

“Carbon Management Makes Good Business Sense”

An interview with Sue Welland, founder and creative director of The CarbonNeutral Company.



In recent years, “carbon footprint” and “carbon offsetting” have entered the vocabulary of people and organizations around the world. More and more companies are seeking environmentally friendly solutions, both to support their reputation as socially responsible enterprises and because “going green” boosts the bottom line. With this in mind, CWT has signed an agreement with The CarbonNeutral Company, the leading carbon offset and climate consulting firm, to

provide emissions management services that enhance the range of *CWT Sustainable Solutions*. *CWT Vision* spoke with Sue Welland, founder and creative director of The CarbonNeutral Company about how companies can best manage travel-related carbon emissions and the benefits of doing so.

CWT Vision: How “green” is business today?

Sue Welland: Companies are increasingly aware of green issues. More importantly, they want to understand their carbon footprint and implement a global carbon management strategy. Since we started The CarbonNeutral Company nearly 12 years ago, we’ve seen a ten-fold increase in the number of tenders from large companies. We now work with more than 300 large corporations and hundreds of smaller companies.

Some sectors are required by law to manage their carbon emissions but in other sectors, **companies are choosing to take action because they know it makes good business sense**. A great example is Radio Taxis, a London cab firm. After they went CarbonNeutral®—meaning they adopted our protocol for achieving zero net carbon emissions—they won £1.2 million (approximately US\$2.2 million) worth of new business within six months. They did that by going to companies and saying: “Look, we can be a greener supplier for you.”

CWT Vision: How much does travel contribute to a company's carbon footprint?

Sue Welland: Travel can account for more than 25 percent of a company's footprint, although this varies between sectors. In services, for example, travel contributes much more to a company's carbon footprint than it does in heavy industry, where energy is a more significant factor.

It's important for companies to understand exactly what their footprint is and where it comes from before they can manage it. Travel is an obvious area for targeting optimization because staff, investors and customers know it produces significant carbon.

CWT Vision: What do companies have to do to achieve CarbonNeutral® status?

Sue Welland: Essentially, they need to measure emissions and get them down to net zero through internal and external reductions. **Internal reductions** involve operational changes such as upgrading a car fleet to a greener model or introducing more energy-efficient technology. **External reductions** are achieved outside the company by enabling someone somewhere else in the world to reduce the same amount of carbon you produce. This is carbon offsetting.

CWT Vision: Why should companies offset their carbon completely? Isn't it enough for them to reduce their footprint internally?

Sue Welland: There is a commercial advantage to offsetting carbon and getting to net zero. Radio Taxis is just one of many companies that have gained top-line benefits by taking a clear CarbonNeutral® position. Other clients report how external reductions are helping engage staff in reducing CO₂ emissions and ultimately cutting energy bills.

Over and above that, our view is that internal reductions are critical but they can be very slow to achieve. What's more, they will only scratch the surface of what is required if we take climate change seriously. Internal changes could cut 5-10 percent of a company's emissions in the short- to mid-term but scientists are calling for an 80 percent drop of global emissions within 50 years. The only way to achieve this is by combining internal reductions with carbon offsets.

CWT Vision: What kind of offsetting projects are available?

Sue Welland: We work on projects in four main areas: renewable energy, resource conservation, waste reduction and forestry. Companies can choose between projects in two main categories depending on what they want to achieve from their offset program:

- Clean development mechanism (CDM) projects provide **certified emission reductions (CERs)** or regulated carbon credits that a company can use to meet a

compulsory target set by the government. They tend to be relatively large-scale industrial projects, partly because of the significant up-front costs involved in getting CDM projects through the United Nations registration process. CDM projects are predominantly in China, India and to a lesser extent Brazil.

- Other projects provide **verified emission reductions (VERs)**. These credits have an audit trail but cannot be used to meet regulated targets. Companies that are managing their carbon because they want to, not because they have to, tend to prefer these. VER projects are usually smaller scale and quite spread out geographically. They generally have a more human face—the SELCO project is a good example. (See the sidebar on Page 39.)

CWT Vision: Do you see any trends in the kind of offsetting projects companies are investing in?

Sue Welland: The market has become more sophisticated. It used to be that everyone wanted forestry projects, but it takes a tree 100 years to soak up a ton of carbon and you can produce that in two months of driving. Although people like the idea of tree planting, the results are too slow.

Now the trend is for technology offsets because they deliver results faster than forestry, where reductions take place over the lifetime of a tree. Technology projects are guaranteed to be permanent whereas a forest runs the risk of being lost through fire or infestation, which would therefore release the stored carbon back into the atmosphere. Geographically speaking, offsetting projects are quite spread out. It comes down to what each company wants. One company might want to meet regulated targets at the lowest price so they would choose, for example, a CDM project from China. Another company might want to get to net CO₂ through a project that has more of a human face. It's all about best value, quality and the portfolio mix that will meet a company's objectives.

