



The CarbonNeutral Protocol

August 2010



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Amendments

Version	Valid from	Changes
6.2	August 2010	Addition of the Carbon Trust Carbon footprinting guide cross compliance table

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Glossary of terms

Additional (referring to external emission reductions): Refers to the concept of whether or not an external emission reduction would have occurred if not for the existence of the carbon market and the availability of carbon offsets. If an external emission reduction would not have happened if not for the existence of the carbon market, then the external emission reduction is said to be “additional” to business-as-usual.

Available (referring to data): Applied to primary data, ‘available’ means readily collectable, at reasonable cost. Applied to secondary data, ‘available’ means readily found in reputable, published sources such as those issued by government departments, academic institutions, specialist research bodies and the secretariats of leading GHG standards and protocols.

Assessment: The process of quantifying the GHG emissions for a given subject, using robust and transparent methods that can be replicated.

Boundary: The physical or spatial extent of the subject – the entity, product or service – i.e., the sites (including mobile sites such as vehicles) involved. By way of example, the boundary might encompass the office and vehicles of an entity, or the sites used for the manufacture, storage and transportation of a product.

Branding Guidelines: The CarbonNeutral Company’s requirements and guidelines governing the application of its CarbonNeutral® marks.

Carbon neutral: To have achieved net zero greenhouse gas emissions for a specified set of emissions sources by balancing a measured amount of greenhouse gas emissions with an equivalent amount sequestered or offset.

CarbonNeutral®: The registered trademark of The CarbonNeutral Company.

CarbonNeutral® certification: The process through which a CarbonNeutral® certifier grants recognition to a client that it has met the provisions of The CarbonNeutral Protocol for a specific subject.

CarbonNeutral® certifier: The entity providing CarbonNeutral® certification through the application of The CarbonNeutral Protocol. The primary certifier, The CarbonNeutral Company, is responsible for the development and oversight of The Protocol. Secondary certifiers are entities authorised by The CarbonNeutral Company to provide certifications in accordance with The CarbonNeutral Protocol.

CarbonNeutral® mark: A logo incorporating the CarbonNeutral® trademark that is licensed to a client upon the successful completion of a CarbonNeutral® certification.

Certification period: The duration a CarbonNeutral® certification is applied to a subject.

CO₂e (carbon dioxide equivalent): A unit of measurement that describes for each of the six greenhouse gases the amount of CO₂ that would have the same global warming potential, when measured over a 100 year timescale.

Cradle-to-customer: A particular boundary for product subjects. The cradle-to-customer boundary includes the extraction and processing of raw materials (including any packaging materials), manufacture, storage and distribution to first customer.

Cradle-to-grave: A particular boundary for product subjects. The cradle-to-grave boundary includes extraction and processing of raw materials (including any packaging materials), manufacture, storage, distribution to first customer, further distribution and storage, retail, use and end-of-life disposal.

Client: The organisation or entity entering into a contract with a CarbonNeutral® certifier for the purposes of a CarbonNeutral® certification.

Delivery (referring to external emission reductions): Refers to the receipt of legal title and ownership of verified and issued external emission reductions by the provider of such reductions. Delivery can occur on a third party external registry, or through written agreement.

Emissions sources: The specific GHG-emitting activities or processes within the boundary.

Entity: A physical organisation, individual or group of individuals with legal status as such. An entity may be a private, commercial, public, not-for-profit or governmental body.

External emission reduction: A tradable non-tangible credit or instrument representing the reduction or removal of greenhouse gas emissions from a project that is used to counterbalance or compensate for (offset) emissions from other activities.

Geographically relevant: Pertaining to the specific location of the emissions-generating activity in question. In order of preference, emission factors and secondary data should be applied first from local, sub-national datasets; then from national datasets; and then from regional datasets. In the absence of available data from these datasets, available global factors and data may be applied.

GHG (greenhouse gas): One of the six Kyoto Protocol greenhouse gases. These are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydroflourocarbons, perflourocarbons and sulphur-hexaflouride.

GHG inventory: An accounting of the amount of greenhouse gases discharged into the atmosphere by an entity, product or service.

GHG Protocol: The World Business Council for Sustainable Development (WBCSD) and World Resources Institute's (WRI) Corporate Accounting and Reporting Standards (Corporate Standard). The GHG Protocol is the most commonly used organisational GHG accounting methodology. It defines emissions reporting under three key scopes, avoiding double-counting across companies while ensuring comprehensive reporting.

Independent qualified third party: An individual or organisation experienced in GHG accounting that has no conflict of interest or financial gain in the outcome of the assessment.

Internal emission reduction: A reduction of GHG emissions made within the boundary of a subject (through for example, undertaking energy efficiency projects, onsite renewable energy or fuel substitution) which is accounted for in the subject's GHG inventory.

ISO 14064-1: International Organization for Standardization's specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals. Its methodology is very similar to the GHG Protocol but contains some additional requirements. The most notable are that emissions must be calculated and reported by site, that uncertainty must be calculated and reported and that the assessment report (or a verification statement) must be made public.

Issuance: The delivery of a specified quantity of external emission reductions into a specified account on a registry. Issuance allows external emission reductions to be transferred and retired on a registry.

Registry: A database of external emission reductions and their transactions, where each credit has a unique identifier and where credits are retired (cancelled) upon being sold to offset an equivalent amount of GHG emissions.

Retired: Refers to the permanent cancellation of external emission reductions from future use in the provider's internal records. For all external emission reductions which have been delivered on an external third party registry this would then extend to subsequent retirement of the corresponding credits within that relevant registry.

Scopes: The three 'classes' of emissions sources identified in the GHG Protocol, relevant to assessing and reporting the GHG emissions of entities.

Scope 1 emissions: Those emissions directly arising from sources associated with the subject, principally from the following types of activities: the combustion of fuels for the generation of electricity, heat, or steam; processing and/or manufacturing of materials or chemicals; transportation in company owned/controlled mobile combustion sources; and fugitive emissions from intentional or unintentional releases (e.g., equipment leaks and hydrofluorocarbon (HFC) emissions from refrigeration and air conditioning equipment).

Scope 2 emissions: Those emissions indirectly attributable to the subject from the generation of purchased electricity, heat, steam or cooling that is consumed in owned or controlled equipment or operations.

Scope 3 emissions: All non-Scope 2 indirect emissions. The most common examples are emissions from: transport-related activities; transportation of purchased materials, goods or fuels; employee business travel; employee commuting to and from work; transportation of sold products in third-party owned vehicles; and the transportation and disposal of waste and sold products at the end of their life.

Subject: The entity, product or service to which CarbonNeutral® certification is applied.

Preface

Background

As businesses across the world understand the increasing requirement to manage their carbon emissions and realise the opportunity to gain immediate business benefit from taking action, The CarbonNeutral Protocol (The Protocol) provides them with a practical, scientifically assured and internationally accepted global standard for managing their carbon reduction programmes. A meaningful demonstration of a commitment to manage carbon is in becoming carbon neutral – that is, to have a net zero carbon footprint.

