

CLIMATE CHANGE: How to Promote Your Carbon Neutrality



Many companies have seen the value in voluntarily taking environmental actions, which can improve a company's bottom line, give it a competitive edge by enhancing how it's seen by customers, investors, employees and the general public, and prepare it for possible future environmental regulations. A common environmental goal of such companies is to become 'carbon neutral,' that is, to have net zero GHG emissions ideally by reducing your emissions as much as possible and balancing any remaining emissions with carbon offsets. But promoting your carbon neutrality and other environmental initiatives can be tricky because you need to avoid accusations of 'greenwashing.' One way to do so is to participate in a program such as the CSA Registered Carbon Neutral' program (the Program), which uses internationally recognized, third-party verified assurance of carbon neutrality. Qualified participants in the Program are entitled to use and display the CSA Registered Carbon Neutral' label to communicate their achievement. Here's a look at the Program's requirements and how to participate in it.

DO YOU QUALIFY'

The Program, which was developed by the CSA Group and Zerofootprint Carbon Inc., uses a process based on the ISO 14064 series of GHG standards. Organizations, buildings and building tenants can participate in the Program. Registration in the Program applies to a single calendar or fiscal year, which is referred to as the Carbon Neutral Year. To qualify for the Program, you'll need to be able to prove that your company has done the following:

- Measured its carbon footprint;
- Had its carbon footprint verified by an independent third party; and
- Offset its reported GHG emissions for the Carbon Neutral Year.

HOW TO PARTICIPATE

If you've determined that your company is qualified, participation in the Program involves these steps:

Step #1: Submission of the Application

First, you must complete and submit a full set of application documents as well

as the application fee. The required application documents include:

Signed Application Form. You must submit a separate application form for each:

- Type of registration and label being applied for, such as if you're applying as both an organization and a building;
- Building being applied for if you're applying for multiple buildings; and/or
- Carbon Neutral Year for which you're applying.

In the application form, you'll need to provide the following information:

- The type of registration for which you're applying (organization, building or tenant);
- The Carbon Neutral Year for which you're applying;
- If your company was previously registered in the Program, its prior registry and label numbers;
- Basic information about the company, such as name, address, phone number, website and email address;
- Basic information about your authorized agent if you're appointing one, which is discussed below;
- Basic information about the organization that verified your GHG report; and
- Information on your offsets, including the name of the eligible GHG program or offsets registry, the offsets' serialization number or range and their vintage year, that is, the calendar year in which the carbon reduction occurs.

Insider Says: Note that although the information you include in the application form is used for administration and internal purposes only and won't be posted in full, some of the contact information, such as the applicant's and agent's names and website addresses, will become part of the company's public Program Registry listing if the application is approved. In addition, the supporting reports submitted with the application form to the Program may be posted on the registry as well.

Signed Designation of Authorized Agent Form. An authorized agent is essentially a liaison between your company and the CSA Group who's authorized to act on your company's behalf. For example, if you elect to use an agent, you authorize the CSA Group to deal with the agent the same way and to the same extent as it would deal with the company, including, but not limited to:

- Managing all communications with the CSA Group as to the Program;
- Transmitting payments as required by the Program; and
- Providing instructions to the CSA Group as to the company's listing in the Program Registry.

If you choose to appoint an agent, then you must submit a completed and signed Designation of Authorized Agent Form. The company and that agent must sign both the application and the agent designation form.

GHG Report and Verification Statement. You also need to provide the relevant GHG Report, which must be prepared in conformance with ISO 14064-1. This report must also:

- Describe the GHG inventory in conformance with ISO 14064-1 Sec. 7.3.1,

- subsections a) through i), l), n) through q);
- Cover the full Carbon Neutral Year to which the registration will apply; and
- Be verified to a reasonable level of assurance to ISO 14064-3 by a GHG verification body accredited by an International Accreditation Forum (IAF) member body under ISO 14065 to perform organizational verification, such as the Standards Council of Canada and the American National Standards Institute (ANSI).

Proof of Verifier Accreditation. In addition, you must provide the Certification or ID number as evidence of the accreditation of the verifier that conducted the verification of your GHG Report.

Evidence of Offsets and Additional Requirements. Lastly, you must acquire and retire 'verified emission reduction or removal' (VERRs) that is, an emissions reduction or removal from a project that has been verified through a systematic, independent and documented process for the evaluation of a GHG Assertion against agreed verification criteria. Your VERRs must be equal to 100% of the GHG emissions assertion in your submitted GHG Report for the Carbon Neutral Year. VERRs used as offsets may have a vintage year no more than two years older than the Carbon Neutral Year. If your Carbon Neutral Year is based on a fiscal year, then the VERRs used as offsets may not have a Vintage Year that's more than two years older than the first year of the fiscal year being reported.

Your company must obtain VERRS for use as offsets from one of these three options:

1. Eligible GHG programs identified by the Program in Annex 1, such as the Kyoto Protocol Mechanisms for International Emissions Trading, the Gold Standard or the Alberta Specified Gas Emitters Regulation (SGER);
2. GHG projects that accurately and fully apply an approved protocol from one of the eligible GHG programs without actually subscribing to such program; or
3. GHG projects that comply with ISO 14064-2 as defined by the Program.

Your application must provide evidence satisfactory to CSA Group of the acquisition and retirement of eligible VERRs used as offsets for the Carbon Neutral Year. Such evidence may be included in the GHG Report or as a separate set of documents.

Step #2: Review of Documentation

The CSA Group will review your submitted application documents to evaluate their completeness, verify that your company is eligible and confirm that you've met all of the Program's requirements. It will also identify any discrepancies in the documents. The CSA Group will communicate its findings to you, either directly or through your authorized agent.

Step #3: Signing of Agreement/Payment of Fees

If the CSA Group approves your application, you must sign the Program Agreement and pay in full the Registration and Label Fee. The agreement requires your company to comply with the terms for use for labels issued under the Program as specified in the Trademark Usage Guidelines.

Step #4: Promotion of Membership

Once your fees have been received, the company will be able to promote its carbon neutrality to customers, stakeholders and others through its:

- Listing on the Program Registry;
- Certificate of Registration; and
- Use of a registration-specific promotional CSA Registered Carbon Neutral' Label.

BOTTOM LINE

Carbon neutrality isn't a goal that only companies are pursuing. For example, there's been a push in BC for years toward being carbon neutral both at the provincial and local government levels. In fact, having a carbon neutral public sector in BC is now required by the *Greenhouse Gas Reduction Targets Act*. So it's conceivable that other jurisdictions may also require carbon neutrality in certain sectors, including the industrial sector. By voluntarily becoming carbon neutral now, your company can not only be in the forefront on environmental initiatives but also be positioned to comply with any future carbon neutrality requirements. And by registering in the Program, you'll be able to promote your carbon neutrality in a manner that provides assurance of its validity.