



# **The Carbon Action Standard & The Carbon Action Standard Plus Rules**

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## The Carbon Action Standard Rules

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## 1. Introduction

This document provides a description of the rules of The Carbon Action Standard and details the requirements which organisations must demonstrate to achieve the Carbon Action Plus certification mark. Organisations wishing to use The Carbon Action Standard Plus certification as evidence for the Carbon Reduction Commitment Energy Efficiency Scheme (CRC Scheme) to achieve Early Action Credits (EAC) must comply with these rules.

The Scheme's aims are to encourage and recognise good practice in carbon measurement, management and reduction by organisations of all sizes and from all sectors. The Scheme is open to all organisations.

## 2. Application & Certification Process

Organisations wishing to receive certification against The Carbon Action Standard should apply to Centre for Assessment Ltd (CFA) by requesting and then completing an application form.

### **Whole Organisation Certification**

Organisations may apply for certification to cover all or part of their operations: this must be clearly stated on the application form.

Where an organisation chooses to apply for certification to cover all of its operations it should specify the full name of the organisation and all subsidiary companies which are covered. The number of sites, addresses of each, number of employees and activities taking place at each site will be required.

### **Part Organisation Certification**

Where the organisation chooses to apply for Certification covering part of its operations it may choose to specify the coverage either:

- On a corporate structure basis (e.g. one, or more, subsidiaries or operating divisions are applying); or
- On a site/location/subsidiary basis (e.g. offices x, y, z are applying)

For use with The CRC Scheme the part of the organisation selected must make up a meaningful portion of the total organisation's carbon footprint.

The Certification and logo are only valid for use in association with the part(s) of the organisation certified. These will be named on the certificate and CFA's register of certificated companies.

Details of organisations applying for certification against The Carbon Action Plus Standard for use with the CRC Scheme will be shared with The Environment Agency. Names of certificated organisations will appear on CFA's website.

For any company captured by the CRC scheme, it is necessary to obtain the following documentation:

- ✓ Certification of Registration to The Carbon Action Standard Plus
- ✓ Carbon Action Plus Assessment Report including Organisational boundaries
- ✓ A copy of the data and calculations that allow credit application under the Early Action metric. This data must show how the CRC emissions coverage has been calculated.

All of these documents will be provided as part of the assessment package for relevant organisations.

### 3. **Applicant Segmentation**

The period of impact evidence required to prove reductions in carbon emissions varies slightly for different sizes of energy users for the first application of CRC Scheme participant organisations and are segmented to reflect this.

- >£500k per annum energy bill must demonstrate an average 2.5% emission reduction over the three years prior to assessment.
- >£50k - £500k per annum must demonstrate an average 2.5% emission reduction over the two years prior to assessment.
- < £50k per annum must demonstrate an average 2.5% emission reduction over one year prior to assessment.

For the purpose of the above, the measurement year end is chosen by the applicant organisation and must be within 12 months of the last day of certification Assessment activity i.e. if the measurement year ended 30<sup>th</sup> April 2010, the assessment must be finished and Certification awarded by 30<sup>th</sup> April 2011.

### 4. **Certification Process and Period**

#### **First certification**

Applicants will be awarded certification if they meet/satisfy the following criteria:

- 2.5% Carbon Emissions reduction for the period of time relevant to energy usage

- Demonstrate through assessment that they fully meet all 23 requirements of the Standard.
- The Carbon Action Plus assessment must be completed within 12 months of the last day of the Organisation's chosen measurement period.

On successful assessment the applicant will achieve certification valid for 2 years from the end of the compliance period.

Certification will be awarded for use by the certified organisation (or the part of the organisation which has achieved certification where only part of the organisation applied).

### **Re-certification Process**

Applicants should apply for re-certification before the 2 year anniversary of the certification or last re-certification.

Applicants will be requested to provide details of any changes to their structure which affect the boundary (e.g. divestments, acquisitions). Details of changes or confirmation of no changes will be kept on the applicant's file records.

Re-certification will be assessed based on the performance over the 24 month period from the end of the previous compliance period (to be referred to as the 're-certification compliance period').

On successful assessment the applicant will achieve re-certification valid for 2 years from the end of the re-certification compliance period, i.e. the 2-year period immediately following the previous certification period. A re-certification assessment must be completed within 1 month of the end of the initial certification period. If an organisation has outstanding actions these must be closed out within 3 months of the end of the initial certification period.

### **Re-certification Evidence**

An organisation must continue to meet all of the indicator requirements of the Standard, with an average saving of 2.5% per year in Carbon emissions for each of the two years since the previous assessment.

