

2018

THE CARBON COMMITMENT REPORT



CarbonCredentials

Welcome to our Carbon Commitment Report 2018.

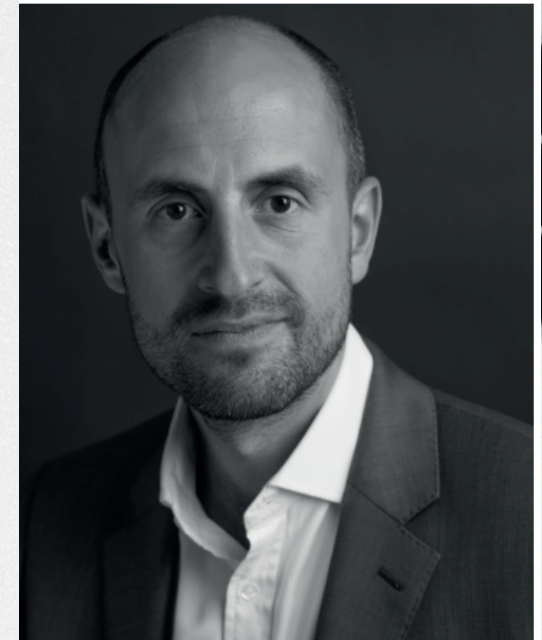
As global average temperatures rise, unpredictable weather patterns threaten to become the norm if we do not heed the stark warnings from the IPCC. For this reason we've set out to understand the current levels of commitment on climate action.

Whilst I've seen first-hand many organisations committing to take action on climate change and taking steps to reduce their energy usage and carbon emissions, we believe that there is more work to be done. As climate action continues to gain momentum businesses can play a key role in helping transition to a low-carbon economy.

The Intergovernmental Panel on Climate Change (IPCC) published its Special Report on 1.5°C in October 2018, providing the most compelling case yet that the time left to avoid the worst effects of climate change is running out fast. Changes need to come from everyone and businesses are in a powerful position to make a real impact, yet not all businesses are delivering on their sustainability targets.

Just 10% of the companies we surveyed have implemented a carbon reduction target, and very few have committed to setting science-based targets, which reflect the action needed at a corporate level to keep global warming within 2°C. Our report investigates the level of engagement from employees, at senior and junior level, with their company's sustainability goals and gives insight into the reasons behind the carbon commitment gap.

I hope this report will invigorate those who work in the sector to refocus and continue making impactful change.



Paul Lewis
Chief Executive Officer

WHO DID WE SURVEY?

PARTICIPANTS



1000 senior leaders with responsibility for sustainability or energy were asked about their organisations commitments to carbon and energy reduction



1000 employees across a variety of business roles were asked about their perspective on their company's sustainability performance