A robust carbon reduction programme will meet customer and investor demand, anticipate impending regulation, deliver a strong environmental position and prepare businesses for future risk. Already used by thousands of clients in 32 countries, The CarbonNeutral Protocol provides the pragmatic guidance businesses need to build credible reduction solutions and offset greenhouse gas (GHG) emissions to net zero. This includes requirements for greenhouse gas assessments, emission reduction planning, carbon offset eligibility, management of carbon credits through registration and retirement and communication of CarbonNeutral® programmes .

The CarbonNeutral Protocol was first developed and published in 2002 and is revised and updated annually to reflect the changing requirements of both science and business . Development of The CarbonNeutral Protocol is assisted by a continual process of review and advice from an Independent Advisory Group (IAG), appointed by The CarbonNeutral Company and representing international carbon management experts from a broad scope of backgrounds including science, economics, business, international policy and sustainable development.

As carbon reduction programmes extend throughout industry sectors, this version of The CarbonNeutral Protocol has been developed to incorporate an increasing need for CarbonNeutral® certification of products and services. It also sets out the requirements for authorised third party organisations to license CarbonNeutral® certifications for resale to their customers.

Target audience

The CarbonNeutral Protocol is designed for:

- **Businesses/Organisations** – to understand what is required to develop a credible carbon neutral programme and to achieve CarbonNeutral® certification.
- **Technical partners** – to ensure The CarbonNeutral Company’s technical partners (i.e., GHG assessors) understand what is required of them to ensure their services are consistent with the requirements of each CarbonNeutral® certification.
- **CarbonNeutral® certifiers** – to ensure the same high levels of quality and integrity are applied by organisations which have been approved as licensed resellers of The CarbonNeutral Company’s services.
- **Carbon community** – to promote the highest standards for carbon accounting and reductions among NGOs, governments, regulators and other stakeholders.

¹ The guidance provided by The CarbonNeutral Protocol is also applicable to companies and organisations that are working towards CarbonNeutral® certification or wish to achieve CarbonNeutral® certification over an extended period of time.

² CarbonNeutral® certifications made in accordance with previous versions of The CarbonNeutral Protocol are not retroactively affected by subsequent changes to The CarbonNeutral Protocol.

About The CarbonNeutral Company

The CarbonNeutral Company is a world leading provider of carbon reduction solutions. It is the trusted partner to companies committed to reducing their carbon footprint with solutions that strengthen their business.

Since the company began in 1997, it has worked with more than 300 large businesses and thousands of small and medium sized companies in 32 countries, and contracted in excess of four million tonnes of carbon (CO₂e) reductions from 300 projects across six continents.

The CarbonNeutral Company has pioneered the development of standards and processes that ensure its clients' CarbonNeutral® programmes have credibility and authority. The CarbonNeutral Protocol has been developed as a key part of The CarbonNeutral Company's quality assurance guarantees.

Acknowledgements

The CarbonNeutral Company wishes to acknowledge a number of individuals and organisations for their support and contributions to the development of The CarbonNeutral Protocol.

Our greatest debt of gratitude goes to the many hundreds of businesses and organisations around the world that have worked with us in applying The CarbonNeutral Protocol to their CarbonNeutral® certifications.

We thank Dr. Richard Tipper and Ragne Low of Ecometrica Ltd for the technical support they have provided in developing this version of The CarbonNeutral Protocol, continuing the work Richard began on the original version in 2002.

Our gratitude also goes to The CarbonNeutral Company's Independent Advisory Group for its continued review of The CarbonNeutral Protocol and advice on our work in creating carbon reduction solutions for businesses.

Use, legal disclaimer and copyright

The CarbonNeutral Protocol should be applied in conjunction with relevant terms and conditions on the use of logos, marks and trademarks owned by The CarbonNeutral Company, as specified in contracts with The CarbonNeutral Company.

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Introduction

Purpose

The CarbonNeutral Protocol describes the requirements for achieving CarbonNeutral® certification. By following The CarbonNeutral Protocol, organisations have a credible, transparent and practical framework for achieving CarbonNeutral® certification that can be consistently applied across a broad range of entities, products and services.

Approach and principles

The requirements of The CarbonNeutral Protocol are underpinned by the following principles:

1. **Transparency:** Disclose the data, methodologies and assumptions used in greenhouse gas calculations and reduction efforts within the bounds of commercial confidentiality.
2. **Accuracy:** Ensure that the data, methodologies and assumptions used for greenhouse gas calculations and reduction efforts are accurate and time-relevant and that the claims made in connection with such efforts are factual and credible.
3. **Conservative estimation:** Be conservative when making estimations to ensure that they do not understate GHG impacts nor overstate emission reductions.
4. **Continual improvement:** Strive to make continual improvements in greenhouse gas accounting and reductions.

The primary function of the principles above is to guide the implementation of The Protocol, particularly when the application of The Protocol to specific issues or situations is ambiguous.

Relationship to other standards and protocols

The Protocol incorporates best practices in the areas of measurement and monitoring of GHG emissions and the design and certification of offset projects. Concerning GHG measurement, the Protocol is aligned with the WBCSD/WRI's GHG Protocol for company GHG reporting and the principles of the PAS2050 for products and services.

The Protocol is also suitable as a platform for compliance with a number of other emerging and related national standards, such as UK Guidelines on Carbon Neutrality and Australia's National Carbon Offset Standard. Guidance is provided in the form of a cross compliance table for those who seek to comply with these standards (see Annex A).

Structure of The CarbonNeutral Protocol

To provide consistency across a wide range of possible situations, The Protocol provides for a number of different CarbonNeutral® certifications corresponding to different possible entities, products and services. These certifications are grouped into three classes (a complete list of certifications is provided in Annex B):

- **Entities:** defined by legal status and spatial boundaries, covering all types of organisations, including companies and public sector bodies, households, individuals and sub-divisions of these.
- **Products:** physical goods produced for sale. Products include standard consumer goods such as milk, paper or computers, or single use or custom built products such as buildings or urban developments. Products can be considered for carbon neutrality on either a cradle-to-customer or cradle-to-grave basis.
- **Services:** defined by the delivery of utility through a combination of mobile and stationary activities, including traditional transportation services (flights, car journeys, logistics etc), information provision such as hosting of data, or professional services, and one-off events that involve a combination of mobile and stationary activities.