For organisations with energy bills of over £50K/year evidence against a minimum level 2 footprint (Refer to section 8) must be used for all re-certification assessments.

For organisations with energy bills below £50K/year for the first re-certification assessment, evidence against a level 1 footprint (refer to section 8) can be submitted. For the second re-certification assessment a minimum level 2 footprint must be used.

N.B. The minimum reduction for any one measurement year is 1.5% reduction in emissions. This reduction requirement is relevant to all Certification assessments.

## **5. Carbon Footprint Measurement**

Calculation of the carbon footprint should follow the principles of the GHG Protocol and/or ISO14064, subject to additional requirements outlined in this document. All carbon footprints should be calculated in CO<sub>2</sub> expressed as tonnes emitted. In addition to GHG Protocol compliance it is necessary to take into consideration the carbon emissions associated with the organisation waste streams. This adds additional value to the Standard by highlighting issues of legal compliance and increasing the capacity of a company to meet the carbon reduction targets set in section 3.

The GHG Protocol can be found at <http://www.ghgprotocol.org/standards/corporate-standard> and provides standards and guidance for organisations preparing their carbon footprint. A Carbon Action introduction to carbon footprinting can be found at <http://www.carbonAction.co.uk/publications>.

Organisations may wish to have their footprint verified by a 3rd party auditor; this is encouraged but not required by The Carbon Action Standard.

## **6. Organisational boundary**

The organisational boundary defines which parts of the organisation will be included in the emissions measurement and how to deal with the inclusion of emissions from joint ventures and subsidiaries.

Ideally the organisational boundaries should include all operations and subsidiaries owned and operated by the applicant organisation, but the boundary may also be set at a subsidiary or site level.

The inclusion of jointly-owned facilities and operations may be determined either on an equity share or control basis, as described in the GHG Protocol. The organisational boundary should be a true and fair representation of the organisation's GHG emissions i.e., should include all emissions relating to core operations.

Under the equity share approach, an organisation accounts for the GHG emissions from an operation based on its equity share in that operation (i.e., ownership of 25% of a division leads to 25% of the emissions of the division being included in the applicant's footprint).

Under the control approach, an organisation accounts for 100% of an operation over which it has control (which can either be defined as financial control, i.e. ability to control financial or operating policies, or operational control, i.e. authority to introduce and implement operating policies).

In many cases, an operational control approach will be a better reflection of the emissions relating to an organisation.

Refer to GHG Protocol pages 16-23.

The applicant should demonstrate either an absolute or a relative reduction (or both) across the scope of emissions required in order to achieve certification.

Assessment must be made on a like-for-like basis factoring in structural changes in the applicant organisation, (e.g. outsourcing, divestments, downsizing or acquisitions). In all cases an explanation of the reduction/increase in emissions should be provided in the qualitative section of the applicant organisation's submission. It will be necessary to back calculate the organisation's carbon footprint to take account of such changes. Because of timing of such changes, this back calculation may be shown in a subsequent footprint year.

## **7. Operational Boundary / Footprint**

For applicants with energy bills of > £500K a minimum of Level 1 footprint may be used for initial Certification assessment. The applicant may opt to use a Level 2 footprint if they wish. For all subsequent re-certification audits a minimum Level 2 footprint must be used. The Level 2 footprint shall include all six GHG gases and be converted into tCO<sub>2</sub>e.

For applicants with an energy bill of more than £50k per annum and less than or equal to £500k per annum, a level 1 footprint can be used to meet initial certification requirements but for re-certification a level 2 footprint must be measured.

For applicants with an energy bill of less than or equal to £50k per annum, a level 1 footprint can be used to meet initial certification requirement and can be used for the two years to the first re-certification. Ongoing after the first re-certification, a level 2 footprint must be measured.

## **8. Summary of minimum footprint level requirements**

### **Level 1 footprint**

The following emissions sources must be included (for all premises covered by the organisational boundary):

- Electricity consumption
- Gas consumption
- Other onsite fuel consumption (e.g. heating oil, diesel, etc.)
- Waste disposal – highlighting common waste streams; paper and card, glass, kitchen waste and plastics. Because waste is company specific, not all the previous waste streams may be relevant. Applicants can therefore highlight a waste stream which has a significant effect on their carbon footprint and

enquire about a bespoke waste footprint calculation. This acknowledges the fact that all sites are unique and all processes have unique waste streams.