CWT Vision: Is offsetting still controversial?

Sue Welland: I don't think the importance of offsetting is fully understood yet. There's still a sense that offsetting is guilt money and it's better to make internal reductions. But internal reductions cannot do enough quickly enough to tackle climate change. The most responsible companies will go net zero CO₂ from day one, probably by doing a lot of offsetting at the beginning and then implementing internal reduction programs to reduce the offsets they purchase year on year.

Example of a renewable energy project: the Solar Electric Light Company in India

Kerosene lamps are commonly used by households in rural India that do not have reliable access to grid electricity. While providing a weak source of light, these lamps produce high levels of carbon, as well as unhealthy fumes. They also represent a significant fire hazard.

With the help of carbon financing provided by clients of The CarbonNeutral Company, the Solar Electric Light Company (SELCO) is helping communities replace kerosene lamps with solar panels installed on roofs. This solution is not only cleaner, it helps promote local industry by facilitating work after sundown.

This project aims to reduce carbon emissions by 34,500 tons between 2001 and 2012. It has won recognition from the Ashden Awards for Sustainable Energy, a U.K.-based charity that seeks to promote the use of sustainable energies to bring social and economic benefits to local communities worldwide.



By investing in offsetting, the buyer is not only enabling carbon reduction projects that wouldn't otherwise happen, but often—depending on the project—helping the development of clean technology in developing countries.

Companies and individuals alike need to choose their carbon offset project well. The CarbonNeutral Company selects projects carefully—we have been involved in 200 of them across six continents—and we work closely with our clients to find the best

solution for them. We are committed to carbon management and have a world-leading quality assurance program that enables us to guarantee every carbon credit we sell.

CWT Vision: Specifically, what advice would you give travel managers?

Sue Welland: The question is how to manage your carbon footprint when your business is growing and your employees are traveling.

- **First, measure your footprint.** Understand where your emissions are coming from.
- **Then set ambitious targets for reductions and meet them through both internal change and carbon offsetting.** Consider a CarbonNeutral® travel program, and use it to drive travel optimization, staff engagement and sales.
- **In general, aim to optimize, rather than cut, travel.** When it comes to meetings, for example, carefully consider distances. Participants could meet halfway instead of everyone traveling across the globe.
- **Embrace technology.** Assess the goals of your travel and see if videoconferencing can replace certain business trips. That can save you a lot of carbon emissions.
- **Review your supply chain and look for the greenest options.** This is another way to demonstrate environmental responsibility and cut your footprint.
- **Provide “information for motivation.”** Tell people what their carbon footprint is for a 2-liter vehicle compared to a 1.4-liter vehicle—one will produce 1.2 tons while the other will produce 0.8 tons annually (based on driving 50 miles per week). Tell them how much carbon they would save by taking the train instead of a plane. Our experience is that if you give people that information, they are more motivated to choose lower carbon options.

CWT Vision: Could you tell us a little about your partnership with CWT?

Sue Welland: Our partnership makes a great deal of sense because CWT is already working with companies to optimize their travel program and improve their carbon footprint. A carbon calculator at the time of booking and post-trip carbon reporting, which are part of *CWT Sustainable Solutions*, generate terrific awareness for travelers and travel managers alike. Our partnership enables CWT clients to go a step further and fully manage their carbon emissions as they continue to travel and grow their business. ■

THE CARBON NEUTRAL COMPANY

Founded in 1997, The CarbonNeutral Company is a world leading carbon offset and climate consulting company, renowned for its experience, commitment and quality standards. The company is based in London, New York and San Francisco, and has a network of affiliates in Asia Pacific, Canada, France and the United Arab Emirates.

The company was the first to package and sell carbon offsets through online carbon calculators in the mid 1990s. It now works with more than 60,000 individual customers and 300 large corporates, including well-known travel firms such as Avis, Carey, Expedia, Hertz and Radio Taxis.

As an enhancement to *CWT Sustainable Solutions*, The CarbonNeutral Company provides emissions management services which include:

- Greenhouse gas assessment
- Independently verified carbon footprint analysis
- Internal and external emissions reduction programs
- Access to a portfolio of verified carbon offset projects
- Certification of CarbonNeutral® travel status

For more information on how CWT and The CarbonNeutral Company can help you manage your carbon emissions, please contact your CWT sales or program manager or email sustainable@carlsonwagonlit.com.