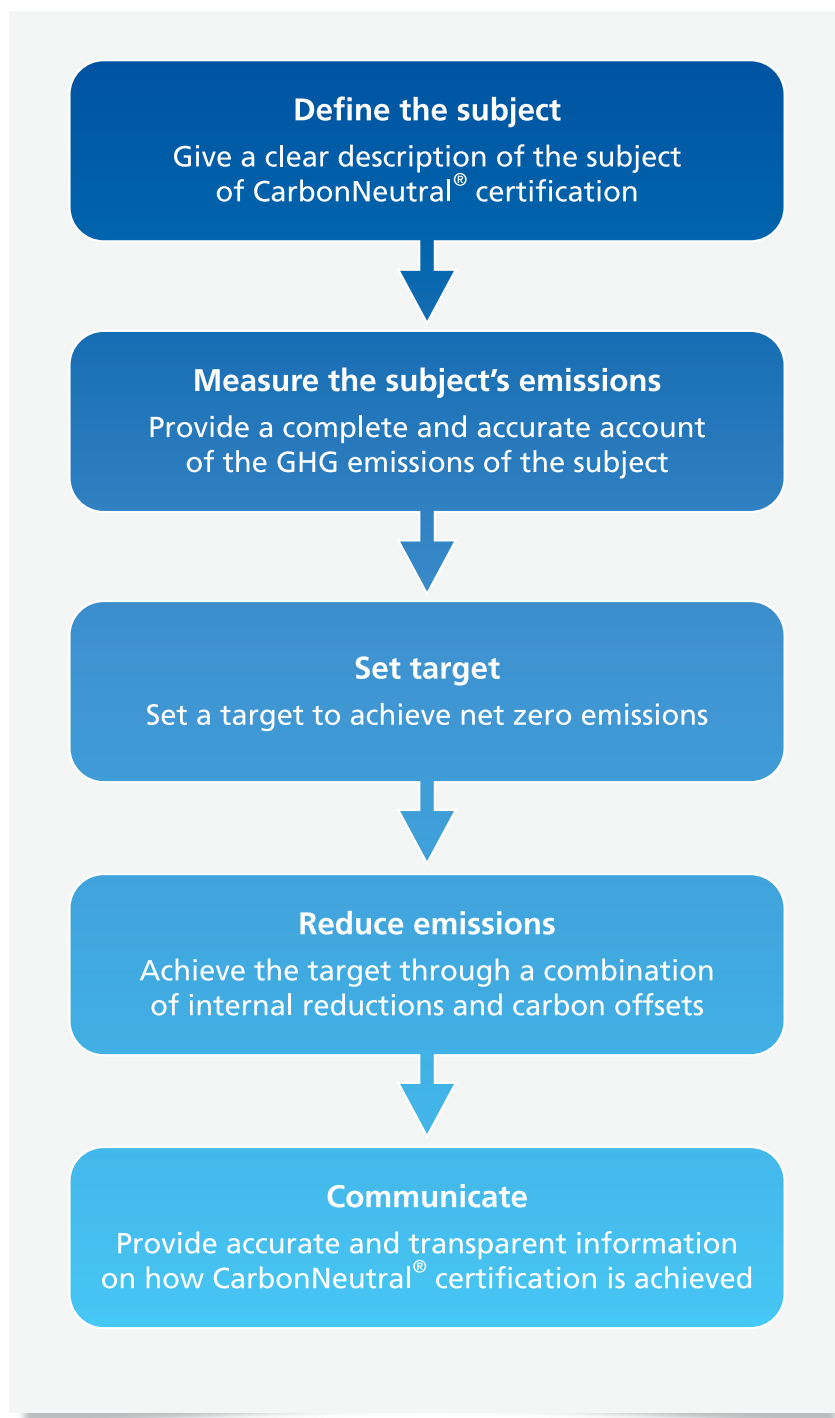
The remainder of this document sets out the requirements for achieving CarbonNeutral® certification in each of the classes mentioned above. These requirements are set forth in the body of this document as well as in the accompanying technical annexes.

The term “must” is used in this document to indicate a requirement of The Protocol. The term “should” is used to indicate a recommendation, but not a requirement.

The five steps to achieving CarbonNeutral® certification

As illustrated in Figure 1, there are five steps to achieving CarbonNeutral® certification. These five steps are mandatory for all classes of certification. While these steps are set out sequentially, they may be carried out in parallel but must be completed before the end of the certification period.

Figure 1. Five steps to achieving CarbonNeutral® certification



Step 1: Define the subject

The first step is to clearly define the subject that will be certified CarbonNeutral®. The subject is the entity, product or service being certified CarbonNeutral® and may be distinct from the client.

Requirements/Recommendations

The subject to which The CarbonNeutral Protocol is being applied must be clearly defined, by name and by description of the relevant legal and/or physical boundaries. The start date and duration of a CarbonNeutral® certification must also be defined. The CarbonNeutral® certification to be applied must also be defined and must be compatible with the subject. The definition of the subject and the certification must be recorded by the CarbonNeutral® certifier and the information retained for the purpose of auditing.

Step 2: Measure the subject's greenhouse gas emissions

The second step is to measure the subject's GHG emissions and provide a complete and accurate GHG inventory over a relevant timescale.

Requirements/Recommendations

The subject's GHG emissions must be assessed in accordance with the requirements set out for entities, products and services in Table 1.

Table 1. GHG emission quantification requirements for different classes of certifications

Step	Entities	Products	Services
1. Select Methodology	The GHG Protocol or ISO 14064-1 or similar consistent protocols must be used.	PAS 2050 or methods set out in steps 2-7 below must be applied unless the CarbonNeutral® certifier identifies valid reasons for using other methods.	PAS 2050 or methods set out in Steps 2-7 must be applied unless the CarbonNeutral® certifier identifies valid reasons for using other methods.
2. Define Boundary	The boundary must include all sites, plant and vehicles owned by or under the direct management control of the subject.	The boundary must be consistent with the definition of the subject. For cradle-to-customer subjects the boundary must extend to the point of customer delivery. For cradle-to-grave subjects the boundary must extend to end-of-life disposal.	The boundary must be consistent with the definition of the subject and must include the sites and / or vehicles involved in the delivery of the service.
3. Identify Emissions Sources	Assessments must include emissions sources as specified in Annex C - CarbonNeutral® certifications and their Specific Required Assessment Emissions Sources.		
4. Identify GHGs to be Measured	All six Kyoto Protocol greenhouse gases (carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons, perfluorocarbons and sulphur-hexafluoride) must be measured in the assessment, insofar as they apply to the subject. The assessment must be reported in units of CO ₂ e according to the 100 year global warming potential of each gas.		
5. Establish Time Period	Assessments must at a minimum be annual and relate to a 12 month period.	For standard consumer products, assessments must at a minimum be every two years, unless a significant change to the product supply chain has occurred in which case another assessment must be conducted. For one-off or custom produced products the timescale must relate to the production and delivery period.	For standard consumer services, assessments must at a minimum be annual. For one-off or custom services the timescale must relate to the production and delivery period.