- Fuel consumption in vehicles owned by the organisation which are based at premises covered by the boundary, or within the organisational boundary and used for business purposes.
- Private use of company cars may be excluded if sufficient data exist to distinguish private and business use.

The following emissions sources are excluded (though may be included on an optional basis):

- Process or Fugitive emissions
- All scope 3 emissions, including emissions from business travel

### **Level 2 footprint**

Emissions covered by **level 1 must be included** plus (for all premises covered by the organisational boundary):

- Process emissions (e.g. emissions associated with the manufacture of chemical or metal products).
- Fugitive emissions (e.g. leakage of HFCs from refrigeration or air conditioning systems, leakage of methane from landfill operated by the organisation).
- Emissions from business travel undertaken by employees, including public transport, private cars (in vehicles not owned by the organisation) and flights.

The following emissions sources are **excluded** (though may be included on an optional basis):

- Remaining scope 3 emissions, including staff commuting, transport of purchased material and outsourced activities.
- While the inclusion of leased assets and outsourced activities is not always required the footprint should be a true and fair representation of the organisation's activities.
- Protocol 'scopes' of emissions, note that any organisation may opt to include additional emission sources.

## **9. Rules for Carbon Foot printing**

The Carbon Action Standard 'Footprint Calculator' spreadsheet should ideally be used to provide a summary of the organisation's emissions and notes on the data sources. If an applicant wishes to submit evidence using an alternative tool to calculate their footprint, they may do so. However this will need to fully show all

required information and history, source of data, source of conversion factors and be fully explained to the Assessor.

Data captured may be 'primary' or 'secondary':

**Primary data:** Process-specific data obtained by direct measurement of the energy or business activities e.g. measured electricity consumption of a warehouse, the measured diesel use of farm machinery.

**Secondary data:** Non-process specific data obtained from sources other than direct measurement of the energy or business activities e.g. the use of distance travelled instead of primary fuel data from vehicles.

Primary data sources are preferable to secondary data sources as the data will reflect the specific nature/efficiency of the process and the GHG emissions associated with the process. Organisations are encouraged to develop more accurate footprints over time by increasing the amount of primary data used.

Applicants should provide details of the kWh consumption (where applicable) and total CO<sub>2e</sub> emissions, broken down by emissions source.

The calculated footprint should be based as far as possible on primary data, with secondary data to be used where primary data are unavailable or impractical.

Any estimated data should be noted and the reason for the estimate and the nature of the estimate made should be stated.

## 10. **De minimis threshold**

The initial calculated footprint should include all emission sources estimated to be more than 1% of the footprint within the defined scope. At least 95% of the anticipated footprint must be included. Any exclusion and the reasons for the exclusion should be noted.

## 11. **Discrepancies and materiality**

Any errors, omissions or other discrepancies in the carbon footprint must be shown to be immaterial to assessment of compliance with the carbon footprint and reduction criteria.

## 12. **Emission Factors**

All emissions should be calculated using the latest available emissions factors reported in "Defra's Corporate Reporting Guidelines".

For the UK, emission factors are available in "Defra's Corporate Reporting Guidelines". Global figures are available through the GHG Protocol tools <http://www.ghgprotocol.org/calculation-tools> (based on IEA data)

Where emissions factors have changed from those used for any previous

certification or re-certification, the latest footprint data should be presented using the updated emissions factors but providing a footnote stating the emissions factors used at previous certification/re-certification. For the purposes of the reduction rules, the assessment of reduction performance should be made using the updated emissions factors across the whole period.

### **13. Non-CO<sub>2</sub> GHG gases**

Conversions of non-CO<sub>2</sub> greenhouse gases to CO<sub>2</sub>e should be undertaken using the Global Warming Potential figures for the relevant gas published in the IPCC Second Assessment Report or national (Government-produced) publications.

### **14. Renewable energy**

Emissions from renewable electricity (“green tariffs” and onsite renewables) should be calculated using the 5 year rolling average grid-emissions factor unless there is evidence of additionality and the end user can demonstrate that the carbon benefit is claimed by their organisation exclusively – i.e. there is no double counting.

For the UK, currently all ‘green tariffs’ electricity will be calculated using a 5 year rolling average grid emission factor. Onsite renewables will only be counted as zero emission if the equivalent number of ROCs are retired or not claimed.

### **15. On Site Electricity Generation**

Emissions resulting from on site electricity generations should be reported. The emissions arising from CHP shall be allocated between heat and electricity if either the heat or electricity are imported or exported, according to methodology provided in either the GHG Protocol tool for Allocation of Emissions from a Combined Heat and Power (CHP) Plant or Defra’s Corporate Reporting Guidelines.

