



**EDINBURGH
CLIMATE
COMMISSION**



The Edinburgh Climate Compact

Delivering a sustainable Edinburgh together by promoting and celebrating ambitious Edinburgh business action to achieve net-zero by 2030 -
Supplementary note for small to medium enterprises.

June 2021



Introduction

The Edinburgh Climate Compact is a commitment by leading businesses and employers in Scotland's Capital to take action within their own organisations and sectors to contribute to a green recovery and radically reduce the city's carbon emissions.

The Edinburgh Climate Compact is for those organisations who are committed to being leaders in the race to net-zero and who are dedicated to moving forward, faster, together.

The Compact aims to be accessible to businesses of all sizes.

Therefore, while the Compact is deliberately ambitious and will by nature challenge businesses of all sizes, it has been designed to be flexible enough that businesses with high ambition levels can commit regardless of their starting point.

The Compact recognises that SMEs may require some additional support when becoming a signatory. This supplementary note therefore aims to provide some useful information to assist SMEs in committing to the terms of Compact and investing in a net zero building a better future for Edinburgh.

Delivering the aims of the Compact will provide significant benefits to signatories. These include:

- Potential cost reductions as a consequence of reducing carbon emissions
- More efficient business processes
- Enhanced knowledge of stakeholders
- A stronger brand differentiation in line with consumers' increasing desire for green options.

This note lays out some of the benefits of signing up to the Compact, outlines the high-level process of setting and tracking carbon targets, provides some key definitions and highlights specific support available to the SME community.

Setting and achieving carbon reduction targets

What's in it for my business?

The past decade has seen a sharp increase in the value that customers place on the environmental, sustainability and governance aspects of the businesses they choose to support. Setting and achieving reductions in greenhouse gas emissions is a vital way for organisations to authentically show their green credentials. And, in many cases, efforts to reduce organisational emissions throughout organisational value chains will also reduce costs.

How do I set and achieve carbon reduction targets?

The process of setting and achieving carbon reduction targets can seem challenging at first. But, there are support systems available to help SMEs with the process (see **How to access support** below). The process itself will also help you better know and understand your business and enable you to set more ambitious strategies for the future.

Step 1

The first step is to calculate your carbon footprint, by taking stock of the greenhouse gases that your business directly and indirectly emits each year.

Organisations tend to begin with Scope 1 and 2 emissions and set a target for these.

Once they have confidence in their process and data, they move on to measuring Scope 3 emissions and set a target across their whole value chain.

There are several free resources available as a starting point to calculate your carbon footprint. Some examples can be found on page 4.

Whether you use a resources tool or not, all methods of calculating your carbon footprint will require you to collect and collate data on your organisational activities and their emissions.

Once data is collated you can use a tool or a simple spreadsheet to calculate your

emissions. If using a spreadsheet consumption data will need to be multiplied with relevant emission factors which are published on an annual basis by the [UK Department for Business, Energy and Industrial Energy](#) (BEIS).

The UK Government has also produced a guidance for businesses : "[Measuring and reporting environmental impacts](#)", including a list of private sector organisation active in carbon reporting which can help with this work.

For many businesses, the majority of Scope 1 and 2 emissions will come from gas heating and/or diesel or petrol fleet vehicles as well as the emissions related to the electricity the business consumes.

Stage 2

The next step is to set reduction targets. The aim is to be as ambitious as possible, however as some emissions may be harder to remove than others, you may

wish to test out some scenarios for how achievable the proposed target may be for your business.

Delivering the targets may require changes to the way in which your business operates. Therefore, we recommend that you ensure buy-in and support for the targets from the senior leaders within your organisation.

When you set your targets, it can help to highlight the reputational value of being ambitious – sustainability is climbing in importance for customers.

Stage 3

The next stage is to develop an action plan for achieving the target. This could mean identifying opportunities to reduce energy or fuel use or making plans to decarbonise your electricity tariff or heating systems.

It could also mean looking at material usage and resource consumption in your operations. Better resource management and adoption of circular economy strategies can reduce emissions.

Use the mitigation hierarchy when you develop your plan:

1. **Avoid** emissions intensive, or otherwise harmful, activities
2. **Minimise** the emissions you can't avoid
3. **Rectify** – the most direct impacts first.
4. **Reduce** by replacing high-emission activities with low emission ones.
5. **Offset** the emissions you can't avoid.

