

# Redefining Climate Leadership

*The Next Generation of Carbon Footprinting*

The Climate Registry Policy Forum

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23 June 2010



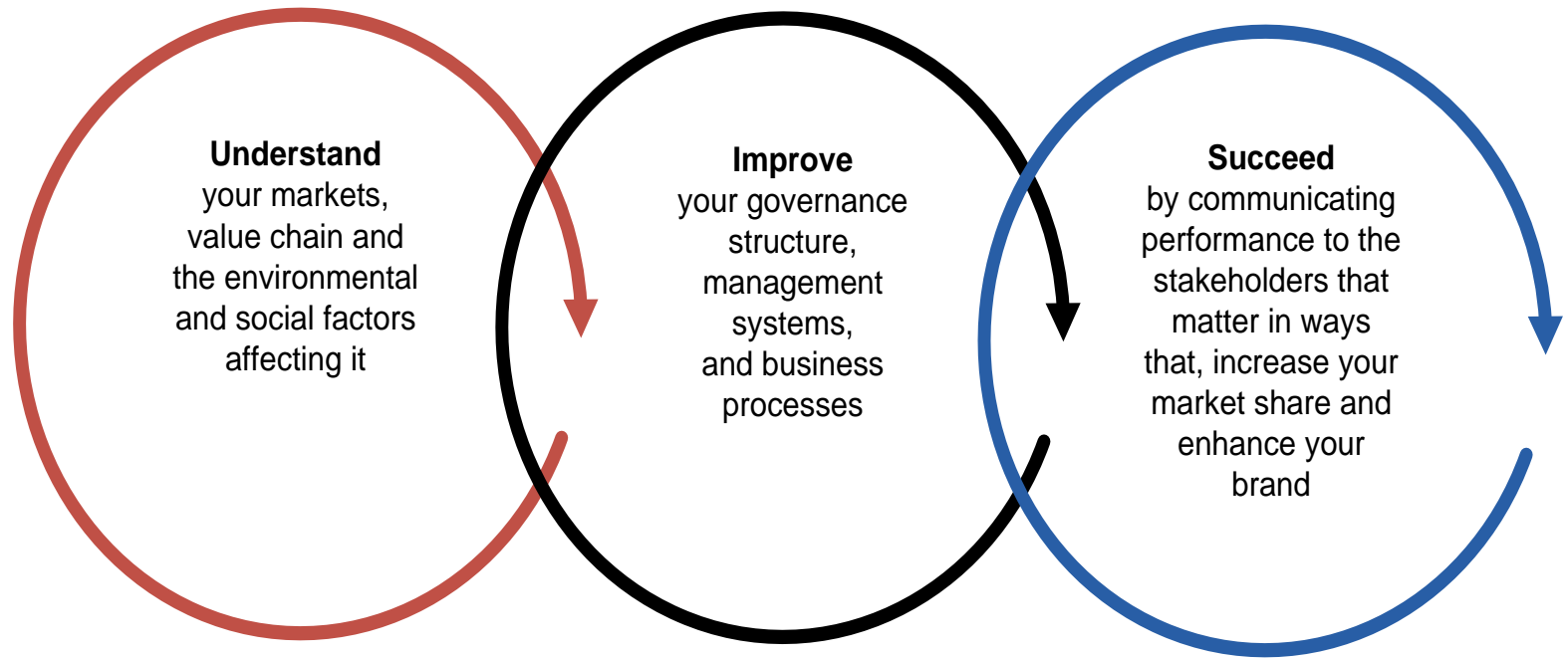
Five Winds INTERNATIONAL

# The Next Generation of Carbon Footprinting

- Current Situation and Trends – what is happening?
- Business Drivers – why are companies doing it?
- How are they doing it?
- What are the challenges?
- Key messages