Exported electricity is not relevant and should not be taken in to account for calculating reductions.

### **16. Biofuels and Biomass**

All emissions associated with the use of biofuels and biomass may be reported should the applicant feel such activities fall under the de minimis threshold (section 10). Equivalent CO<sub>2</sub> emission calculations should be undertaken using the DEFRA 2009 conversion factors or any other published government documents.

Note: the DEFRA factors are full life-cycle footprint measurements, including biofuel and biomass production. To exclude production emissions, factors for biofuels (UK only) are available in the Renewable Fuels Agency’s “Carbon and Sustainability Technical Guidance” and for biomass (UK only) in the “Building Regulations 2000”.

## 17. Offsetting

The Carbon Action Standard is focused on emission reduction; offsets will not count towards meeting the reduction rules.

## 18. Footprint Presentation

All organisations should provide a final figure for their annual absolute footprint for the relevant boundary and scope in tCO<sub>2</sub>e.

## 19. Reduction Target

### **General Rules for Assessing Reduction**

The applicant should demonstrate either an absolute or a relative reduction (or both) across the scope of emissions required in order to achieve certification.

Assessment must be made on a like-for-like basis, factoring in structural changes in the applicant organisation, (e.g. outsourcing, divestments, downsizing or acquisitions) where the structural change results in more than a 3% change in emissions. Reduction should be judged based on comparison of the emissions or that part of the organisation which was present in both compliance periods.

In all cases an explanation of the reduction should be provided in the qualitative section – and if the reduction is deemed not to have resulted from the organisation's own action then certification can be refused.

Reductions due to downsizing are not acceptable as evidence.

## 20. Absolute Reduction Rules

Any absolute reduction in emissions compared to the footprint at the prior compliance period should be considered to pass The Carbon Action Standard Reduction rule criteria.

## 21. Relative Reduction Rules

A relative reduction is a reduction in the carbon emissions of an organisation when compared to the organisation's revenue or output. In order to meet The Carbon Action Standard the relative reduction requirement is linked to the absolute reduction requirement.

For example: Year 1 an organisation may have an output of 100,000 tonnes CO<sub>2</sub> for £1m turnover. Relative measure = 0.1 tonnes/£.

Year 2 output may have risen to 120,000 tonnes of CO<sub>2</sub> for £1.5M turnover.

Relative measure = 0.08 tonnes/£

Absolute emissions have increased by 20% and turnover by 50%

Relative reductions have reduced by 20%

When relating the emissions to another measure it is up to the applicant to choose what this is i.e. economic turnover, area of sites/offices, product output could all be examples.

The relative reduction allows an organisation to account for increases or decreases in production/service and CO<sub>2</sub> output over time.

For example: if economic output through increased sales volume grows by 5%, then the emissions of that Applicant is likely to grow in Absolute terms. By looking at the Absolute emissions measure compared to output, turnover, headcount or another measure a 'Relative' measure can be calculated. An applicant may have implemented a number of reduction activities, which achieve positive results per unit of output and the absolute measure shows an increase in the CO<sub>2</sub> emission, yet the relative emissions are lower and can then be used as evidence against the standard.

It is up to the applicant to decide on whether to use Absolute, Relative or both measures and explain their understanding of this to the assessor.

## **22. Qualitative Assessment**

The applicant should provide evidence that it is acting effectively to respond to climate change through completion of the Self Assessment documentation. Evidence must be submitted against all indicators. This will be checked by the assessor during the first stage of the assessment prior to carrying out the on site verification stage. If there are apparent gaps in meeting any of the indicators, the assessor will seek clarification evidence prior to visiting site.

There is no need to submit sensitive or original documents such as energy bills. Photocopies of data which can be verified on site are sufficient.

## **23. Terms and definitions**

For the purposes of these rules the following terms and definitions apply.

**tCO<sub>2</sub>e** – emissions other than CO<sub>2</sub> converted and expressed as tonnes equivalent to CO<sub>2</sub>. A total figure may include actual CO<sub>2</sub> emissions.

**Absolute emissions** – this is the measure of total CO<sub>2</sub> emissions by an applicant.

**Applicant** - the organisation or part of the organisation applying for certification.

**Carbon Dioxide Equivalent (CO<sub>2</sub>e)** - measure of the amount of global warming arising from different GHGs, expressed in terms of the amount of carbon dioxide that would have an equivalent global warming potential (GWP).

