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Corporation

How to get to Net Zero

A simple guide for SMEs by UK B Corps



NET ZERO | **2030**

A Guide for B Corps by UK B Corps

This guide was developed by the B Corp community after the UK Climate Collective launch in January 2020.

The Net Zero Working Group heard that lots of the smaller B Corps had signed up to getting to net zero by 2030, but were finding it overwhelming knowing where to start.

This guide has been designed to help you and your organisation to navigate that complexity in (hopefully) a simple way. It has been put together by B Corps with SMEs in mind but many of the principles also apply to larger businesses.



So you've made the commitment to take strong climate action and to get to net zero but are unsure about where to start?

Perhaps you are baffled by the complexity and the jargon that surrounds the whole area of climate change?

You are not alone.

This guide sets out some simple steps to help your organisation take positive action to address climate change and our recommendations have been compiled from B Corps who have been through the process.

This guide covers three areas to help your company take positive action to address climate change, including how to **measure** your organisation's carbon footprint and set appropriate targets; how to take action within your organisation and value chain to **reduce** emissions; and how to **offset** to tackle any residual emissions.

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Measure

In order to measure your emissions; you need to get your team together, work out what to measure, and set your reduction targets.

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Assemble your team

How do I build a team?

Building a Net Zero team can be very simple; some key points to consider include:

- Internal business clarity – Measuring your emissions will require a lot of work from a number of different areas within your business. It's therefore, really important to be clear with the whole business about the plan you are about to embark on as they will need to feed into the process.
- Identify a sponsor – For larger businesses, it is really helpful to have a clearly identified internal sponsor or champion. In general, the more senior the better in order to drive through the actions which will follow.
- Appoint a cross functional team – Measuring your emissions will certainly weigh heavier on the time for your operations, product and financial teams but having other areas of your business as part of the process will aid you in ensuring that the whole business is bought in to the journey and can allocate the right amount of time to achieve its goals.
- Think about if you need help from external experts – Depending on the size and scope of your organisation you may want to get some help in. There are a number of consultancies that can help you to measure your emissions and support on your journey to net zero. There are more details on how to find help on the [I need more help!](#) page.

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Measure your emissions

What to measure - scope 1, 2 and 3

- Scope 1 covers direct emissions from owned or controlled sources. This includes emissions from things such as gas boilers and any company cars, vans or lorries;
- Scope 2 covers indirect emissions from the generation of any electricity, heat or steam that you buy; and
- Scope 3 includes all other indirect emissions that occur in a company's value chain.

Net Zero means taking accountability across all three scopes. This is simpler for Scope 1 and 2, so it is tempting to focus only on these: however, for many companies, the majority of their greenhouse gas (GHG) emissions lie within Scope 3. As such, it is vital that you set targets that are comprehensive and tackle Scope 3 as well.

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How to measure

To measure your organisation's carbon footprint, utilise existing online tools or if you are a larger and more complex set up, partner with a consultancy - you can find B Corp certified consultancies on [We Are B Corps](#).

Online tools

There are a wide range of online tools available. See the spreadsheet [here](#) for some examples. If you find any other good ones please share on the *How to get to Net Zero (UK)* group on the B Hive.

What to ask for when working with a consultancy

- Can they deliver a baseline assessment covering scope 1, 2 and 3 GHG emissions?
- Will they provide a full lifecycle carbon footprint analysis of any product range (not relevant for service based businesses), sometimes referred to as 'cradle to grave', to indicate upstream and downstream impacts?
- Can they help in target setting, identification of reduction opportunities and building a plan of action to reach net zero by 2030?

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Set science based targets

Achieving net zero by 2030 is not an easy task. Set achievable science based targets that clearly outline the number of steps to climb before you can achieve net zero. Once you have measured your emissions, you can go about targeting the carbon hotspots in your supply/value chain in order to bring those emissions down.

How do I set my targets?

- We would strongly recommend the [Science Based Target initiative \(SBTi\)](#) as a starting point. They have a streamlined target validation route exclusive to SMEs. This enables you to immediately set a science-based targets for scope 1 and 2 emissions by choosing from one of several predefined target options. And for the purpose of target validation by SBTi, an SME is defined as a non-subsiary, independent company with fewer than 500 employees.
- We also recommend you link your targets to your company's annual strategic objectives so that your team's performance is also measured against achieving those goals.

