

CARB-EN - The Carbon & Energy Action Quick Check for Business

DOING NOTHING IS NOT AN OPTION!

TEC's Green Capital Call for Business Action on Carbon & Energy

Doing nothing on climate change and environmental sustainability is not an option for businesses in the 2010s. Practical action on carbon and energy will now be in the spotlight more than ever. Being able to count your carbon is becoming a core competency. Being able to cut it is clever business and a competitive advantage.

KICK-START ACTION: Businesses of all sizes have an important role to play in kick-starting and driving an assault on carbon pollution and energy waste. It's also essential for their survival.

Not acting, however tempting that might seem will leave businesses exposed to rising energy costs, inevitable carbon price impositions, increasing regulation, commercial and competitive risks, community pressure, and employee disapproval.

NATIONAL LEVEL: Australia needs to keep working to cap further growth in its total greenhouse gas (CO₂-e) emissions, ideally with an ETS or at least a carbon levy to create a price signal.

With over 80% of the nation's electricity being generated from high-polluting black and brown coal – on national averages that's about 1kg of CO₂-e pollution per kWh - halting then reversing growth in overall power consumption has to be a priority target.

BUSINESS LEVEL: Tangible action by individual businesses is crucial to Australia halting emissions growth and starting the long path towards an environmentally sustainable level. They must deliver real cuts in energy use and emissions, or at the very least significantly reduce energy and carbon intensity as they grow.

This can't wait for domestic political and multi-lateral international argument and inaction to be resolved. So it

means businesses going beyond compliance and business-as-usual to voluntarily measure and report progress against direct-to-the-point metrics like:

- Electricity consumption (kWhs) per full-time employee equivalent (FTE) per annum (kWh/FTE/pa)
- CO₂-e emissions per \$'000 of revenue or relevant unit of production e.g. per tonne of ore shipped, or per vehicle off the production line, and
- For the built environment sector, kWhs/sq m floor space/pa for energy intensity and kgCO₂-e/sq m floor space/pa for carbon intensity.

BUSINESS TO-DO LIST: Though progress is often frustratingly slow and patchy, the Australian and global economies are on an irreversible path to become cleaner, leaner and more sustainable.

Businesses should be proactive by choosing to act in one or more straightforward areas with clear value propositions, delivering measurable and easily communicable progress. In terms of action focus areas, different choices or combinations will suit different businesses, with examples and their potential business benefits including:

- **Save energy** – reduces pollution and current costs, protects against rising prices and offsets higher costs of using renewable electricity
- **Reduce waste** – smarter use of often costly resources and reuse/recycling
- **Engage staff** – improve recruitment and staff retention of the best people and create a culture of sustainability in the workplace e.g. energy-saving behaviours
- **Offset emissions** – pay for *bona fide* carbon reduction as an early action strategy that also develops carbon



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market knowledge and skills

- **Sell solutions** – upgrade products and develop new ones that help customers and establish competitive advantage
- **Advocate good policy** – help make the system work better for everyone, and give your business a seat at the decision-making table

CLEAR OBJECTIVES: Set very clear objectives that everyone in a business can understand such as reducing electricity consumption by 5% per FTE by 2012; or training 80%+ staff in sustainability basics by Q4 2010-11; or reducing travel-related carbon emissions by 50% of 2009

baseline level by 2014 and to 25% by 2016. Such goals need to be accorded similar status to financial targets, with managerial responsibility being assigned, timelines set, resources allocated and reporting required.

CHECK YOUR PROGRESS: We've included an easy-to-use tool for self-evaluating how your business is going on carbon action called *CARB-EN – The Carbon & Energy Action Quick Check for Business*. This tool reflects the priorities that TEC and Green Capital have identified for 2010 and beyond, especially while official policy remains confused and the fate of a price signal on carbon is uncertain.

CARB-EN - The Carbon & Energy Action Quick Check for Business

All businesses need help to adapt to a carbon-conscious world. How can you quickly self-assess if your business is doing enough on carbon action? Perhaps your business is a real leader, but how can you tell? Maybe you are lagging behind competitors, but do you even know?

This is an easy-to-use guide to identify how your business is tracking on action to reduce carbon pollution, and to conserve energy or to use it more efficiently. It will help you to test business progress in key areas where strategies and activities to reduce carbon emissions and use energy more efficiently should be deployed.

Please note, this is a guide only and the self-assessment outcomes do not indicate any endorsement or approval from the TEC or Green Capital.