# Sustainability insights that make a difference



# Some Clients



The miracles of science™



EILEEN FISHER



World Business Council for Sustainable Development



DAIMLERCHRYSLER



MOTOROLA



Interface Corporation



United Technologies



Environment Canada

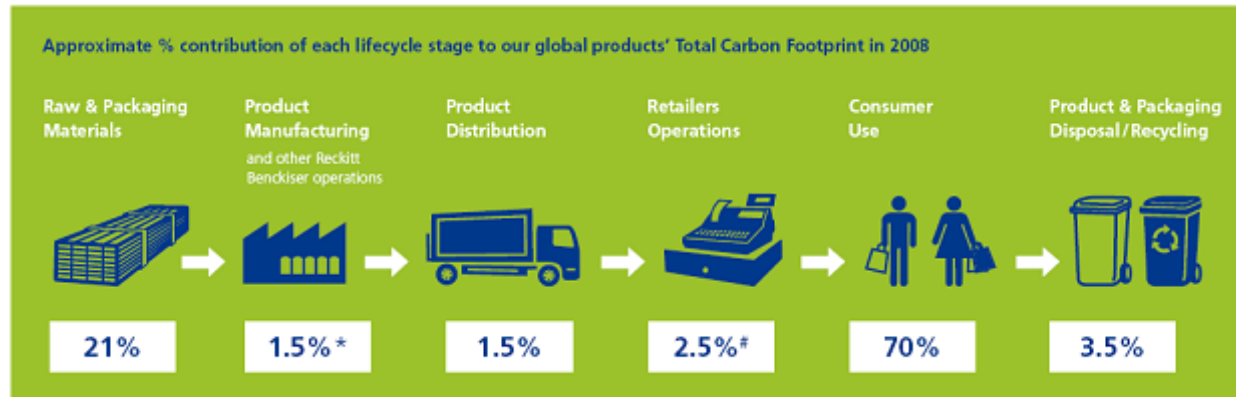


International Zinc Association VATTENFALL



# Current Situation and Trends

- “Private” Regulation
- Broader Definition of Risks & Opportunities
- Carbon Footprint of Consumption
- Expanding Boundaries of Carbon Footprint

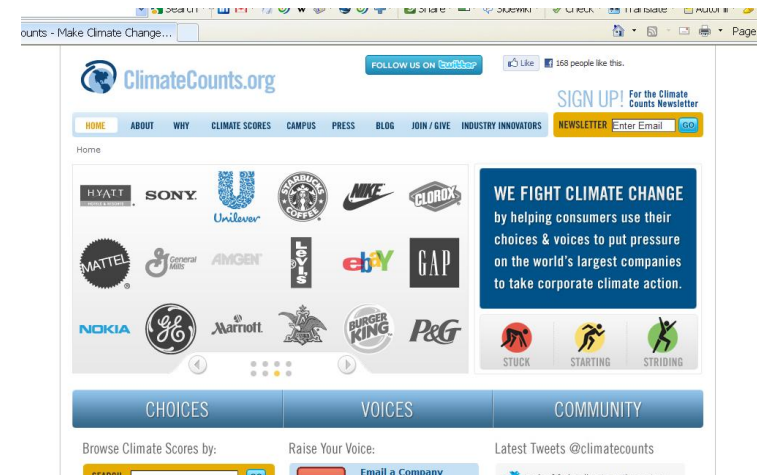


Source: Reckitt Benckiser



# Business Drivers

- Stakeholder Expectations
  - Regulators
  - Investors
  - Customers
  - Employees
- Broader view of Risks & Opportunities
  - CDP
  - SEC
  - Walmart
- Avoiding local optimization
  - Upstream
  - Downstream



# Does Scope 3 Matter?

## What Dell Doesn't Include

[Back to what Dell does include](#) ◀



*Source: Wall Street Journal, December 2008*



# Carbon Labels in the Marketplace



GI4.5

**GREEN INDEX™ 4.5**

FACTORS	LOWER IMPACT	HIGHER IMPACT
<b>Climate Impact:</b> Greenhouse gas emissions through production.	0	10
<b>Chemicals Used:</b> Presence of hazardous substance (PVC, Chrome leather* and Solvent Adhesives).	0	10
<b>Resource Consumption:</b> Reduced by the use of recycled, organic and renewable materials.	0	9