Survey research was carried out September 2018



UK companies
with 250+
employees

SECTORS



Hotel and Leisure



Higher Education



Finance



Retail

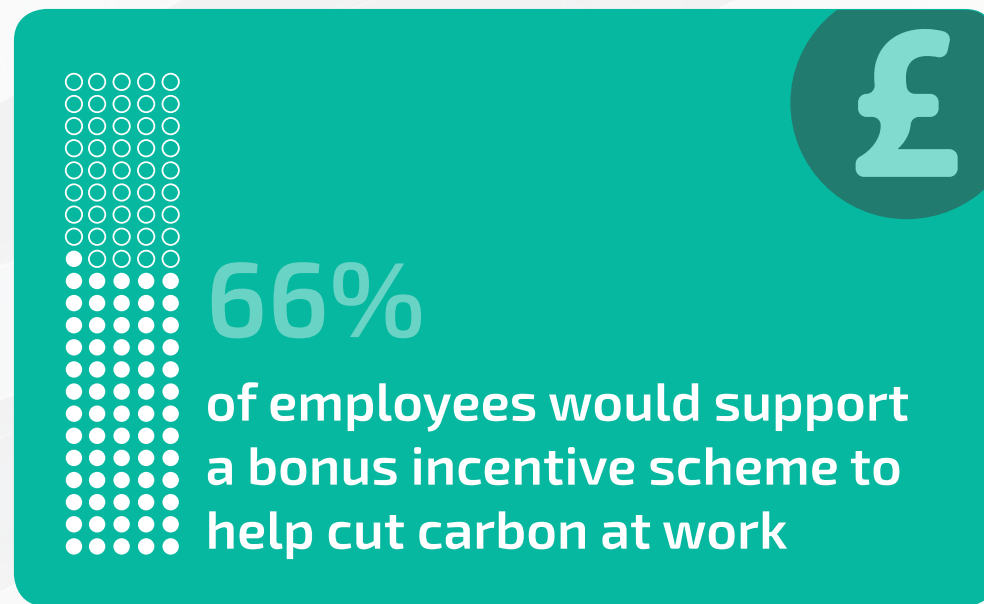
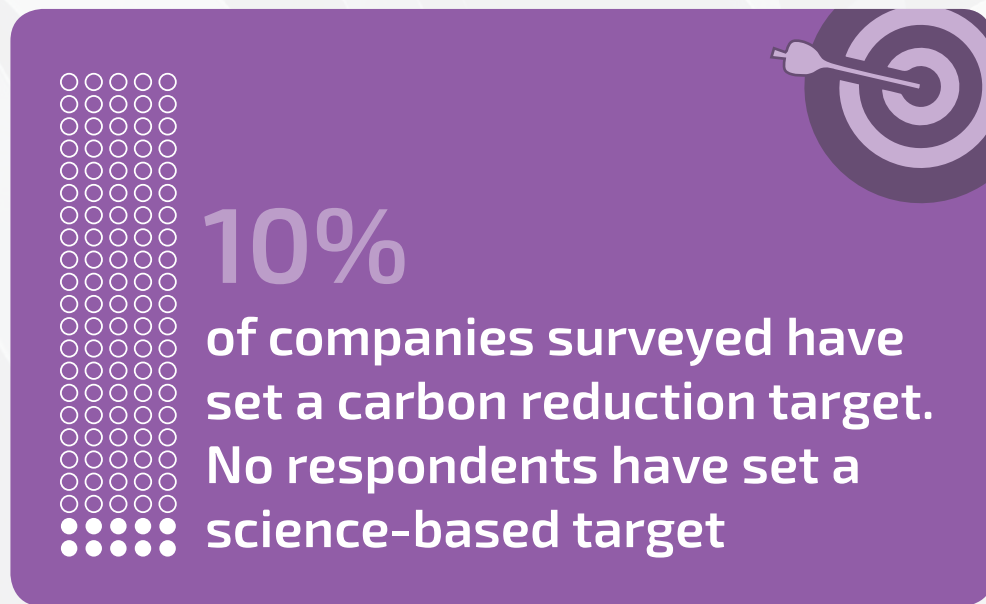


Real Estate



Transport

KEY FINDINGS



THE COMMITMENT GAP

ENERGY AND CARBON TARGET SETTING

Our survey shows that there is a gap between the action businesses are taking on climate change and what is required to meet global carbon reduction targets.

Our experience tells us that taking a strategic approach is the most effective way to deliver positive impact. However, the results of our research suggest that most UK organisations are not addressing energy and carbon issues at a strategic level.

Only 10% of respondents state that their company has a carbon reduction target. Of those organisations that have set a target, none have set a science-based target.

While 70% feel their business is already doing enough, their responses suggest they are not implementing the changes required to materially contribute to tackling climate change.



ONLY 10%
OF RESPONDENTS STATE
THAT THEIR COMPANY
CURRENTLY HAS A CARBON
REDUCTION TARGET.

TO HEADS OF SUSTAINABILITY:
“IS YOUR COMPANY DOING ENOUGH TO CUT ITS CARBON EMISSIONS?”



THE COMMITMENT GAP

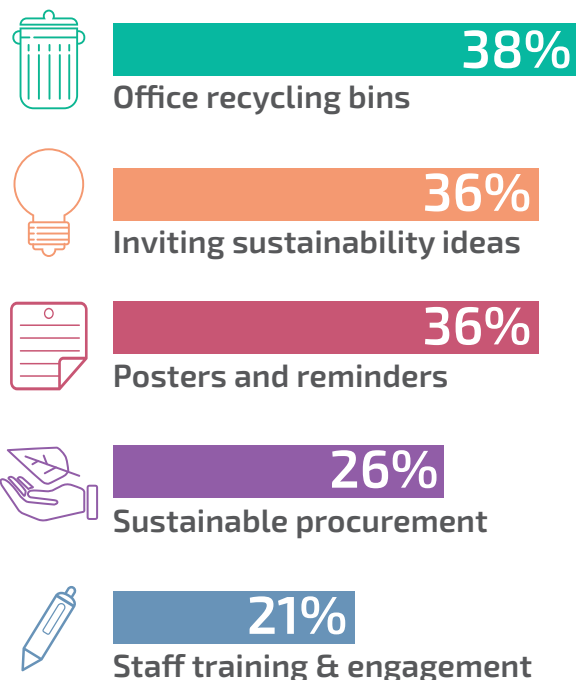
CONT.