**Combined Heat and Power (CHP)** - type of power generator that delivers both electricity and useful heat (e.g. for heating or processes) as a normal part of its operation.

**Control Approach** - ownership of GHG emissions based on whether the applicant has financial or operational control of the operation.

**Emissions Factors** - GHG emissions associated with use of a unit of energy or mass.

**Equity Share Approach** - ownership of GHG emissions based on the economic interest in the activity; typically, the equity share in an operation is aligned with the applicant's percentage ownership of that operation.

**Fugitive Emissions** - emissions that are not physically controlled but result from the intentional or unintentional releases of GHGs. Note. Fugitive emissions commonly arise from the production, processing, storage and use of fuels and other chemicals, often through joints, seals, packing, gaskets, etc., e.g. hydrofluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment.

**Greenhouse Gases (GHGs)** - six major anthropogenic greenhouse gases identified by the Intergovernmental Panel on Climate Change (IPCC): carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>)

**Global Warming Potential (GWP)** - measure of the relative importance of different gases in contributing to global warming. Note. Carbon dioxide is assigned a GWP of 1, and the GWP of other gases is expressed relative to carbon dioxide.

**Offsetting** - reduction in net emissions associated with an organisation through the purchase (or otherwise acquiring or causing) of a reduction in GHG emissions from another location.

**Organisational Boundary** - the boundaries that determine the operations and subsidiaries owned or controlled by the applicant, depending on the approach taken.

**Primary Data** - process-specific data obtained by direct measurement of the energy or business activities

**Process Emissions** - emissions generated from manufacturing processes (not the power used in processing). Note. Examples of process emissions include manufacture of cement, aluminium, ammonia and waste processing

**ROCs** - Generators of electricity from eligible renewable sources are awarded Renewable Obligations Certificates (ROCs) for every megawatt hour they generate.

**Secondary Data** - non-process specific data obtained from sources other than direct measurement of the energy or business activities

## Appendix A: A guide to The Carbon Action Standard Plus

### GUIDANCE NOTES

#### Key Steps to the Assessment

##### Step 1. Application for Assessment

Complete the CFA Ltd Carbon Action 'Application for Assessment' form. Application Forms are available from [carbonaction@centreforassessment.co.uk](mailto:carbonaction@centreforassessment.co.uk)

Applicants who wish to use the Standard for CRC Scheme purposes should ensure a Carbon Action Standard Plus assessment is chosen. Applicants should have already registered for CRC with The Environment Agency. CFA Ltd is obliged to inform the Environment Agency of applications for assessment made for subsequent use with the CRC Scheme.

Upon receiving your request for assessment CFA Ltd will appoint an appropriate assessor.

If you have not had a quotation of costs prior to application one will be provided at this stage.

The Assessor will ensure the following:

1. Declare any conflict of interest before accepting the assessment.
2. Contact the Organisation to introduce themselves and agree provisional assessment dates.
3. Confirm any actions or request any documentation which may need to be taken prior to the onsite assessment.
4. The assessor will discuss assessment boundaries, scoping, site visits, your carbon emission profile, dates when evidence will be available and any other relevant information.

##### Step 2. Documentation

Following the initial call, the Assessor will provide a written assessment plan containing dates for assessment and your contact details. This plan will be copied to you and CFA Ltd.

##### Step 3. Document Check

The purpose of the document check is to allow the assessor to prepare for the on-site assessment and verify that all documentation required by the Standard is available and has been adequately referenced in the self assessment document.

In order to complete the document check, you must have submitted a completed self assessment document together with all necessary documentary evidence including Carbon Footprints by the date agreed in Step1.

Prior to the document check, the assessor should expect to receive the following documents from your organisation:

- ✓ Completed Self Assessment Questionnaire
- ✓ Carbon Footprint – to cover the requirements of the Standard
- ✓ Action Plan

The above information should be supplied to the assessor a minimum of 10 working days prior to the arranged on site assessment. The information should be as complete as possible, to avoid the risk of non compliance and the need to cancel the onsite visit. CFA try to avoid carrying out on site assessment when the Standard cannot be met. If the organisation fails to submit the above documentation within this timeframe, the assessor may choose to re-schedule the on-site assessment and you may incur additional cost.

If not carried out on site, the assessor may wish to contact you whilst undertaking the document check to ask questions or clarify points about the documents submitted.

Following the document review the Assessor should contact you to confirm that the documents submitted are adequate and meet requirements, or to request additional information. It may be acceptable for any additional documentation to be made available at the start of the site visit by agreement with the assessor.

