Climate Neutral Company

*The term **climate neutrality** means living in a way that produces no net greenhouse gas (GHG) emissions. This should be achieved by reducing your own GHG emissions as much as possible, and using carbon offsets to neutralize the remaining emissions.*

(Kick the Habit, A UN guide to Climate Neutrality, UNEP, 2008)

SUMMARY

The label climate neutral company aims to help companies and organizations become climate conscious.

For an organisation to claim climate neutrality through South Pole Group's (SPG) climate neutral label, the following criteria should be met[1].

1. Quantify the organisation's greenhouse gas (GHG) emissions covering the gases mentioned in the Kyoto protocol e.g. carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

    a) Direct emissions

    b) Indirect emissions from purchased electricity, heating and cooling

    c) Indirect emissions from business travel

    d) Other indirect emissions material for the reporting organisation.

2. Identify and perform efforts to reduce GHG emissions.

3. Offset all emissions from all direct and material indirect emission sources.

4. Communicate the climate neutrality.

CRITERIA

1. Greenhouse Gas Inventory

The greenhouse gas inventory should cover direct and indirect emissions from the reporting company's activities. The accounting should follow the reporting standard

[1] The criteria are described further in the following pages.

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Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, published by World Resources Institute (Washington DC, USA) and World Business Council for Sustainable Development (Geneva, Switzerland).

The inventory should cover the following areas:

i. Direct emissions from sources owned and operated by the reporting company e.g. through stationary combustion and mobile combustion (Scope 1)
ii. Indirect emissions from purchased electricity, heating and cooling (Scope 2)
iii. Indirect emissions from business travel (Scope 3)
iv. Other material indirect emissions e.g. commuter travels, goods transports, waste disposal and other supplier emissions (Scope 3)

1.1 Boundary Setting

The accounting must follow the above boundary setting for the scope. Furthermore, the boundary setting should follow the approaches and guidance of the GHG Protocol. Boundaries should be clearly defined and the selected approach should be explained with reasons for its selection. If the reporting company chooses to exclude certain sources of emission, this must be explained.

1.2 Reporting Period

The GHG inventory is calculated for a specified reporting period. Usually, the footprint covers the previous calendar years' operations. The reporting period can be adapted if necessary, but it should generally follow the GHG Protocol guidance.

1.3 Quality

Direct emissions and indirect emissions from electricity, heating and cooling (Scope 1 and 2) should be as exact as possible. The calculation of other material emissions (Scope 3) can be reasonably estimated. In accordance with the GHG Protocol guidance, the estimate should be conservative. The reporting entity should use data for quantification that reflect the uncertainties and that does not underestimate the GHG emissions or overestimate the emission reductions.

Since the GHG inventory relates to a specified time period, it is calculated ex-post and based on actual historical data. If actual consumption data is not available, estimation approaches in accordance with the GHG Protocol can be applied.

All calculation and estimation methods, assumptions and approximations should be accounted for. If possible, the quality of the accounting should improve per reporting period.

The accounting should follow the GHG Protocol's principles of:

- Relevance
- Completeness
- Consistency
- Transparency
- Accuracy

The status climate neutral is maintained throughout a specified period with regard to the reporting period. The status cannot be transferred to additional entities and time periods that are not included in the initial boundary setting.

1.4 Client Responsibility

The client is responsible for ensuring that all material emissions are included in the accounting[2].

1.5 Reporting and Audit

The participating company is responsible for presenting its GHG inventory in a report.

The report should include:

i. All direct and indirect emissions included in the accounting presented by scope
ii. Explanations concerning boundary settings and emission factors
iii. Suggestions of measures to reduce the climate impact

[2] If requested, SPG can assist the client with the GHG inventory development. SPG can provide GHG calculation tools, emission factors and advice concerning boundary settings.

If the reporting organisation has conducted their GHG footprint independently or through a third party, SPG will audit the accounting to certify that it complies with the criteria. The audit will include a review of documentation (e.g. receipts, bills, email confirmations

from providers, property managers etc.) that contains information about actual usage data.

2. Reducing Emissions

Measures should be identified and implemented to reduce the company's significant sources of GHG emissions e.g. energy and/or travel[3].

3. Offsetting

Participants should offset direct emissions and indirect emissions from purchased electricity, heating and cooling, and business travel as well as other material indirect emissions. This should be done by purchasing credits from third party verified emission reduction projects that are in accordance with high quality standards, such as the Gold Standard, Verified Carbon Standard and/or the Climate Community & Biodiversity Standard. The offsetting credits must be retired no later than 12 months after the end of the entity's reporting period.

4. Communication

A company reaches the status of climate neutrality for the time period that follows the reporting period, e.g. the reporting period 2015/01/01-2015/12/31 would provide the reporting entity with the status of climate neutrality for the period 2016/01/01-2016/12/31.

The company's status as climate neutral can be used in external communication efforts. Participants are awarded the climate neutral company logo and a certificate displaying the entity's status as climate neutral issued by SPG.

The participating entity is responsible for ensuring that the use of the logo complies with SPG's criteria. To use the logo, a summary of the GHG footprint, including a description of the boundary setting and information concerning the emissions offset and the offsetting project, should be made publically available to relevant stakeholders.

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[3] SPG can provide a list of suggested measures. In its audit, SPG will review the list of identified measures and the implementation efforts.

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