Even though over three quarters of respondents say they have taken significant steps to reduce carbon emissions in the past 12 months, a very low proportion of organisations are taking the strategic and long-term actions required. Actions such as investing in energy efficiency, sourcing renewable energy and incentivising staff do not appear in the top 5.

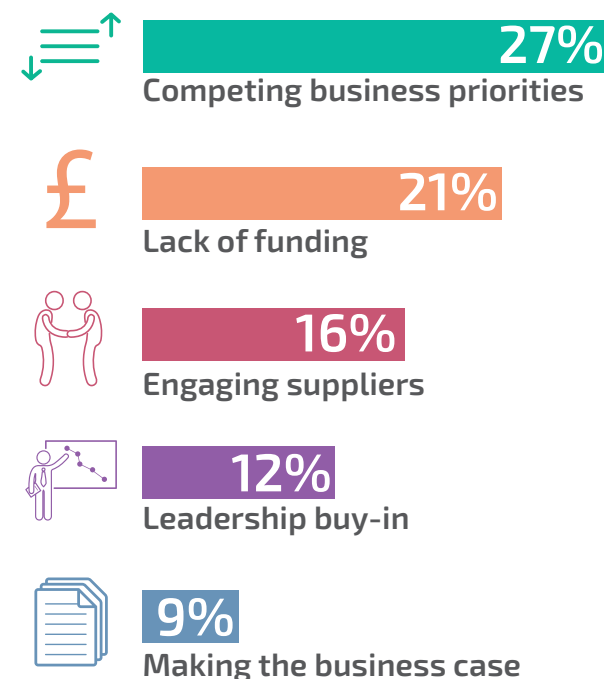
The most commonly reported activities are relatively basic, including putting up posters, implementing office waste recycling schemes and inviting employees to put forward ideas. Whilst these activities may form part of a successful sustainability strategy, their benefit is likely to be limited when carried out in isolation.

When asked what the top challenges their organisations face in delivering their sustainability programmes, the most common responses senior leaders provide are competing business priorities and a lack of funding.

TOP 5 ACTIONS COMPANIES HAVE TAKEN TO REDUCE CARBON EMISSIONS IN THE LAST 12 MONTHS



WHAT IS YOUR BIGGEST CHALLENGE WHEN DELIVERING A SUSTAINABILITY PROGRAMME?



UNTAPPED POTENTIAL?

THE POWER OF EMPLOYEE ENGAGEMENT

The engagement of employees into energy and carbon saving is an effective way to motivate staff and successfully achieve environmental goals. By taking a strategic approach to engagement, companies can establish a shared ownership of carbon and energy targets and ensure that leaders are held to account.

Less than 10% of senior leaders report progressive steps that their business are taking on energy and carbon. Employee engagement is a core theme for those who have implemented ambitious programmes. Their top responses are linking staff bonuses to performance against targets, rewarding staff for sustainable behaviours, and incentivising the delivery of targets at an individual level.

**UNDER 10%
OF SUSTAINABILITY AND
ENERGY LEADERS SAY THEIR
ORGANISATIONS ARE TAKING
PROGRESSIVE ACTION TO
SAVE ENERGY AND CARBON**



Setting individual staff targets

**"WHAT ARE THE
MOST PROGRESSIVE
THINGS YOUR
ORGANISATION IS
DOING TO CUT OUT
CARBON?"**

TOP THREE RESPONSES



**Rewarding sustainable
behaviours, such as cycling or
energy reduction**



**Linking employee
bonuses to carbon targets**

UNTAPPED POTENTIAL? CONT.

It's clear that the actions sustainability and energy leaders are taking are not being adequately communicated. Only a quarter of junior level employees are aware of what their organisation's carbon reduction target is, or whether one has been set.