The *CARB-EN* Quick Check focuses on 5 areas of activity:

- Internal Business Energy & Emissions
- Supply Chain & Procurement
- Customer & Consumer
- Staff Engagement & Mobilisation

AREA OF ACTIVITY	EVALUATION GUIDANCE – HOW TO ASSESS YOUR BUSINESS	RANKING	POINTS SCORE
1. Internal Business Energy & Emissions	INACTION: No formal focus on improving the energy and emissions profile of the business.	0	
	BASIC: Low level approach to improving the energy and emissions profile of the business (e.g. NGER if it applies, or other relevant regulatory measures such as using only lowest minimum energy efficiency standard appliances).	0.5	
	GOOD: Beyond-low level approach and measurable progress on improving the energy and emissions profile of the business.	1	
	EXCELLENT: Substantial, systematic and beyond-'good' improvement of the energy and emissions profile of the business is part of core strategy with firm targets, public reporting of outcomes and external validation.	1.5	
	INSPIRATIONAL: The business has achieved national and/or international recognition for transforming its energy and emissions profile (i.e. 'beyond excellent')	2	

Carbon Checklist

AREA OF ACTIVITY	EVALUATION GUIDANCE – HOW TO ASSESS YOUR BUSINESS	RANKING	POINTS SCORE
2. Supply Chain & Procurement	<p>INACTION: No formal application of carbon/environmental footprint calculations to the business supply chain and procurement processes.</p> <p>BASIC: Compliance or minimal approach to applying carbon/environmental footprint calculations to the business supply chain and procurement processes.</p> <p>GOOD: Beyond-compliance or -minimal approach to applying carbon/environmental footprint calculations to the business supply chain and procurement processes, including applying formal supplier criteria.</p> <p>EXCELLENT: Supplier criteria and procurement processes are driving significantly improved carbon/environmental footprint outcomes along the whole value chain.</p> <p>INSPIRATIONAL: Your supply chain and procurement strategies are redefining product and service sectors at a national and/or international level e.g. creating new applications and/or markets for more sustainable options.</p>	<p>0</p> <p>0.5</p> <p>1</p> <p>1.5</p> <p>2</p>	
3. Customer & Consumer	<p>INACTION: There is no formal business focus on products/services or marketing standards that will offer customers/ consumers more sustainable choices based on energy and carbon benefits.</p> <p>BASIC: Compliance or business-as-usual approach that is informed by any legal requirements and industry standards but little or nothing more.</p> <p>GOOD: Beyond-compliance or -business-as-usual approach that exceeds identifiable legal requirements and industry standards and communicates relevant product/service sustainability advantages with integrity.</p> <p>EXCELLENT: Improved sustainability outcomes for customers/consumers are a defining characteristic of the business and are overtly pursued and promoted as a competitive advantage.</p> <p>INSPIRATIONAL: The business has achieved national and/or international recognition for transforming the customer/consumer experience in regard to energy and carbon outcomes from a product/service.</p>	<p>0</p> <p>0.5</p> <p>1</p> <p>1.5</p> <p>2</p>	

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AREA OF ACTIVITY	EVALUATION GUIDANCE – HOW TO ASSESS YOUR BUSINESS	RANKING	POINTS SCORE
4. Staff Engagement & Mobilisation (including employee 'green teams')	INACTION: No staff programs on environment or sustainability and in particular energy and carbon action.	0	
	BASIC: Low level approach to relevant staff training and employee participation.	0.5	
	GOOD: Voluntarily adopts a beyond-low level approach with investment in enhanced management systems and employee incentives, and encouragement for employee initiatives e.g. 'green teams'.	1	
	EXCELLENT: Engages staff in achieving strong business targets, reports all progress and problems, and promotes action beyond the business to employees' daily lives outside of work and their families, and also to other value chain stakeholders including suppliers, customers and local communities. 'Bottom-up' employee action including 'green teams' is a key part of the equation.	1.5	
	INSPIRATIONAL: Has achieved national and/or international recognition for engaging staff and other value chain stakeholders in delivering extraordinary energy and carbon/wider sustainability outcomes in the workplace and beyond. Both 'top-down' and 'bottom up' excellence is being delivered.	2	
5. Policy & Advocacy	INACTION: No constructive policy positions nor external advocacy on energy and carbon action (and/or anti-action positions are held and are being promoted)	0	
	BASIC: Awareness of but does not actively use widely available policy positions from independent organisations and environmental agencies.	0.5	
	GOOD: Your enterprise identifies itself as progressive and has developed its own quality and specific carbon action/climate response policy. This has been made public.	1	
	EXCELLENT: Your policy positions and advocacy are seen as top leadership in your industry sector and are widely recognised by independent observers, the media etc.	1.5	
	INSPIRATIONAL: Your policy positions and advocacy are seen as top leadership across all industry sectors, nationally and internationally, and are cited as such by independent observers, the media etc.	2	
TOTAL*			

* Remember that the Quick Check is a **guide only** and is focused on action to reduce carbon footprint and save energy (i.e. businesses also may need to act in other key environmental areas and be subject to other regulations in areas such as waste, water, toxics and biodiversity protection).

SCORING: When using this ready-reckoning tool, we recommend the following interpretation of total scores based on the evaluation table.

POINTS	RATING
0-2 points	Laggard
2-4 points	Low Level
4-6 points	Good
6-8 points	Leadership
8-10 points	Transformational