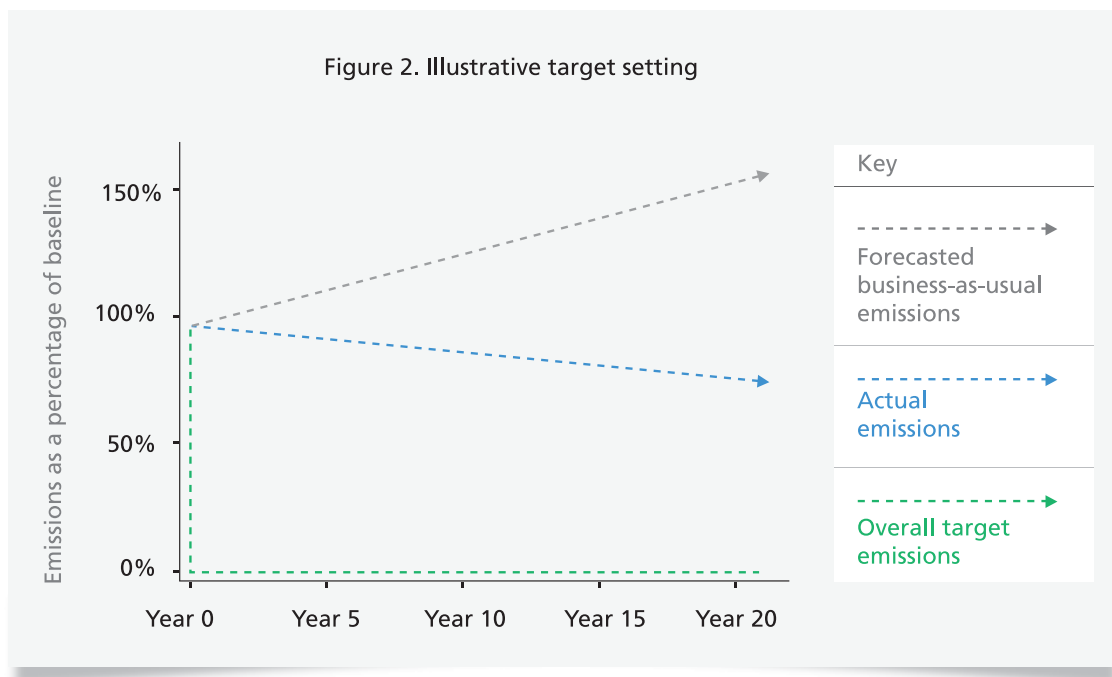
Step	Entities	Products	Services
6. Determine Data Validity	<p>Primary data must be used in preference to secondary data, where it is available, up to date and geographically relevant. Secondary data in the form of estimates, extrapolations, models and industry averages may be used where primary data is unavailable. When this is done, these assumptions must be recorded by the party carrying out the assessment and made available to the CarbonNeutral® certifier and client upon request. A qualitative and/or quantitative description of the uncertainty associated with the client-supplied data should be made. In cases where the quality of client supplied data is not known (e.g. in online calculators), the dependency of results on the quality of input data should be made clear.</p>		
7. Measure GHG Emissions	<p>The subject's GHG emissions must either be directly measured or quantified using national, regional, international, or other relevant emission factors, with preference given to emission factors most closely associated with the emissions source (e.g. DEFRA emission factors for UK-based assessments).</p> <p>Emission sources that are required to be assessed (see Annex C) but are estimated to represent less than 2% of the subject's total GHG emissions may be considered de minimus. Such a determination may only be made where: (i) primary data is not readily available for the emissions source; and (ii) activity associated with the emissions source is minimal and not core to the subject. De minimus emissions sources may be reported as zero in the GHG inventory and identified accordingly.</p> <p>Emissions associated with aviation, green power and recycled waste must follow the additional requirements set forth in Annex D.</p>		
8. Quality Assurance	<p>All GHG assessments must either be conducted or checked, and in the case of GHG tools and calculators, be approved, by an independent, qualified third party to ensure they have met the above requirements in this table. Input data (or activity data) used in assessments should also be checked by an independent, qualified third party for quality purposes.</p>		

Step 3: Set target

The third step is to commit to a target of net zero greenhouse gas emissions. The aim is to ensure clients get business value from a strong statement on carbon emissions and effective and efficient emission reduction are stimulated by the presence of a carbon neutral target.

Requirements/Recommendations

As illustrated by Figure 2, the client must commit to an overall target of net zero GHG emissions for the subject during the certification period.



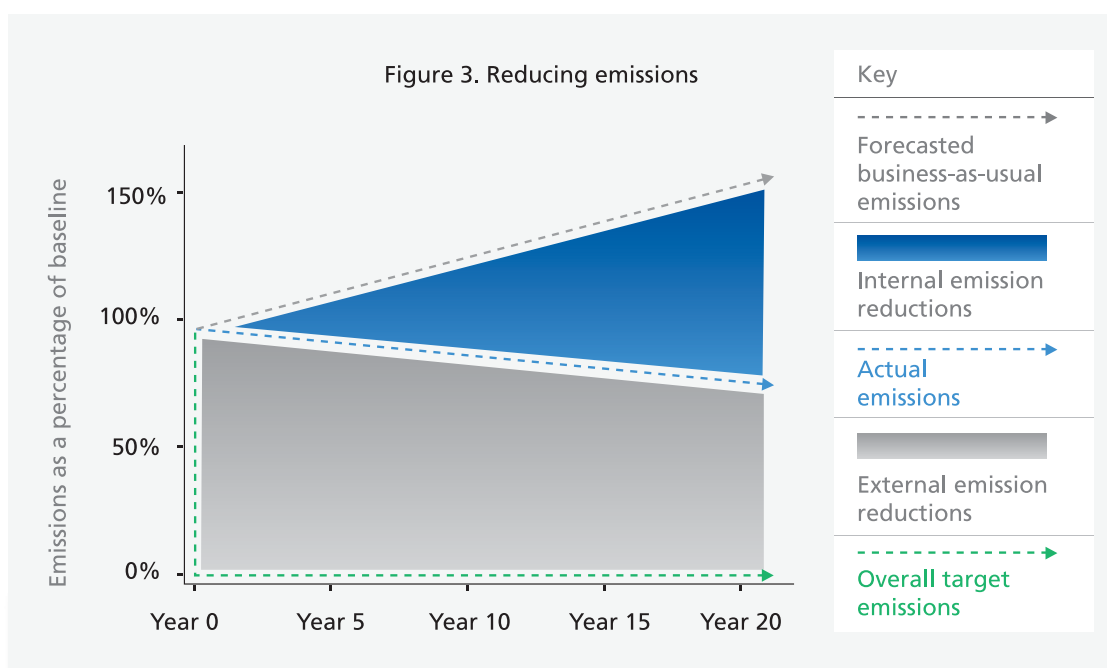
For all subjects, the client should set an internal reductions target to ensure the subject's gross or actual emissions decrease over time. The target may be expressed as an absolute GHG emissions reduction or as a decrease in GHG intensity. Absolute GHG reduction targets compare total GHG emissions in the target year to those in a base year (e.g. reduce CO₂e by 25 percent below 2005 levels by 2012). GHG intensity targets are expressed as a ratio of emissions relative to a business metric (e.g. reduce CO₂e by 25 percent per full-time employee by 2012). Absolute GHG reduction targets should be given preference over GHG intensity targets whenever possible.

Step 4: Reduce emissions

The fourth step is to take actions to reduce greenhouse gas emissions to net zero through a cost-effective combination of internal and external emission reductions.

Requirements/Recommendations

The subject's GHG emissions must be reduced to net zero. As illustrated by Figure 3, this may be achieved through a combination of internal and external emission reductions (also known as carbon offsets).



