Hospitality Sector Council Understanding Net-zero

Jargon Busting

Winter 2022

The pressure is rising on businesses to act on their carbon emissions, and with rising costs reducing your footprint is not only good for the planet but can be good for the balance sheet as well. But where to start? And what does it all mean? With so many different terms flying around- from carbon neutral to net-zero, offsets and insets - it is hard for businesses to keep track of what it all means. Let's break it down...

Carbon Footprint

A carbon footprint is the total amount of greenhouse gas emissions that are generated by the business. These emissions are not limited to Carbon Dioxide (they include Methane, Nitrous Oxide, and any other gas emissions responsible for the warming of the atmosphere), but they are measured in units of Co_2E or Carbon Dioxide Equivalents.

Emissions reporting (reporting your Carbon Footprint) is broken down in 'scopes' as defined by the Greenhouse Gas Protocol Corporate Accounting and Reporting standard.

There are a number of tools and calculators available to support your business in calculating your Carbon Footprint in order to begin to tackle your emissions.

Scope 1:

All direct emissions produced by a reporting company, such as emissions from fuel combustion on site for heating or cooking, and emissions from fuel used in company owned vehicles.

Scope 2:

Indirect emissions from purchased electricity, steam, heating or cooling a company uses across its facilities. These emissions are considered indirect because they are generated off-site to produce energy that is then consumed by the reporting company.

Scope 3:

Represents all other indirect emissions that are a result of activities that occur in the value chain. This includes 15 categories across both upstream activities, such as purchased goods and services, capital goods, business travel, and employee commuting, and downstream activities, including downstream transportation and distribution, use of sold products, and franchises. For example, Scope 3 includes emissions associated with agricultural activities to produce ingredients in meals sold at a restaurant, and emissions from the disposal of packaging waste. More information on Scope 3 can be found on the Greenhouse Gas Protocol's website.

Net-zero

Net Zero in simple terms refers to an equilibrium or balance - when the amount of greenhouse gases released into the atmosphere is equal to the amount that is removed or sequestered. In 2019, the UK became the first major economy to legislate and commit to achieving net zero carbon emissions by 2050. This commitment is in line with the often-referenced Paris Accord of 2015, which set out an ambition to hold the global average temperature increase to well below 2ºC above pre-industrial levels.

In practical terms, businesses setting Net-zero strategies are laying out plans to reduce their emissions in line with Science Based Targets, and then investing in high quality carbon removal, capture or sequestration projects to achieve that balance.

Science Based Targets

Often when businesses are talking about their Climate strategies you will hear mention of Science Based Targets or SBTi approved targets. This refers to a carbon emissions target that is in line with the scale of reductions required to keep global temperature increase below 2ºC above pre-industrial levels. The SBTi defines and promotes best practice in corporate science-based target setting, and is developing the first global net zero standard for businesses aligned to the latest climate science.

Carbon Neutral

Carbon neutral is sometimes used interchangeably with other terms such as climate neutral or net zero, however there are often subtle differences. Usually, carbon neutral describes a business who removes the same amount of carbon from the atmosphere that they emit, and while net zero and climate neutral usually refer to GHGs beyond Carbon, Carbon Neutral is specifically limited to Co_2. Carbon Neutrality is most often achieved through carbon offsetting.