For example, you might start by looking at how you can use less energy, fuel or materials by making your buildings more energy efficient, consolidating driving routes to reduce

Stage 4

The final stage is to transparently report on your activities and reductions and keep continually reviewing and improving your actions to deliver more carbon reductions.

You may wish to sign up to the [SME Climate Commitment](#), or set a [Science Based Target](#) through the route offered to SMEs to set robust carbon reduction targets. However, this is not essential for the purposes of the Edinburgh Climate Compact.

Please see the **Definitions** below for more information about the Science Based Targets initiative.

fleet journey lengths or reusing materials.

You may need to prioritise some big-hitting actions to happen sooner, or set some actions to happen in future, for example when vehicle leases renew, or offices are refurbished. You also may not know how you will achieve all of the reductions you want to at this stage, as some solutions may not yet be available.

Some examples of action plans for reference:

- [Advanced Clothing Solutions Circular Economy Ambitions](#)
- [City of Edinburgh Emissions Reduction Plan](#)

Engagement with support networks (see '*How to Access Support*' below), other businesses and your customers or stakeholders can help you to identify and prioritise the actions which will deliver the most benefit.

It can help to engage and collaborate with other similar businesses or members of your supply chain to share case studies and best practice. Businesses signing up to the Compact will have access to a platform for reporting progress and sharing best practice.

Best practice includes reporting through the Carbon Disclosure Project (CDP) the largest climate change focused data collection and assessment programme in the world. Participation is free and entirely voluntary. CDP evaluates the quality of the response, and benchmarks performance against other organisations in the same sector.

Do I need to have developed a carbon footprint and targets before signing the Compact?

Whilst it's ideal that you have measured your carbon footprint and set targets before signing up to the Edinburgh Climate Compact, we recognise that this might not be possible for all SMEs.

If you are not able to measure your footprint and set a target before signing the Compact, you are still able to sign up to the ambition, as long as you provide information about your timeline for foot printing and target setting and any carbon reduction activities you have planned.

Examples of Carbon Footprinting Tools

GHG Emissions Calculation Tool: Developed by the Greenhouse Gas Protocol - a multi-stakeholder partnership of businesses, NGOs, governments, and others convened by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) – [GHG Emissions Calculation Tool](#) is excel based, very detailed and robust.

SME Carbon Footprint Calculator: The [SME Carbon Footprint Calculator](#) by the Carbon Trust is a simple online tool. It does not include Scope 3 emissions.

Energy benchmark tool: [The Energy Benchmark Tool](#) by the Carbon Trust is specifically for small and medium sized businesses to benchmark their energy use.

Energy usage tracking spreadsheet: Run by Zero Waste Scotland the [Energy usage tracking spreadsheet](#) helps organisations Measure and monitor their energy usage

Business Calculators: [Business Calculators](#) by Carbon footprint.com has a free version for small businesses as well as paid-for versions for larger organisations.

Definitions

Carbon Neutrality: When CO₂ emissions caused by humans are balanced globally by CO₂ removals over a specified period (Source: IPCC SR15). Carbon is the most common of the greenhouse gases. If you are 'carbon natural' however it does not mean that you are addressing other greenhouse gases emissions.

Net Zero: Where any greenhouse gas emissions put into the atmosphere are balanced out by the greenhouse gases removed from the atmosphere, so that the "net" effect is zero emissions. (source: Scottish Government)

Carbon Scopes: Carbon emissions are grouped into three categories called Scopes. Scope 1 relates to direct carbon emissions from owned or controlled sources, such as fuel combustion. Scope 2 relates to the indirect carbon emissions from the generation of purchased electricity, steam, heating and cooling. Scope 3 relates to all other indirect emissions within the value chain.

Circular Economy: The principle of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. Looking beyond the current take-make-waste extractive industrial model, a circular economy aims to redefine growth, focusing on positive society-wide benefits. (Source: Ellen MacArthur Foundation)

CO₂ equivalent (CO₂e): Universal unit of measurement used to compare the relative climate impact of the different greenhouse gases. The CO₂e quantity of any greenhouse gas is the amount of carbon dioxide that would produce the equivalent global warming potential.