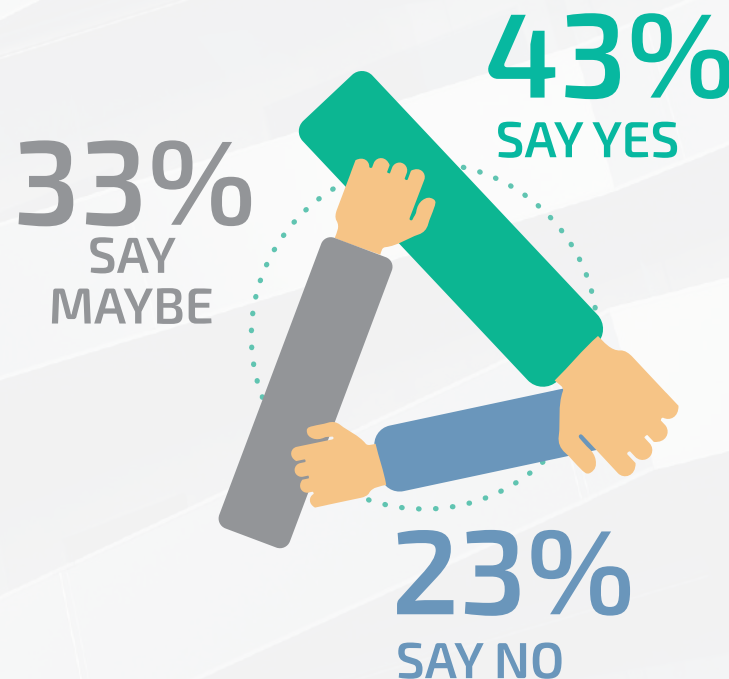
This lack of understanding is leading to employee apathy, with over half of respondents stating that they don't trust UK businesses to deliver on their sustainability claims. 60% of junior level employees do not feel enough is currently being done to engage them in cutting carbon.

With over 70% of junior level employees having recently taken action to support energy reduction in their workplace, there is a clear demand to more closely involve employees in delivering on sustainability targets.

TO EMPLOYEES:
"DO YOU KNOW
WHAT YOUR
COMPANY'S
CARBON
TARGET IS?"



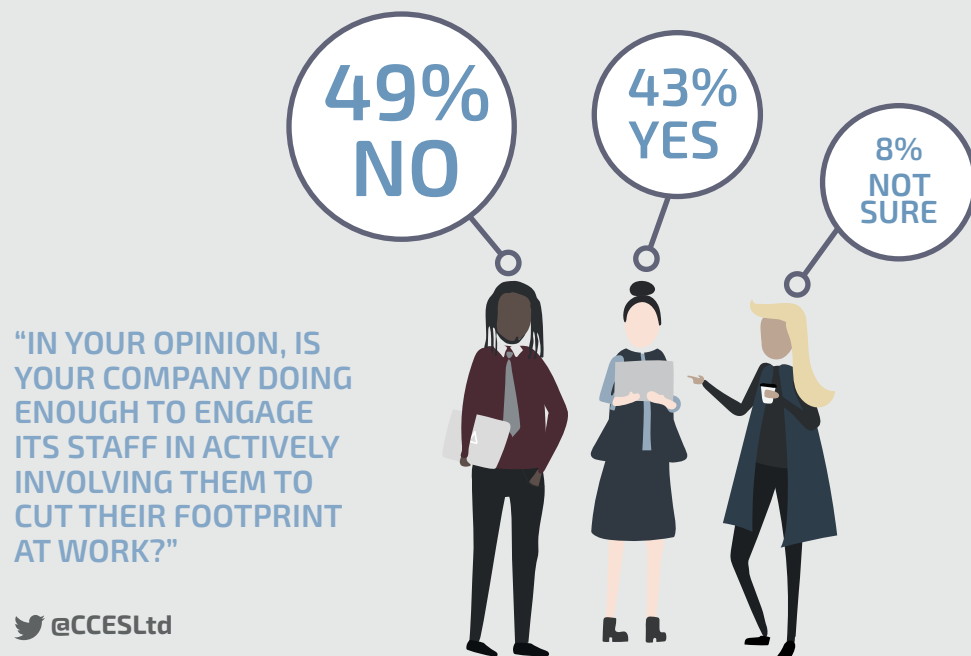
TO MANAGERS: "DO
YOU TRUST THAT
UK ORGANISATIONS
ARE DELIVERING ON
THEIR SUSTAINABILITY
CLAIMS?"



TACKLING CHALLENGES AND IMPLEMENTING EFFECTIVE SOLUTIONS

Our research has shown that there is a 'carbon commitment gap'. Businesses are not taking the strategic and high-impact actions required to set and achieve long-term targets. Very few organisations are successfully engaging their workforce on the sustainability commitments that they do make. This is despite a strong indication that employees are highly engaged on a personal level.

Incorporating employee engagement into their plans has the potential to overcome both challenges. By placing environmental issues firmly on the employee agenda, sustainability managers can leverage their support to convince leadership to act. Capitalising on support from willing and passionate colleagues offers a cost-effective way to create change and deliver impact.



WHAT ACTION CAN YOU TAKE?

- ✓ **Set ambitious and credible targets**
High-impact targets are crucial to achieving meaningful, long-term change
- ✓ **Communicate a clear strategy**
Clarity will ensure transparency and understanding of targets set
- ✓ **Engage employees to take action**
This will motivate employees and lead to more effective change that will be company wide



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