Smaller / service orientated B Corps

- 1) Build your team;
- 2) Measure your emissions: use an online calculator or work with an organisation who specialises in small business footprinting; and
- 3) Use the SBTi streamlined process for setting targets for small businesses.

Larger / product orientated B Corps

- 1) Build your team;
- 2) Measure your emissions focused on your product value chains; this should cover upstream and downstream impacts; and
- 3) Set your company's science based targets (in partnership with a selected consultancy if chosen).



Reduce

Take action to reduce the amount of carbon in your business and value chain.

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Get your house in order

How do we reduce your emissions?

Once you have measured your carbon footprint and set your targets, it is time to focus on reducing your emissions. There are two guiding principles - get your own house in order and focus on your big impact areas.

Getting your own house in order in climate speak, means to sort out your scope 1 and 2 emissions, which we defined earlier on. Some simple ways to get your own house in order include:

- Reduce your energy consumption, this will save energy and money;
- Make the switch to renewable energy or explore options to install your own;
- Try and reduce the amount you need to use company vehicles and encourage the use of public transport, bicycles and walking instead. Where you need to use vehicles try and go fully electric or select vehicles for their low emissions; and
- If you burn fossil fuels onsite invest in more efficient boilers, furnaces or processing equipment. Alternatively if you can replace fossil fuels with renewable energy or biofuels this could also help to reduce emissions.

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Focus on your big impact areas

What should my company focus on?

Chances are for most companies that the majority of your emissions are scope 3 emissions. This category covers everything from purchase goods and services, capital goods, transportation and distribution, waste disposal, business travel & employee commuting, the use of sold products, investments and leased assets. For product business, scope 3 will generally be 75+% of your emissions.

Once you have completed your carbon footprint, choose a few hotspot areas that are the main cause of your emissions and make these areas a priority. What these hotspot areas are will differ by company, however there are a number of solutions that are applicable to many companies. The best place to find solutions to your main impact areas is to take a look at the [Project Drawdown website](#).

Once you have identified possible solutions (for example moving your products by train instead of by road) you will need to engage stakeholders in your value chain to implement them.

Smaller / service orientated B Corps

- 1) Get your own house in order - Consider switching to a renewable energy supplier and encourage alternative ways for employees to travel; and
- 2) Focus on your big impact areas i.e business travel. Reflect on how you can reduce your impact to a minimum and offset any residual emissions.

Larger / product orientated B Corps

- 1) Get your own house in order - look at your energy supply and manufacturing and work with a partner to develop long term strategy reductions; and
- 2) Pick 3 or 4 areas that are your biggest emission areas; and work with your internal and external stakeholders to tackle emissions. This is where you will make the biggest difference.



Offset

Support good quality carbon offset projects to compensate for your residual emissions.

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What is offsetting?

Put simply, offsetting means compensating for your carbon emissions by funding an equal reduction in emissions or drawing down carbon already in the atmosphere from somewhere else. This can be done by purchasing carbon credits, each of which represents 1 tonne of emissions reductions.

Imagine a seesaw. On one side are the carbon emissions that you emit. You can reduce these, but it's likely that, at least in the short term there will be still some emissions weighing down the seesaw. You can balance the seesaw by compensating for your residual emissions through carbon offsetting.

This involves supporting projects which cut emissions either locally or around the world, and that have had their emissions reductions accurately measured and audited. When you purchase a carbon credit, you provide a key source of funding to enable these projects to develop further and to generate more impact at scale.

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What kind of offset projects are there?

There are 3 main buckets of offset projects that you can support:

Land Use

These projects tackle climate change by keeping forests standing, planting new forests, or by sequestering carbon in natural carbon sinks such as mangroves or peat bogs. As well as delivering emissions reductions at scale, these projects work with local communities to improve livelihoods, and preserve biodiversity.

Household Projects

Focused on reducing emissions by supporting households, generally in the developing world, to generate or use energy more efficiently. They typically involve enabling new technology, such as household biodigesters, clean cookstoves, or household solar panels. These projects create numerous positive development outcomes, including increasing household income, and/or reducing gender imbalances.

