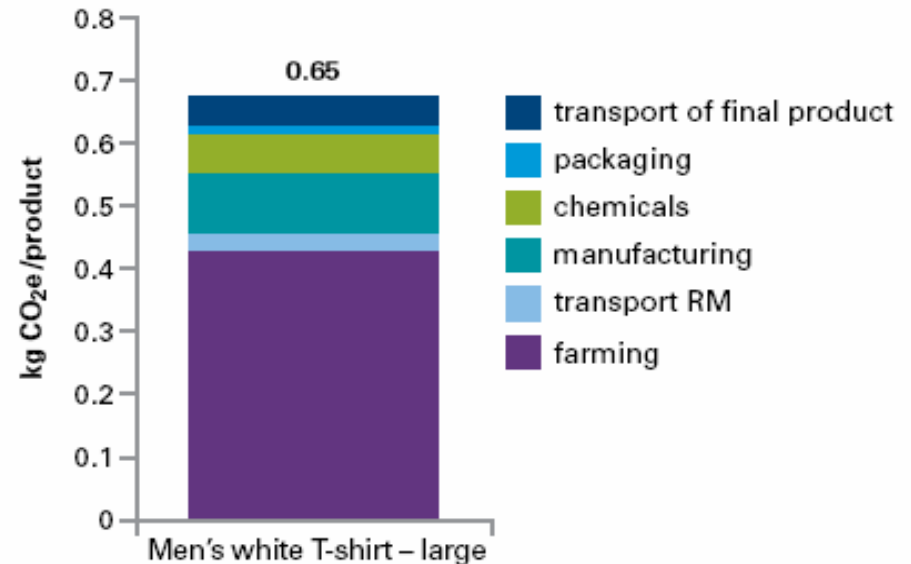


What is the carbon footprint of a product?



- Growing Cotton
- Spinning & weaving
- T-Shirt production
- Transportation
- Washing
- Drying
- Ironing
- Disposal

Supply chain of a T-Shirt



Accreditation: recognising commitment to carbon reduction in products



reducing with the Carbon Trust

100g CO2 per pack

We have committed to reduce the carbon footprint of this product

carbon-label.com



➤ Carbon Reduction Label awarded to more than 2,500 products and services

➤ Standard, comparable approach to carbon footprinting of products and services

➤ Rewards commitment to real carbon emissions reduction

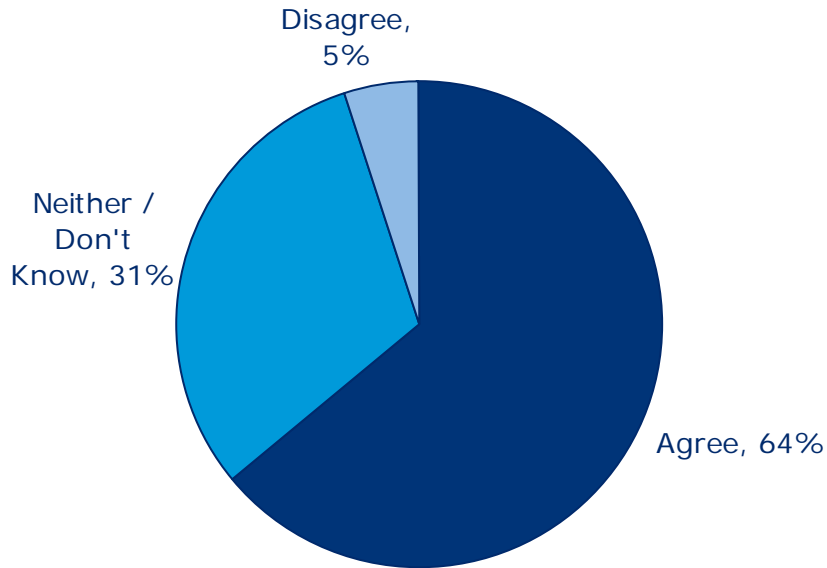


Market Research



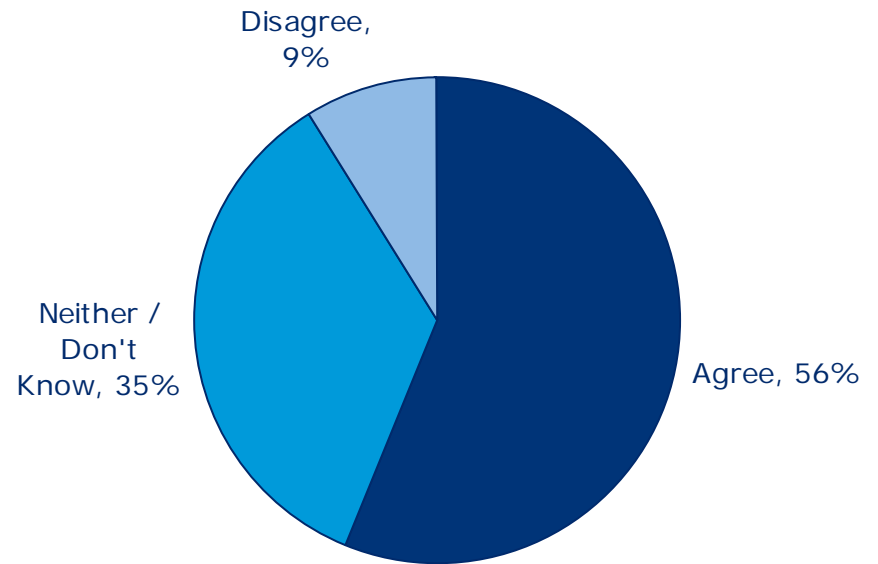
Consumer Perception

"Working to reduce carbon, it is something companies should be doing"



Consumer Preferences

"I would prioritise a product with the Carbon Reduction Label if the price was the same as those without it"



Source: Populus Consumer Research for PepsiCo/Walkers, January 2009

Benefits of Footprinting, Walkers re-certification



- 2-year anniversary of original footprint launch
- Products analysed: Walkers Crisps (Potato Chips)
- Identified that 59% of carbon emissions were outside their operations and 41% inside
- Recertified footprint: shows 7% reduction on 2007
- Mix of supplier & Walkers internal initiatives
- Saved £400,000, to reinvest in carbon-saving initiatives
- www.walkerscarbonfootprint.co.uk



www.carbontrust.net.cn
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A catalyst for low carbon enterprise
低碳企业催化器