

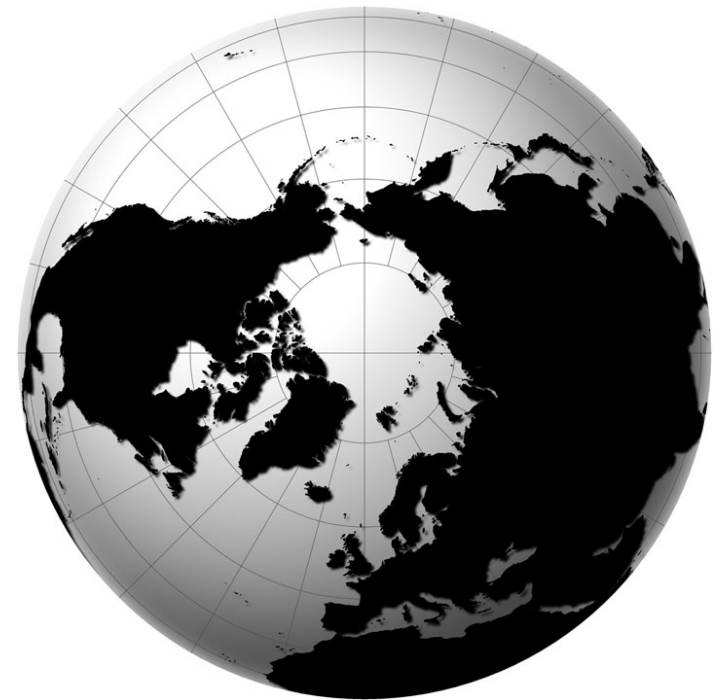
# AVIATION and CARBON MARKETS

## ICAO CONFERENCE

Montreal June 18, 19, 2008



### *Code of Best Practices for Carbon Offsetting in the Voluntary Market*



.....  
**The CarbonNeutral Company**

# The CarbonNeutral Company (TCNC)

- In business since 1997
- Climate change consultancy and carbon credit retailer
- Over 250 corporate clients
- Retired over 1 million tonnes of carbon
- Closely involved in standard setting and a founding member of ICROA

Construction	Media	Printing & Publishing
 	  	  
Automotive	Travel & Transport	IGOs & NGOs
   	   	   
Finance	Professional Services	Telecoms
   	  	 
Oil & Utilities	Parcel Delivery	Consumer Products
  		   

.....  
**The CarbonNeutral Company**

# Best Practices developed over 11 years in business

1. [CarbonNeutral Protocol](#)
2. [Carbon Report and Accounts](#)
3. [Policy for Accounting and Reporting of Carbon \(PARC\)](#)
4. [Independent Advisory Group](#)
5. [Register of offset projects](#)
6. [Science Advisory - Edinburgh Centre for Carbon Management](#)
7. [CSR policy](#)

.....  
**The CarbonNeutral Company**

# Best Practices

- **CarbonNeutral Protocol**- Proprietary standard since 2003 . Covers CarbonNeutral programmes from carbon measurement to offset and communication.
- **Carbon Report and Accounts** - Commissioned to respected third party, such as PricewaterhouseCoopers LLP, to review and ‘assure’ carbon stocks and contracts with clients. This review is conducted in accordance with the Policy for Accounting and Reporting of Carbon (PARC).
- **Policy for Accounting and Reporting of Carbon** –Developed in 2007 to strengthen transparency and accountability . Publicly accessible document, it outlines how TCNC account for and report carbon offset assets and transactions.
- **Independent Advisory Group (IAG)** –Formed to review, challenge, and advice, TCNC’s work on climate change and to provide strategic, scientific and technical guidance . Experts are from academia, NGOs and business. The IAG is also commissioned to do independent reviews of offset projects.

.....  
**The CarbonNeutral Company**

# Best Practices

[Register of offset projects](#) - Publically accessible carbon transaction registry. Details TCNC's carbon offset projects including the Emission Reduction Purchase Agreements (ERPA).