Requirements/Recommendations covering internal emission reductions

For all entity subjects, the client must, at a minimum, consider internal reduction measures and targets as a means of reducing the subject's gross or actual GHG emissions over time. The client must demonstrate its compliance with the above-mentioned requirement by completing the Internal Reductions Form (see Annex E) and returning it to the CarbonNeutral® certifier before the end of the certification period.

For all subjects, the client should develop a GHG reduction plan to deliver against its targets, taking into consideration the main sources of GHGs from the subject and the likely cost-effectiveness of alternative emission reduction actions. In the case of one-off subjects, such as events, this should entail consideration of emission minimising measures during the planning phase.

GHG reduction plans should be reviewed periodically to assess progress against planned actions and to assess the feasibility for further reductions, taking into account the availability of new technologies, enabling policies and incentives provided by government and the overall business context. Where applicable a director or senior manager should be given the responsibility to develop and implement the plan for reducing emissions.

Requirements/Recommendations covering external emission reductions

Any external emission reduction (carbon offset) used towards the achievement of CarbonNeutral® certification must meet the following criteria:

- **Real:** Emission reductions have occurred as a direct result of project activities and are legally attributable to the project owner.
- **Measurable:** Emission reductions are quantified relative to a transparent and robust baseline scenario using recognised, peer reviewed, published methods and project activity data.
- **Permanent:** Emission reductions are permanent. Where reductions are generated by projects that carry risk of reversal, adequate safeguards must be in place to ensure that the risk of reversal is minimised and that, if any reversal occurs, a mechanism is in place that guarantees the reductions will be replaced.
- **Additional:** The emission reduction activity would not have happened if not for the existence of the carbon market and the availability of carbon offsets.
- **Independently verified:** Emission reductions are verified by an independent third party to ensure the criteria above have been met.
- **Unique:** Emission reductions are held and retired on a registry to ensure that no more than one credit (carbon offset) can be associated with a single emission reduction.

External emission reductions certified under the standards set out in Annex F have been determined to meet the requirements above and, therefore, are qualified for use in offsetting a subject's GHG emissions. (Annex F will be updated from time to time to reflect developments in best practice and the performance of offset standards).

When external emission reductions are used towards the achievement of CarbonNeutral® certification in advance of their verification and issuance (this is commonly referred to as forward crediting), the client must be provided with a contractual guarantee of delivery or replacement.

External emission reductions must be retired within 12 months from the delivery or purchase of the external emission reductions, whichever is the latter event.

Step 5: Communicate

The fifth step is to provide accurate and transparent information on how CarbonNeutral® certification is achieved.

Requirements/Recommendations

Once certified CarbonNeutral®, clients should communicate their action through use of the CarbonNeutral® certification mark.

The use of the CarbonNeutral® certification must conform to The CarbonNeutral Company's Branding Guidelines, which are provided to clients upon completion of their CarbonNeutral® certification. All communications relating to a client's CarbonNeutral® certification must be factually based and should be clear and transparent so as to avoid confusion or misunderstanding (i.e., communications must be consistent with the specific CarbonNeutral® certification achieved).

All clients should publicly disclose GHG inventory metrics relating to their CarbonNeutral® certification, including but not limited to their total gross emissions, emission intensity metrics and emission reduction activities. Reporting options include a client's own communications and third party reporting initiatives such as the Carbon Disclosure Project (CDP) or the US Environmental Protection Agency (EPA) Climate Leaders Program.

Refer to Annex B for the full list of CarbonNeutral® certification marks, please note each certification mark can be translated to meet local language communication requirements.



Annex A – Cross - compliance tables

The following cross-compliance tables summarise the major differences between The CarbonNeutral Protocol and other related national standards and guidelines for carbon neutrality, in the form of additional requirements of The Protocol relative to the other standards, and the additional requirements of the other standards relative to The Protocol. The documentation on the respective standards should be referred to for detailed information about the way in which requirements must be fulfilled, documented and verified.

The requirements of the following standards and guidelines are considered from a cross-compliance perspective:

1. UK Department of Energy and Climate Change (DECC) Guidance on Carbon Neutrality
 - Published 30th September 2009
2. Australia's National Carbon Offset Standard
 - Published in 2009 and will come into effect on 1 July 2010
3. The Carbon Trust Standard
 - Version 1.2 published in September 2009 and will be in force for all assessments starting from January 2010
4. PAS 2060: Publicly Available Specification for the demonstration of carbon neutrality
 - Published 22nd April 2010
5. The Carbon Trust Carbon footprinting guide
 - Published June 2010

Cross-compliance with DECC Guidance on carbon neutrality

On 30 September 2009 the UK Department of Energy and Climate Change issued its voluntary guidance on carbon neutrality. The Guidance aims to set out a common framework for making claims of carbon neutrality. Through increased transparency, the UK Government hopes to increase the potential effectiveness of the term, ensure a level playing field and provide both the motivation and an indicator of action on greenhouse gas emissions. The guidance consists of a series of recommendations, and builds on existing standards.

Additional requirements of The Protocol relative to the DECC Guidance on carbon neutrality	Protocol Step	Additional requirements* of the DECC Guidance on carbon neutrality relative to The Protocol
<ul style="list-style-type: none"> Subject must be defined. 	Define the Subject	<ul style="list-style-type: none"> None.
<ul style="list-style-type: none"> Scope 3 emissions from specified sources must be included (see Annex C). 	Quantify the Subject's GHG Emissions	<ul style="list-style-type: none"> For entities it is recommended that the significance of Scope 3 emissions sources should be assessed and significant sources quantified. The criteria for determining significance are: scale, importance to business/activity, importance to stakeholders, potential for reductions. For products, PAS2050 or ISO 14040 should be followed.
<ul style="list-style-type: none"> None. 	Set Target	<ul style="list-style-type: none"> None.
<ul style="list-style-type: none"> Offsets limited to those listed in Annex F or those that meet the quality criteria on page 10. 	Reduce Emissions	<ul style="list-style-type: none"> May not reduce through the use of offsets only – internal reductions are required.
<ul style="list-style-type: none"> None. 	Communicate	<ul style="list-style-type: none"> Communication should include full details of offset project(s). Claims should follow UK Defra's Green Claims Code.

*The DECC guidance on carbon neutrality is voluntary and does not include certification procedures, therefore there are no requirements simply recommendations.

To read the DECC guidance in full visit: http://www.decc.gov.uk/en/content/cms/consultations/open/carbon_neutrality/carbon_neutrality.aspx

Cross-compliance with Australia's National Carbon Offset Standard

Australia's National Carbon Offset Standard enters into force on 1 July 2010 and provides guidance for those wishing to make carbon neutral claims. It builds upon existing standards and sets minimum requirements for the verification and retirement of voluntary carbon credits and provides guidance for calculating the carbon footprint of an organisation or product for the purpose of achieving carbon neutrality. Organisations meeting the requirements are eligible to use the National Carbon Offset Standard logo.