Renewable Energy Projects

The transition to clean energy is vital to reducing global emissions. Wind and solar projects reduce emissions by displacing fossil fueled electricity generation. They provide cost efficient Emissions Reductions at scale.

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Why do we need to offset?

Some emissions will be difficult to reduce in the short to mid term. Offsetting is a tool with a very clear purpose. It is there to close three 'gaps' between what climate science demands and the current state of the world.

The Time Gap

Action taken now is more valuable than promised action in the future, voluntary offsetting can help to close this gap.

The Ambition Gap

Many countries have made pledges under the Paris Agreement on climate change. However, if these agreements are added up we are still on track for about 3.5 degrees of warming. We need to stay below 1.5 degrees of warming to avoid the worst impacts of global warming. Although governments need to do more, voluntary offsetting allows us to increase this ambition.

The Finance Gap

There is a gap between the amount of funds pledged and the amount actually needed in order to limit warming to below 1.5 degrees. Voluntary offsetting can play a role in meeting this shortfall.

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When to offset

As a SME your time and resources are finite and so when you decide to offset is very much a personal organisational decision. However, measurement, reduction and offsetting can be approached simultaneously rather than in sequence. We are up against a tight timeframe to avoid the worst impacts of climate change and we need to chuck the kitchen sink at this problem.

Once you know your footprint, you should tackle all of the easier reduction opportunities. If you have the resources, you should also look to offset your emissions as soon as you can whilst you implement longer term and more comprehensive reduction measures.

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How to offset

Once you know what your footprint is and have set reduction targets in order to offset you should start working with an accredited provider to develop a robust strategy to offset your residual emissions. B Corp certified offset providers can be found on [We Are B Corps](#) if you search *Climate Consultancy & Offsetting* in the services dropdown menu.

- In order to be certified to receive verified carbon credits, a project must demonstrate outcomes against key criteria within approved methodologies. Ensure your projects are accredited to the leading market standards (such as the Gold Standard, Verra or the Woodland Carbon Code). You can find more on this International Carbon Reduction & Offset Alliance (ICROA) Code of Best Practice [here](#).
- When you offset it is strongly recommended that you invest in project that have strong co-benefits such as contributing to achieving other social and environmental goals.



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Action Time

**Smaller /
service
orientated
B Corps**

**Larger /
product
orientated
B Corps**

- 1) You know your footprint and have started making reductions. You now need to decide when you will offset your residual emissions and get to net zero. You definitely need to do this before 2030 but the sooner the better.
- 2) Work with a recognised offsetting partner who can help you with your offsetting strategy and help you buy verified carbon credits.



Additional support

If at any point in your journey to net zero you feel lost or want more help, the B Corp community is here to help.

I need more help!

1

Visit [We Are B Corps](#) and search for *Climate Consultancy & Offsetting B Corps* in the service dropdown filter. These B Corps are the experts and really know their stuff! Once you have reviewed your options, visit their website or contact them via the B Hive directory.

2

Visit the [B Hive](#) groups tab, where you can join the conversation in *How to get to Net Zero (UK)* group. Here you can post questions, search shared documents or ask for recommendations.

3

If you keen on more detail about the basis for setting net zero targets we'd recommend taking a look at the [Foundations for Science-Based Net-Zero Target Setting in the Corporate Sector](#). Just a warning - it is very technical and not the place to start your net zero journey!

Climate change jargon

Carbon Neutral

Achieving a state in which the activities within the value chain of an organisation result in no net impact on the climate from greenhouse gas emissions. This is done by measuring your footprint and then purchasing certified carbon credits to compensate for your emissions. The main difference between carbon neutral and net zero (as far as we can tell!) is net zero also requires a reduction target aligned to 1.5°C.

Carbon Offsetting

The practice of compensating for greenhouse gas emissions by retiring carbon credits. Each carbon credit represents the reduction or removal of a tonne of greenhouse gases.

Net Zero

Achieving a state in which the activities within the value chain of an organisation result in no net impact on the climate from greenhouse gas emissions. This is achieved by setting and pursuing an ambitious 1.5°C aligned science-based target and then compensating for any remaining hard to decarbonise emissions by using certified carbon credits.



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For questions regarding this document, please contact community@bcorporation.uk