[Science advisory - Edinburgh Centre for Carbon Management \(ECCM\)](#) - Internationally renowned analytical facility for carbon and related eco-metrics. Provides independent science advice. Engineering firms are also used for GHG inventory assessments in Canada and the USA.

[CSR policy](#) - It focuses in 5 key areas:

1. stakeholder engagement on climate change
2. supporting the wider society in areas related to the business
3. health and safety and well being of staff
4. resource usage and emissions from the business operation
5. transparency and integrity in all business transactions

.....  
**The CarbonNeutral Company**

# International Carbon Reduction and Offset Alliance (ICROA) - Founding Members

**NativeEnergy**  
*Bringing New Renewables To Market*



[www.icroa.org](http://www.icroa.org)

**climatecare**

terra pass



targetneutral



**carbonclear**<sup>®</sup>

**climate**  
friendly

**co2balance.com**

.....  
**The CarbonNeutral Company**

# ICROA

## Programme and Policy Framework 2008

### Background Principles

#### ICROA Aims

- ⇒ support fast global emissions reductions by promoting responsible reduction and offset strategies for businesses and individuals
- ⇒ promote credibility and high standards in the voluntary sector through ICROA Code of Best Practices
- ⇒ provide and promote unified carbon management strategies product and services
- ⇒ enable businesses to adopt bold, effective and profitable carbon management strategies
- ⇒ commit to share learning, transparency and continuous improvement

# ICROA Programme and Policy Framework 2008

## ICROA Code:

- ⇒ Best practice in carbon management; requirements for carbon footprinting, internal reductions and offsets
- ⇒ Offsets must be real, measurable, permanent, unique, independently verified and additional
- ⇒ Permitted offset standards are CDM/JI, Gold Standard and Voluntary Carbon Standard
- ⇒ Members submit publically available annual reports, demonstrating compliance



.....  
**The CarbonNeutral Company**

[www.icroa.org](http://www.icroa.org)



# TCNC's Position On Aviation And Offsets

- ⇒ The global economy needs an effective and efficient aviation sector
- ⇒ Aviation's increasing contribution to global GHG emissions needs to be managed
- ⇒ A combination of measures required which may include carbon trading under cap and trade systems, complemented by passenger's voluntary action
- ⇒ Cap & Trade needs to be implemented on a global basis
- ⇒ Airline operators should present offsets to passengers on an "opt-out" basis and embed in their transactional engine.
- ⇒ RFI and other parameters must be developed using the best available science and universally applied
- ⇒ Emissions calculations should be based on real time data for fuel usage and load factors



# TCNC and Aviation

## Flight Calculator

- ⇒ Easy to use
- ⇒ Informative (FAQ page)
- ⇒ Accurate (within known parameters - uses RF X 1 will review as consensus is reached )
- ⇒ Provides carbon offset project portfolio
- ⇒ Provides business travel offsets solutions for larger organizations



## Business Cases Airlines

- ⇒ SAS
- ⇒ Caribbean Airlines
- ⇒ SilverJet

## Business Model

SAS / Caribbean Airlines: voluntary customer offset

SilverJet: Included in the cost of the ticket

# CONCLUSION – Best Practices

**Independent experts** used to calculate client carbon footprints



**Footprints** calculated in accordance with internationally accepted standards - WBCSD



**All standards of carbon credits** sourced depending on client requirements



**Robust independent evidence** that the CO2 reductions promised to clients are delivered



**Guarantee** that every ton of carbon offset purchased by clients is delivered



**100%**

**Publicly publish all emission reduction** projects on an online registry



A **published carbon accounting policy** and subject it to annual independent audits



Guidance from an **independent advisory** board of experts within the industry



**Independent Advisory Group**

**The CarbonNeutral Company**

**www.carbonneutral  
.com**

*JACQUELINE KUEHNEL*

[jkuehnel@carbonneutral.com](mailto:jkuehnel@carbonneutral.com)

.....  
**The CarbonNeutral Company**