#### **Step 4. On-Site Assessment**

The on-site assessment should commence with an, 'Opening Meeting' and conclude with a 'Closing Meeting'. Both meetings should be chaired by the Assessor and a record made of those present and the key points covered.

During the assessment, your assessor will need a private room or a desk with a power supply. The assessment will involve site visit(s) and an opportunity to interview either individuals or groups of employees at pre agreed times, as set out in the assessment plan. If personal protection equipment is required on site or any induction/ health & safety training the Organisation must inform CFA Ltd.

At the end of the assessment the assessor will provide you with feedback and confirm the recommendation that they will be making to CFA Ltd regarding the assessment outcome.

During the on-site assessment, the assessor should establish whether or not your organisation complies with each of the indicators by using a range of information gathering approaches including individual and group interviews, observing systems and processes, reviewing records and additional evidence to confirm compliance. As part of this, the assessor will visit a sample of your organisation's sites.

## Assessment Outcomes

There are 3 possible assessment outcomes for the organisation:

**Compliant** – This is when the assessor finds that all 23 indicators are met.

The assessment will conclude that there are no Essential Areas For Improvement (AFI's), however, the assessor may raise one or more Desirable AFI's.

**Compliant subject to Essential AFI's being closed out within 6 months** – This is when the assessor finds that the majority, or at least 12 of the indicators, have been met but that the client needs to take some action before meeting the Standard. The assessor may also raise one or more Desirable AFI's. A further site visit may be required to close out AFI's.

**Non-Compliant** - This is when the assessor finds that less than 12 of the 23 indicators have been met and must therefore raise a significant number of Essential AFI's. When an organisation is found to be non-compliant, further site visits will be required to complete the assessment. This will incur an additional cost.

### Step 5. Reporting

At the end of the assessment, the assessor should complete an assessment report. Ideally this should be produced using a laptop on site, and a copy given to you. Where this is not possible, the report should be emailed to you within 1 working day. Reports are by exception and will not detail all the positive evidence found. Some desirable areas for improvement may be highlighted as part of the report.

The report will be produced using the approved CFA Ltd report template which is a controlled document.

CFA Ltd will be notified of the outcome of the assessment and receive a copy of the completed report containing the assessor's recommendations within 1 working day of the on-site assessment.

### Step 6. Certification

Upon receipt of the assessor's report, CFA will quality assure the report to verify that the assessment was carried out in accordance with the approved Assessment Procedure and that the report has been adequately completed. For reasons of quality and verification CFA may choose to contact the assessor to ask questions about the assessment or provide feedback on the report.

Once any necessary checks have been completed and any Essential 'AFI's closed out by the assessor, CFA will contact you to confirm the outcome of the assessment.

If you are found to be Compliant you will receive a letter of confirmation and congratulations, a Certificate, and logos with instructions for use, from CFA Ltd.

Once you have received notification from CFA Ltd of compliance, you will need to upload your report to The Environment Agency website as part of CRC Scheme evidence.

CFA Ltd will maintain a register of all organisations that achieve the Carbon Action Standard, Carbon Action Standard Plus and record of the re-assessment date.

## Appendix B: Structure of the Standard

The Carbon Action Standard contains three key **sections**. Each section contains a number of **indicators**.

Section	Title	No. of Indicators
1	Strategy development and understanding	12
2	Taking action to reduce the impact of carbon emissions	5
3	Review and reporting	6

In total there are 23 indicators in the Standard, all of which must be met for the organisation to be deemed 'Compliant' and awarded a certificate.

### Part 1 - Strategy Development and Understanding

#### 1.1 Strategy and Planning

Indicator	Requirement	Assessor/Client Guidance Note	Example Evidence
1.1.1	Senior management ensures that that the organisation has clear written aims for reducing the carbon emissions arising from its operations.	Show me. <i>The assessor should ask to see the organisation's written aims for reducing its carbon emissions. These should be provided prior to on site assessment as part of the self assessment.</i>	Written plans Verbal evidence Meeting notes/minutes Website Intranet Emails Environmental systems Policies
1.1.2	Carbon reduction drivers are considered and the risks and opportunities for the organisation identified.	<i>The assessor should be able to see that the drivers have been considered and see how the Business Plan/ Objectives link to the drivers / rationale for reducing carbon emissions.</i>	Footprint Written plans Verbal evidence Meeting notes/minutes Website Intranet Emails Environmental systems Policies
1.1.3	Senior management ensures that plans to reduce carbon emissions and the drivers behind this are reflected in it's business plan and objectives.	Show me. <i>The assessor should ask to see a copy of the current business plan/objectives and be able to see clearly how the carbon reduction strategy has been incorporated.</i>	Business plan, targets