\*Chrome leather present in leather based shoes  
For more information about the Green Index™ rating, see inside the shoe box or visit [www.timberland.com/outdoorperformance](http://www.timberland.com/outdoorperformance)

**GREEN INDEX™**

working with the Carbon Trust

**2.4kg CO2**

per garment

We have committed to reduce this carbon footprint

The carbon footprint of the lifecycle of this T-shirt is 2.4kg. This is the total carbon dioxide (CO2) and other greenhouse gases emitted from the raw materials, production, distribution, use (which is washing, tumble drying and ironing 25 times) and disposal.

By using green renewable electricity we have reduced the footprint by 4.0kg per garment.

You can reduce this carbon footprint by washing at 30°C or lower, avoiding tumble drying, ironing only when necessary, and recycling at the end of its life.

For example, avoiding tumble drying and ironing will save approx. 0.9kg of CO2 or one third of this garment's carbon footprint in its lifecycle.

**We've reduced the carbon footprint of Botanics shampoo by 20%**

You can help too. Using cooler water to wash your hair cuts CO2 emissions, reduces your energy bills and is actually better for your hair.

working with the Carbon Trust

**148g CO2**



# The Value of Standards

“Today’s standardization ... is the necessary foundation on which tomorrow’s improvement will be based. If you think of “standardization” as the best you know today, but which is to be improved tomorrow – you get somewhere. But if you think of standards as confining, then progress stops.”



*Source: Herman Miller*



# Prospects for Standardization

- Carbon Trust/DEFRA/BSI PAS 2050
  - First to Market (October 2008); currently being revised
  - Referenced by ISO and GHG Protocol as seed document
- WRI/WBCSD GHG Protocol Product & Supply-Chain Initiative
  - WRI/WBCSD developed *de facto* standard for Corporate GHG Accounting and Reporting
  - Developing Product Standard and Scope 3 Standards plus Guidance
  - Pilot testing launched December 2009
  - Final publication of Standard/Guidelines planned for December 2010
- ISO 14067
  - ISO brand – very well established / respected internationally
  - Links to existing LCA and Labeling Standards
  - Standard scheduled for March 2011 release
- Mandatory eco labels? (France? EU?)



# Challenges to Widespread Adoption

- **Compelling Business Case**
  - Needed to allocate resources in companies and supply chain
- **Accepted and Harmonized Standards and Methodologies**
  - Faster, cheaper, more pragmatic
  - Harmonized with other voluntary and mandatory initiatives
- **Support Infrastructure**
  - Industry & Product Specific Programs & Rules (e.g., PCRs)
  - Trained and competent practitioners (quantification, assurance)
  - Industrial strength tools
  - Availability of data (e.g., from suppliers)



# Challenges – Next Generation GHG Protocol

	Scope 3 Std.	Product Life Cycle Std.
Goals	Accounting vs. Engagement	Reporting vs. Comparison
Boundaries	16 categories 80% threshold	C2gate / C2grave Capital Goods Biogenic carbon Land Use & LU Change
Allocation		Recycling
Data	Availability Quality & Uncertainty Confidentiality	Availability Quality & Uncertainty Confidentiality
Assurance	Encouraged	Required
Reporting		Transparency vs. Relevance



# Key Messages

- Remember Henry Ford and Herman Miller
- Don't lose sight of goals
  - Carbon footprinting is but one step towards leadership
- Focus on what matters
  - “What gets measured gets managed”
  - BUT Measuring it doesn't make it important
- Match the methodology to the goals
  - Balance rigor/credibility with usability
- Stay tuned



# Living Our Values



Five Winds is a Carbon Neutral Company and follows a Sustainable Purchasing Policy