Embodied Carbon: Emissions associated with the creation of a product, namely GHG emissions arising from raw materials, energy and industrial processes used in the processing, manufacture and delivery of materials, products and components

Greenhouse Gases (GHG): The collective term for emissions which contribute to the greenhouse effect by trapping heat from the sun. Carbon dioxide is a greenhouse gas, but other gasses such as methane also contribute to the greenhouse effect.

Science Based Targets: Targets adopted by companies to reduce GHG emissions that are in line with climate change science and the Paris Agreement.

How to access support

Direct support

SMEs who sign up to the ambition of delivering this Compact may be able to access support through the Scottish Business Sustainability Partnership which includes Business Gateway Edinburgh, Scottish Enterprise, Zero Waste Scotland, the Energy Savings Trust and SEPA.

In the first instance, please contact [Business Gateway Edinburgh](#) on 0131 529 6644 and the team will direct you to the information and support you need.

Organisations and Descriptions

1.5°C Business Playbook: Developed for companies and organisations of all sizes that want to align with the 1.5°C and net-zero ambition the [1.5°C Playbook](#) contains solid guidelines for companies of all sizes to set targets, strategy and actions.

Circular Edinburgh: Managed by the Edinburgh Chamber of Commerce, [Circular Edinburgh](#) is working to investigate the opportunities around the circular economy and the support on offer for business. Circular Edinburgh has developed Circular Economy Top Tip information sheets for key sectors and host webinars focussing on Circular Economy.

Business Gateway Edinburgh: [Business Gateway Edinburgh](#) offers professional resources, expert support and guidance to help anyone starting up or growing a business, including workshops, events, news and advice.

SME Climate Hub: The [SME Climate Hub](#) represents a global network of like-minded businesses seeking to improve themselves, their community and the planet’.

The Carbon Disclosure Project (CDP): The [CDP](#) is an international non-profit organisation for companies’ and cities’ environmental reporting. It is the largest climate change focused data collection and assessment programme in the world.

Carbon Trust: [Carbon Trust](#) is an expert partner for businesses, governments and organisations around the world – supporting them in realising ambitious plans for a sustainable, low carbon future. It believes that environmental sustainability and economic prosperity can go hand-in-hand whilst addressing the climate crisis.

Climate Outreach: [Climate Outreach](#) provides resources in climate change communications, aiming to ensure impacts are understood, accepted and acted upon across society.

DEFRA: [DEFRA](#) is the government conversion factors for greenhouse gas reporting are for use by UK and international organisations to report on greenhouse gas emissions.

Edinburgh Social Enterprise (ESE): [Edinburgh Social Enterprise](#) supports the business development and growth of social enterprise in Edinburgh through a wide variety of mechanisms delivered directly or in partnership with a variety of regional and national organisations.

Energy Savings Trust: [Energy Savings Trust](#) is a British organization devoted to promoting energy efficiency, energy conservation, and the sustainable use of energy, thereby reducing carbon dioxide emissions and helping to prevent man-made climate change.

The Goal 13 Impact Platform: [Goal 13 Impact Hub](#) is an initiative led by six partner organisations (CBI, A4S, Chapter Zero, the Met Office, Dell Technologies and Deloitte).

The objective of the initiative is to build an open repository of corporate climate actions to facilitate learning and collaboration in the run up to COP26. Each partner is contributing value in kind, and the repository will be free to access.

Science Based Targets: [Science Based Targets](#) lead the way to a zero-carbon economy, boost innovation and drive sustainable growth by setting ambitious, science-based emissions reduction targets.

Scottish Enterprise: [Scottish Enterprise](#) is Scotland's business advice, support and funding agency.

The Scottish Environment Protection Agency (SEPA): [SEPA](#) is Scotland's principal environmental regulator, protecting and improving Scotland's environment.

Supply Chain Sustainability School: [Supply Chain Sustainability School](#) is a free learning environment, upskilling those working within, or aspiring to work within, the built environment sector, focussing on 17 key topics of sustainability, as well as addressing topics in offsite, digital, procurement, lean construction and management. Membership gives access to thousands of learning resources and CPD-accredited content.

Adaptation Scotland: [Adaptation Scotland](#) help public sector, businesses and communities to understand what climate change will mean across Scotland and identify the best way for them to plan for the impact – taking the opportunities and preparing for the risks.