Carbon Offsetting

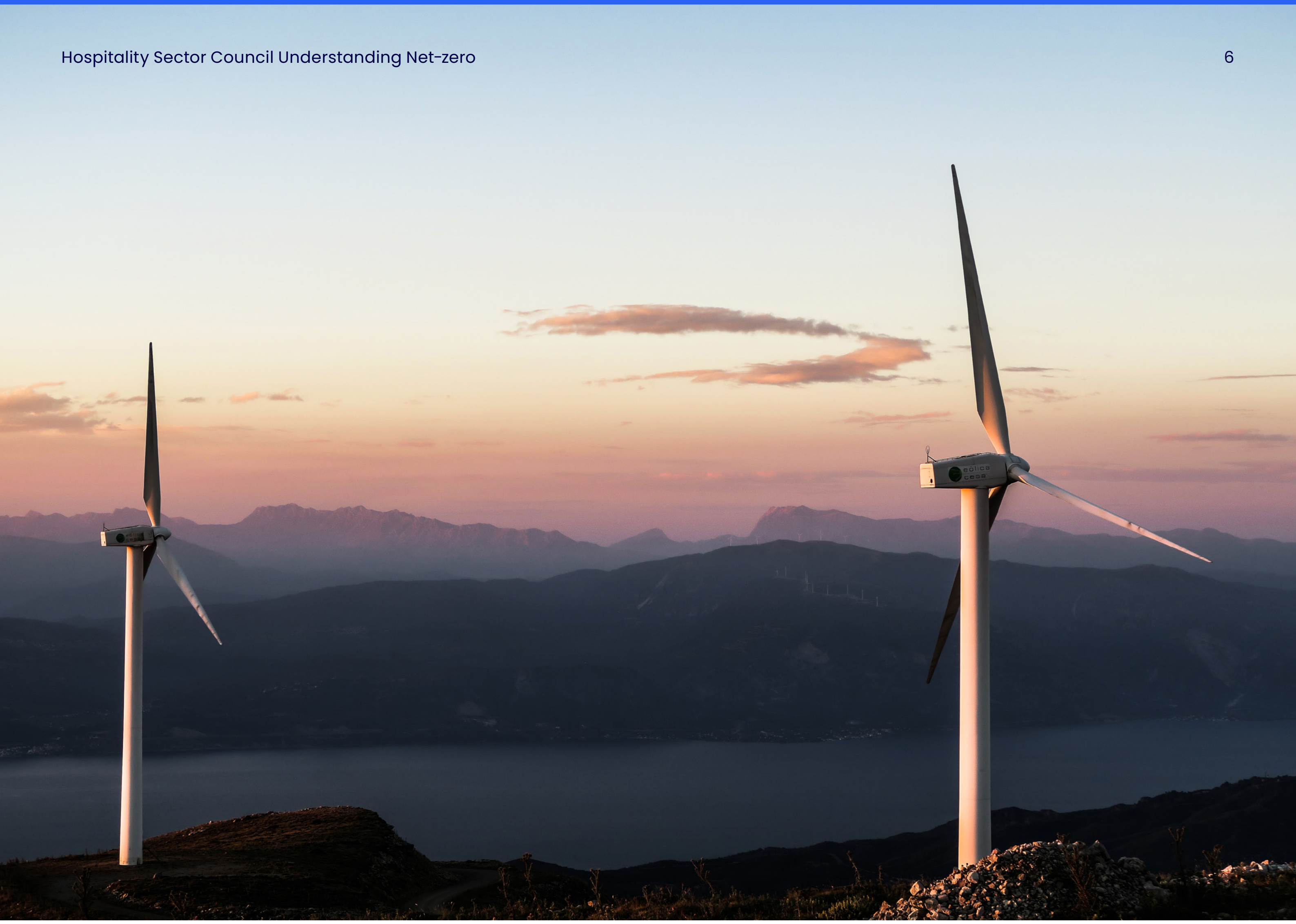
Carbon offsetting schemes focus on projects that absorb carbon from the atmosphere, such as tree planting or habitat restoration, though they may include emissions-reducing schemes such as renewable energy projects or clean cookstoves. Businesses purchase carbon credits that are then swapped for investment in such projects. While it seems like a straightforward solution for businesses, there is good reason to be careful, as there is a lot of misleading information and ineffective solutions being sold. The University of Oxford has published a set of principles to follow to ensure the environmental integrity of offsetting projects—so do your research and look out for Gold Standard and Aligned with The Oxford Principals before investing. Additionally, to ensure credibility look for projects that are third party monitored and verified.

Carbon Insetting

Carbon insetting is like carbon offsetting in that it involves investment to compensate for an organisation's carbon footprint. However, insetting refers to projects that specifically take place within the organisation's own value chain. For example, investing within your supply chain to reduce emissions or sequester carbon. This might look like investing in the electrification of the delivery fleet of your suppliers, or a farm level project to improve soil health and capture carbon.

Carbon Negative

Similar to the above, carbon negative simply refers to tipping the balance of the equation so that you are investing in more removals than your business emits. This sometimes is also referred to as Carbon Positive as well.



Clean Energy

Clean or renewable energy is derived from a source that is not diminished in the process, for example solar or wind. It can also refer to energy from a source that is replenished over a short time span (for example wood-chip biomass).

The energy market is complex, so it can be helpful to understand a bit about how the market works in theory so that you can make the right decisions when choosing your tariff. Regardless of your tariff or energy supplier, the electricity that keeps your lights on comes from the nearest power plant to you. You effectively take what you need from the grid and pay companies to put power back in. Think of the National Grid as a lake. The energy generators act as tributaries that flow into the lake and a small stream comes out of it that feeds your business. You can’t choose exactly what water comes out of the lake but can choose which generator and tariff you purchase to refill it.

Resources

Resources

The Zero Carbon Forum in association with Carbon Intelligence, UKHospitality and The British Beer and Pub Association have laid out a roadmap for the Hospitality Sector to reach net-zero. In it you will find detailed understanding of the emissions breakdown of the sector, and some actionable strategies to reduce emissions.

zerocarbonforum.com/roadmaps

The Sustainable Restaurant Association's online Food Made Good community hub is free to access for anyone working in Hospitality, simply register at **community.foodmadegood.org.** In it you can ask and answer questions for other hospitality professionals and find a resource hub with helpful information for tackling sustainability challenges.

There are a number of **carbon calculation** tools available for the sector, including the free to use calculator for Hospitality and Brewing operators from the Zero Carbon Forum or the Net Zero Now platform.

The WRI's Cool Food Pledge is an excellent resource for businesses committed to tackling the emissions from their procurement, and the Playbook for Guiding Diners Toward Plant Rich Dishes contains behaviour science backed strategies for tackling menu and environment design to support better decision making. Detailed calculations of menu emissions can be calculated by organisations including FoodSteps and Nutritics.

The Business Climate Hub set up by the Department for Business, Energy and Industrial Strategy is full of tools and case studies for businesses setting out to tackle their footprint and make a positive impact.

@WRAP's Scope 3 Measurement & Reporting Protocols for UK Food & Drink businesses summarises guidance from the Greenhouse Gas Protocol and the Science Based Target Initiative and adds layers of recommendations and requirements specific to food and drink. **Scope 3 GHG Measurement and Reporting Protocols for Food and Drink | WRAP.** WRAP has consulted widely with the food and drink sector, including Courtauld 2030 signatories, to develop the Scope 3 GHG Measurement and Reporting Protocols for Food and Drink Businesses – along with supporting resources that any business can use.

This document has been written for the Hospitality Sector Council in collaboration with The Sustainable Restaurant Association and the Zero Carbon Forum.