Additional requirements of The Protocol relative to the National Carbon Offset Standard	Protocol Step	Additional requirements of the National Carbon Offset Standard relative to The Protocol
<ul style="list-style-type: none"> Subject must be defined. 	Define the Subject	<ul style="list-style-type: none"> None.
<ul style="list-style-type: none"> Third party deliveries of company goods must be included for organisations For entities, assessments must be annual and relate to a 12-month period. 	Quantify the Subject's GHG Emissions	<ul style="list-style-type: none"> Under Scope 3, paper use must be included. The uncertainty of Scope 1 emissions estimates should be assessed. For products, the full life-cycle should be assessed, though elements may be left out as long as this is communicated and a justification provided.
<ul style="list-style-type: none"> None. 	Set Target	<ul style="list-style-type: none"> None.
<ul style="list-style-type: none"> Offsets limited to those listed in Annex F or those that meet the quality criteria on page 10. 	Reduce Emissions	<ul style="list-style-type: none"> May not use long-term or temporary CERs.
<ul style="list-style-type: none"> None. 	Communicate	<ul style="list-style-type: none"> Publicly available reports should detail progress against an Emissions Management Plan, the quantity and type of offsets purchased and the register where they were retired. Where Australian offsets are used, full information must be publicly available and credits tracked on a public registry. Proponent must complete an agreement to use the National Carbon Offset Standard logo.

To read the National Carbon Offset Standard in full visit: <http://www.climatechange.gov.au/government/initiatives/carbon-offset.aspx>

Cross-compliance with the Carbon Trust Standard

The UK Carbon Trust Standard aims to encourage and recognise good practice in carbon measurement, management and reduction by businesses and public sector organisations. The Standard sets out requirements for achieving certification against the Standard, including the requirement for on-going emissions reduction activities. The standard can only be applied to organisations (or a part of their operations). The certification allows the organisation to use the Carbon Trust Standard logo.

Additional requirements of The Protocol relative to the Carbon Trust Standard	Protocol Step	Additional requirements of the Carbon Trust Standard relative to The Protocol
<ul style="list-style-type: none"> Subject must be defined. 	Define the Subject	<ul style="list-style-type: none"> Only applicable to organisations.
<ul style="list-style-type: none"> Scope 3 emissions must be included for organisations. For entities, assessments must be annual and relate to a 12-month period. 	Quantify the Subject's GHG Emissions	<ul style="list-style-type: none"> Large organisations must analyse two to three years of historical data. Assessments must be completed within nine months of the end of the reporting period.
<ul style="list-style-type: none"> Must target carbon neutrality. 	Set Target	<ul style="list-style-type: none"> Must demonstrate achievement against quantitative and qualitative carbon management criteria.
<ul style="list-style-type: none"> None. 	Reduce Emissions	<ul style="list-style-type: none"> May not use carbon offsets towards emission reduction target. Must achieve absolute or relative internal reductions.
<ul style="list-style-type: none"> None. 	Communicate	<ul style="list-style-type: none"> Certification is valid for two years.

To read the Carbon Trust Standard Rules v1.2 in full visit: <http://carbontruststandard.com/LinkClick.aspx?fileticket=qjJpkrkJ9ms%3d&tabid=150&language=en-GB>

Cross-compliance with PAS 2060

This Publicly Available Specification 2060 for the demonstration of carbon neutrality is under development by BSI (British Standards Institution) to specify requirements to be met by any entity seeking to demonstrate carbon neutrality through the quantification, reduction and offsetting of greenhouse gas (GHG) emissions from a uniquely identified subject and is expected to come into effect during 2010.

Additional requirements of The Protocol relative to PAS 2060	Protocol Step	Additional requirements of PAS 2060 relative to The Protocol
<ul style="list-style-type: none"> None. 	Define the Subject	<ul style="list-style-type: none"> The client must describe purpose, objectives and functions of subject.
<ul style="list-style-type: none"> Scope 3 emissions must be included for organizations. 	Quantify the Subject's GHG Emissions	<ul style="list-style-type: none"> None.
<ul style="list-style-type: none"> None. 	Set Target	<ul style="list-style-type: none"> None.
<ul style="list-style-type: none"> Offsets limited to those listed in Annex F or those that meet the quality criteria on page 10. 	Reduce Emissions	<ul style="list-style-type: none"> Must implement an ongoing plan to reduce the subject's emissions on either an absolute or relative basis. Must monitor subject's emissions relative to a baseline. Offsets must be retired within 12 months of declaration of neutrality.
<ul style="list-style-type: none"> Self-validation not permitted. 	Communicate	<ul style="list-style-type: none"> Public declarations must conform to BS EN ISO/IEC 17050-1.

PAS 2060 may be considered for further development as a British Standard, or constitute part of the UK input to the development of a European or International Standard. To read PAS 2060 visit: <http://shop.bsigroup.com/en/ProductDetail/?pid=000000000030198309>

Cross-compliance relative to the Carbon Trust footprinting guide

The Carbon Trust Carbon footprinting guide is a management guide aimed to encourage carbon footprinting by businesses. The guide introduces two types of carbon footprinting that effect businesses, one that measures an organisation’s overall activities, and one that looks at the lifecycle of a particular product or service. The guide explains what is included in both types of footprint how you can measure and communicate them, and the benefits of doing so.

Additional requirements of the Protocol relative to the Carbon Trust footprinting guide	Protocol Step	Additional requirements of the Carbon Trust footprinting guide relative to the Protocol
<ul style="list-style-type: none"> Where the subject is an entity, the footprint must include emissions from business travel, transportation of inputs and products, and waste disposal. 	Define the Subject	<ul style="list-style-type: none"> Where the subject is a product, the footprint must include emissions from the use and disposal or recycling of the product.
<ul style="list-style-type: none"> All GHG assessments must be either conducted or checked by an independent, qualified third party. 	Quantify the Subject’s GHG Emissions	<ul style="list-style-type: none"> None.
<ul style="list-style-type: none"> Carbon Trust guidelines give no guidance on setting reduction targets. 	Set Target	<ul style="list-style-type: none"> Carbon Trust guidelines give no guidance on setting reduction targets.
<ul style="list-style-type: none"> Carbon Trust guidelines give no guidance on reducing emissions. 	Reduce Emissions	<ul style="list-style-type: none"> Carbon Trust guidelines give no guidance on reducing emissions.
<ul style="list-style-type: none"> Companies should communicate their emissions reductions activities. 	Communicate	<ul style="list-style-type: none"> Companies must communicate their “data quality”.

To read the Carbon Trust Carbon footprinting guide in full visit: <http://www.carbontrust.co.uk/publications/pages/home.aspx> (search on CTV043)

Annex B – List of CarbonNeutral® certifications

CarbonNeutral® entity certifications

- Company
- Organisation
- Couriers
- Department
- Office
- Manufacturer
- Venue
- Building
- Office space

CarbonNeutral® product certifications

- Product
- Paper
- CD
- Publication
- Packaging
- Development
- Fit out
- Electricity
- Usage

CarbonNeutral® service certifications

- Service
- Delivery
- Shipment
- Energy
- Travel
- Driving
- Fleet
- Flights
- Advertising
- Print production
- Hotel stay
- Hosting
- Event
- Exhibitor



Please note each certification mark can be translated to meet local language communication requirements.