1.1.4	Senior management ensures that the need to reduce carbon emissions is understood at all levels of the organisation.	Tell me. <i>The assessors should ask about how the strategy has been communicated and take up any evidence which supports this. The level of understanding and awareness of the need to reduce carbon emissions should be established throughout the assessment when interviewing all employees involved.</i>	Copies of communications, memos, notice boards, posters, minutes of meeting, intranet, websites, newsletters. Verbal evidence from interviews and focus groups
1.1.5	The organisation nominates a member of the management team to ensure that a carbon emission reduction programme is established and effectively monitored.	<i>The nominee will usually have been named at the application stage and will have been the assessor's key contact during the planning and pre assessment review. Where a team have been nominated or if there is any need for clarification about who is responsible for leading the programme, the assessor should ask.</i>	Structure chart, job description, project appointment.

## 1.2 The Calculation of Carbon Emissions

Indicator	Requirement	Assessor/Client Guidance Note	Example evidence
1.2.1	The carbon emissions resulting from all areas of the organisation's operations calculated.	Show me. <i>The assessor should expect to see calculations as evidenced by a carbon footprint and look for the link between these and the business plan.</i>  <i>All areas should be included, those which are not should be sufficiently insignificant to have been omitted. See full rules sections 7 &amp; 8.</i>	Completed calculator and footprint

1.2.2	The 'carbon footprint' of the organisation is compiled & distributed to the senior managers & the nominated person(s).	<i>The assessor should expect the carbon footprint to be presented in graphical form, possibly a pie chart or similar visual representation.</i>  <b>Document check – The Carbon Footprint</b>	Emails, charts, minutes of meetings
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### 1.3 Action Plans

Indicator	Requirement	Assessor/Client Guidance Note	Example evidence
1.3.1	Ideas for possible emission reducing measures are generated. Where possible staff at all levels are involved in this process.	Tell me. <i>The assessor should establish how ideas are generated and cross reference this when interviewing employees.</i>	Verbal evidence from interviews and focus groups. Suggestions schemes, meeting notes and records.
1.3.2	The ideas are evaluated for technical and operational feasibility, benefits, costs, statutory & legal compliance and financial viability.	Show Me. <i>The assessor should look for the approach used to evaluate the ideas such as the method available in the toolkit.</i>	Meeting minutes, ROI evaluations on paper Reports
1.3.3	The most suitable carbon emission reduction measures are selected and prioritised for implementation and an appropriate budget is allocated.	Show Me. <i>The assessor should expect to see how the actions were prioritised and the appropriate budget allocated.</i> <i>The plan should indicate what holds the most importance for the client organisation.</i> <i>As per Section 19-21 of the Rules targets for Absolute and/or Relative measures should be chosen.</i>	Reports, minutes Scoring mechanism

1.3.4	A realistic carbon emission reduction action plan, with targets and timescales, is compiled by the nominated person(s) and ratified by senior management. Responsibilities for implementation are allocated by senior management.	<p><i>The assessor should expect to see the plan and responsibility assigned.</i></p> <p><b>Document Check – Action Plan</b></p>	Plans
1.3.5	Responsibilities for implementation are allocated by senior management.	<p><i>The assessor will expect to see clear accountability given to an individual(s)</i></p>	Plans Procedures Organisational charts Service level agreements

## Part 2 - Taking Action

### 2.1 Technical and Operational Measures

Indicator	Requirement	Assessor/Client Guidance Note	Example evidence
2.1.1	The agreed highest priority technical and/or operational measures are implemented	<i>The assessor will expect to see the highest priority targets have been implemented. E.g. if the target was to install a new boiler – the assessor will want to see the new boiler is fitted and working.</i>	Visual evidence of improvements Reports on work done Updated plan Verbal descriptions of work done.