Annex C – CarbonNeutral® certifications and their specific required assessment emission sources

The following tables specify which emission sources must be included, at a minimum, in a subject’s GHG assessment and CarbonNeutral® certification.

Table 1. Required GHG assessment emission sources for CarbonNeutral® entity certifications

Required Assessment Emission Sources		CarbonNeutral® entity certification								
		Company	Organisation	Couriers	Department	Office	Manufacturer	Venue	Building	Office space
Category	Source									
GHG Protocol Scope 1	Direct emissions from stationary sources such as fossil fuel use and fugitive emissions (e.g., refrigerant gasses)	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Direct emissions from mobile sources	✓	✓	✓	✓	✓	✓			
GHG Protocol Scope 2	Consumption of purchased electricity and/or steam	✓	✓	✓	✓	✓	✓	✓	✓	✓
GHG Protocol Scope 3 - Upstream	Business travel - by air, public transport, rented/leased/ employee-owned vehicles and taxi - and hotel accommodation	✓	✓	✓	✓	✓	✓			
	Third party transportation and storage of inputs into sold products *, when client takes ownership of input at supplier’s gate	✓	✓	✓	✓	✓	✓			
GHG Protocol Scope 3 - Downstream	Third party transportation and storage of sold products * to client’s first customer, when customer takes ownership upon receipt of sold product	✓	✓	✓	✓	✓	✓			
	Outbound courier deliveries	☐	☐	☐	☐	☐	☐			
	Waste disposal	✓	✓	✓	✓	✓	✓	✓	✓	✓
GHG Protocol Scope 3 - Other	Employee commuting	☐	☐	☐	☐	☐	☐			
Certification specific guidance (See Annex C Endnotes)										

Legend: ✓ = Required, ☐ = Recommended, = Not Relevant

Note: * This relates to product manufactures and is intended to capture significant emissions from the movement of direct produced products and their associated inputs. This is not intended to capture or include emissions from the day to day movement of non core business consumables such as stationary.

Table 2. Required GHG assessment emission sources for CarbonNeutral® product certifications

Required Assessment Emission Sources		CarbonNeutral® product certification								
		Product	Paper	CD	Publication	Packaging	Development	Fit out	Electricity	Usage
Category	Source									
Extraction and processing of raw materials and packaging	Cradle-to-grave embodied emissions of raw materials and inputs to production	✓	✓	✓	✓	✓	✓	✓		
	Inbound deliveries of raw materials and inputs to production	✓	✓	✓	✓	✓	✓	✓		
Manufacturing and storage of product and packaging	Emissions from on-site fossil fuel use and fugitive emissions	✓	✓	✓	✓	✓	✓	✓		
	On-site consumption of purchased electricity	✓	✓	✓	✓	✓	✓	✓	✓	
	Emissions from waste disposal	✓	✓	✓	✓	✓	✓	✓		
Distribution	Transportation of sold products to first customer	✓	✓	✓	✓	✓				
Onward distribution	Onward storage and transportation	☐	☐	☐	☐	☐				
Retail	Emissions from on-site fossil fuel use and fugitive emissions	☐	☐	☐	☐					
	On-site consumption of purchased electricity and/or steam	☐	☐	☐	☐					
Use	Use emissions	☐		☐						✓
Disposal	Emissions from disposal of sold products at end of life	☐	☐	☐	☐	☐				
Other	Construction worker travel to and from development site						✓	✓		
Certification specific guidance (See Annex C Endnotes)							✓	✓	✓	✓

Legend: ✓ = Required, ☐ = Recommended, ■ = Not Relevant

Table 3. Required GHG assessment emission sources for CarbonNeutral® service certifications

Required Assessment Emission Sources		CarbonNeutral® service certification													
		Service	Delivery	Shipment	Energy	Travel	Driving	Fleet	Flights	Advertising	Print production	Hotel stay	Hosting	Event	Exhibitor
Source															
All emissions from stationary sources used to deliver the service		✓	✓	✓	✓					✓	✓	✓	✓	✓	✓
All emissions from mobile sources used to deliver the service		✓	✓	✓		✓	✓	✓	✓			✓			
All emissions from the consumption of purchased electricity and/or steam used in the delivery of the service		✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓
Travel of individuals - by air, public transport, rented/ leased vehicle, taxi - involved in the delivery of the service		<input type="checkbox"/>								✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓	✓
Travel of individuals - by air, public transport, rented/ leased vehicle, taxi - participating in the service														<input type="checkbox"/>	<input type="checkbox"/>
Waste disposal		<input type="checkbox"/>									✓	✓	✓	✓	✓
Transportation of products associated with the service to the first customer											✓				
Certification specific guidance (See Annex C Endnotes)			✓	✓	✓					✓	✓		✓		

Legend: ✓ = Required, = Recommended, = Not Relevant

Note: Embodied emissions from products used or consumed in the provision of any of the service certifications are excluded from the boundary of the assessment.

Annex C Endnotes

CarbonNeutral® product certification specific guidance

CarbonNeutral® development

- Emissions from the ongoing use of the development post construction are excluded.

CarbonNeutral® electricity

- All indirect GHG emissions associated with 100% of the electricity used by the client in the manufacturing of the product.

CarbonNeutral® usage

- All direct and indirect GHG emissions from the end-consumer use, for a period equivalent but not limited to the expected average lifetime of the product.

CarbonNeutral® service certification specific guidance

CarbonNeutral® delivery / shipment

- Includes intermediate emissions from static operations e.g. warehousing and storage.

CarbonNeutral® energy

- If the company using the CarbonNeutral® certification uses or supplies other fuels in addition to electricity or gas, these emissions must be offset as well.

CarbonNeutral® advertising

- Boundaries shall include emissions associated with business travel, energy and waste from pre-production, production, and post-production of films/commercials.
- Emissions associated with screening / broadcast are excluded from the scope.

CarbonNeutral® print production

- Boundaries shall include emissions associated with the printing process and transport of printed material from printers to clients (specifically excluding emissions from the paper/other materials used).

CarbonNeutral® hosting

- Includes refrigerant gas loss at the data centre; office emissions of specific account management staff (if they are not physically located in the data centre); business travel of any staff specifically assigned to manage the account/equipment of the company that is being provided with the hosting service.

Annex D – Guidance on specific issues

This Annex provides additional guidance and requirements for specific issues related to CarbonNeutral® certification.

Treatment of renewable ('green') electricity

A number of countries have adopted policies requiring or encouraging electricity suppliers to offer renewable ('green') electricity to consumers. This may be done through tariff-based programs or through the sale of environmental commodities such as Renewable Energy Certificates (RECs). This section of Annex D details the extent to which the carbon reduction benefits of renewable tariffs and RECs can be counted towards CarbonNeutral® certification.

National guidelines on the treatment of renewable or green electricity must be followed where both of the following criteria are met:

1. The national guidelines specifically address carbon accounting for renewable/green electricity, and;
2. The guidelines are fully compatible with the principle of avoiding double-counting.

The principle of avoiding double-counting underpins all zero carbon electricity claims. Double-counting occurs when an end consumer reports their electricity use as zero carbon while the carbon benefit is also accounted for in the electricity supplier's overall supply mix. To qualify as zero emissions, the carbon benefit of the renewable electricity component must be counted only once - by being allocated to the end consumer and not to the supplier or the national grid mix. In practice, this means that the renewable electricity must be supplied from a decentralised or off-grid source, or the grid electricity supply must be specifically structured to allow disaggregated carbon accounting.

Where the criteria above cannot be met:

1. Zero emissions may only be awarded when double-counting is avoided - evidence must be available that shows the renewable electricity is not supplied to the national grid in the country concerned.
2. Emissions can be treated as offset where there is evidence of additionality - evidence must be available that shows that the GHG emissions from the renewable electricity are offset (i.e., through the retirement of a carbon credit or allowance).

Aviation emissions / Radiative Forcing Index (RFI)

There are currently differing views regarding the radiative forcing effects of emissions at high altitude from aviation (including water vapour, contrails, NO_x, etc). This section of Annex D details the way in which high altitude emissions are accounted for under The CarbonNeutral Protocol.

³ In accordance with this principle, electricity that attracts Renewable Energy Certificates (RECs) under the current US scheme could not be counted as zero carbon. The RECs in themselves do not count as offset credits under the terms of The CarbonNeutral Protocol.

Until scientific consensus has been established by the Intergovernmental Panel on Climate Change (IPCC) or other authoritative bodies, the factors used for calculating GHG emissions from aviation must be based on the direct carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) emissions only (RFI = 1), as recommended by UK DECC (2009) . The use of a RFI value greater than 1 is at the discretion of the client.

Treatment of recycled waste streams

Emission factors used for organizational- or entity-level GHG assessments are generally calculated using a methodology that quantifies only in-use emissions, rather than using a lifecycle methodology. Certain national GHG reporting guidelines (e.g., UK's Guidelines to DRFEA/DECC's Greenhouse Gas Conversion Factors for Company Reporting and the US WASTE Reduction Model), however, adopt a lifecycle methodology when calculating emission factors for recycled waste. This methodology provides for a substitution effect credit, whereby emissions are measured relative to what would have happened to the waste stream had it not been recycled. The result of this lifecycle approach leads to negative emission factors for certain recycled waste streams.

To ensure consistency and that best practices are being followed, all GHG emissions associated with recycled waste must be quantified using national, regional, international, or other relevant emission factors, with preference given to national emission factors when they are available, regardless of whether or not they use a lifecycle approach (e.g. DEFRA emission factors for UK-based assessments). If national emission factors are not available for recycled waste, the next most relevant source of factors must be used.

An alternative emission factors for recycled waste may be substituted for a national emission factors if it is more conservative and only at the discretion of the client.

Guidance on which Scope 3 emissions sources should be included in entity certifications

In line with emerging best practice for entity certifications, all applicable Scope 3 emissions sources should, as far as practicable, be included in the assessment of the subject's GHG emissions. However, in many cases it will not be practical to collect data for all Scope 3 sources (e.g. upstream emissions associated with purchased goods and services).

The Protocol requires the inclusion of certain Scope 3 emissions (waste disposal, business travel, etc) for certain certifications. The inclusion of any other Scope 3 emissions is at the discretion of the client. Clients may find it helpful to consider the following issues when determining which additional Scope 3 emissions sources to include:

1. The likely contribution those emissions make to the subject's overall footprint – where an emissions source is judged likely to be significant, it could be included
2. The availability of reliable data
3. The influence that the company has over reductions

⁴ In accordance with this principle, electricity that attracts Renewable Energy Certificates (RECs) under the current US scheme could not be counted as zero carbon. The RECs in themselves do not count as offset credits under the terms of The CarbonNeutral Protocol.

Annex E – Internal reductions form

The following form is to be used by organisations seeking entity-related CarbonNeutral® certification for the purposes of demonstrating their consideration of internal reduction measures and targets as a means of reducing their subject's GHG emissions over time.

Instructions: In accordance with your commitments under The CarbonNeutral Protocol, you are required to consider internal reduction measures and targets as a means of reducing GHG emissions over time. Please complete all questions in the General section and anywhere in the Level of Progress towards achieving GHG reductions by selecting (ticking) which measures your organisation has achieved, committed to, or considered. More than one Level of Progress measure may be selected.

General

Client name: _____

CarbonNeutral® certification: _____

Subject of certification: _____

Contact name: _____

Email: _____

Level of Progress

Achievement

- We have reduced our subject's absolute GHG footprint as a result of implementing internal reduction measures. We have achieved the following reduction _____ (i.e., 10% reduction as compared to our absolute 2010 emissions).

Measures taken (optional):

1. _____
2. _____
3. _____
4. _____

- We have reduced our subject's intensity-based GHG footprint as a result of implementing internal reduction measures. We have achieved the following reduction _____ (i.e., 10% reduction as compared to our 2010 intensity-based emissions).

Measures taken (optional):

1. _____
2. _____
3. _____
4. _____

- Other – please describe below.

Commitment

- We have made a public commitment to reduce our subject's absolute GHG footprint. We have adopted the following target: _____ (i.e., 10% reduction against 2010 emissions).

Our commitment has been made public in:

- Corporate website
- Corporate sustainability/environmental report
- Carbon Disclosure Project (CDP)
- EPA Climate Leaders
- Other _____

- We have made a public commitment to reduce our subject's intensity-based GHG footprint. We have adopted the following target: _____ (i.e., 10% reduction in emissions per employee).

Our commitment has been made public in:

- Corporate website
- Corporate sustainability/environmental report
- Carbon Disclosure Project (CDP)
- EPA Climate Leaders
- Other _____

- We have made an internal (i.e., nonpublic) commitment to reduce our subject's absolute GHG footprint.

- We have made an internal (i.e., nonpublic) commitment to reduce our subject's intensity-based GHG footprint.

- Other – please describe below.

Consideration

- We have evaluated the merits of adopting GHG targets and internal reduction measures (cost savings, leadership, etc) and are in the process of adopting them.

- To date we have not considered GHG targets and internal reduction measures but will upon receipt of a GHG reduction guidebook provided by my CarbonNeutral® certifier.

Annex F – Approved carbon offset standards

External emission reductions certified under the standards set forth below have been determined to be real, measurable, permanent, additional, independently verified and unique and therefore are qualified for use in offsetting a subject's GHG emissions. This list of standards will be updated from time to time to reflect developments in best practice and the performance of offset standards

Approved standard	Type of offset credits generated
The Voluntary Carbon Standard (VCS)	Voluntary Carbon Units (VCUs)
The Gold Standard	Gold Standard Voluntary Emission Reduction (VER) credits
VER+ Standard	VER+ credits
Climate Action Reserve	Climate Reserve Tonnes (CRTs)
The Kyoto Protocol's Clean Development Mechanism (CDM)	Certified Emission Reductions (CERs)
The Kyoto Protocol's Joint Implementation (JI)	Emission Reduction Units (ERUs)