### 2.2 Raising Awareness

Indicator	Requirement	Assessor/Client Guidance Note	Example evidence
2.2.1	The organisation's personnel are made aware of climate change issues, the organisation's carbon footprint and the plan to reduce emissions.	<p><i>Tell me. During individual or group interviews*, assessors should ask staff about how they have been made aware of climate change issues and establish the general level of awareness and understanding of the organisation's carbon footprint and action plan.</i></p> <p>*Example : Two group interviews involving 4-6 members of staff would be an efficient way of gathering information from a wider sample of staff, where staff availability and numbers permit.</p>	<p>Copies of communications, memos, notice boards, posters, minutes of meeting, intranet, websites, newsletters.</p> <p>Verbal evidence from interviews and focus groups</p> <p>Training</p>
2.2.2	People are made aware of actions they are expected to take to reduce carbon emissions.	<i>Tell me. The assessor should also establish the general level of staff awareness about the action they can take as individuals to reduce emissions in the workplace.</i>	<p>Training</p> <p>Briefings</p> <p>Toolbox talks</p> <p>Meeting minutes</p> <p>Procedures</p> <p>Language translations</p>

## 2.3 Effective Monitoring

Indicator	Requirement	Assessor/Client Guidance Note	Example evidence
2.3.1	A system monitoring and quantifying carbon emissions reduction and tracking variances against planned targets, is developed and implemented.	<p><i>The assessor should look for the results or evidence that monitoring / awareness is present and is being acted on.</i></p> <p><i>The Carbon Action Standard Plus – must show savings in Carbon emissions of a minimum 2.5%/year as in The Rules section 3 Applicant Segmentation, If a recertification assessment Section 4.</i></p> <p><i>The assessor will need to audit evidence and verify the results. This may mean checking original Gas, Electricity and other bills.</i></p>	Viewing monitoring systems and results. Viewing bills and meter readings.
2.3.2	Adverse variances are investigated and corrective action is taken where necessary.	<i>If targets are not met, the assessor should expect to see evidence of corrective action agreed.</i>	Amended plans Reports Internal audits reports Action plans

## Part 3 - Reviews and Reporting

### 3.1 Reviews

Indicator	Requirement	Assessor/Client Guidance Note	Example evidence
3.1.1	A regular review of the current trends, new legislation and other influences in the field of carbon emissions is undertaken.	<p><i>Tell me. Ask the client to explain the regular review process, ask to see evidence of meetings or verify this by cross checking what is described by those involved. Examples of good/best practise for the client sector should be evidenced against this section.</i></p> <p><i>Reviews of EA league tables.</i></p>	Verbal from interviews and focus groups Meeting minutes, reports, amended plans

3.1.2	The action plan, individual measures taken and the implementation process, are regularly evaluated to assess their effectiveness.	<i>Tell me / show me. Ask the client to explain the regular review process and ask to see any evidence or cross check if none exists.</i>	Verbal from interviews and focus groups Meeting minutes, reports, amended plans
3.1.3	The action plan is modified as required and new budgets allocated.	<i>Review any corrective actions identified in relation to 3.1.2 or new drivers arising from legislation. Establish if there have been any changes to legislation which affect the organisation or nay new trends. This indicator may not apply if there have been no changes.</i>	Updated action plans
3.1.4	The business plan is annually reviewed by senior management and modified, as required.	<i>Ask the client organisation to explain how the business plan is reviewed and ask to see any documentation.  Annual review should include reviewing the 'Organisational Boundary' see section 6 of the 'Rules'</i>	Verbal evidence Progress reports Amended plans

### 3.2- Progress Reporting

Indicator	Requirement	Assessor/Client Guidance Note	Example evidence
3.2.1	The current carbon emissions of the organisation together with progress made and plans for reducing these emissions further are communicated, at least annually, to external stakeholders.	<i>Establish how the carbon footprint of the organisation and its future plans are or will be communicated.  Are appropriate methods of communication used ?</i>	Annual reports, progress reports, emails Website newsletters

3.2.2	Intermediate internal information on progress is published regularly for all managers and staff.	The assessor will be looking for information from monitoring and how this is communicated to staff. The EA's league table information.	Progress reports, updates, internet, emails
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Terminology used in relation to The Carbon Action Standard.

- The Carbon Action Standard is referred to as a **Standard**.
- Each of the 3 sections are referred to as a **section**, (section of the Standard).
- Each of the requirements are referred to as **indicators**.
- **Essential AFI** – Refers to an ‘Area for Improvement’ or action which is essential for the client to take before they can be found ‘Compliant’ and awarded the certificate. Essential AFI’s must be closed out within 30 days of the on-site assessment.
- **Desirable AFI** – Refers to an ‘Area for Improvement’ which the Assessor recommends to the client as an action which will lead to some improvement for the organisation.

## Appendix C

### Guidance on data quality

To ensure accurate reporting a minimum level of data quality is required for initial certification. Over time, all organisations should develop the systems to track the preferred reporting units for all key emissions and, as part of the qualitative criteria, the appropriateness of the level of data used will be assessed. A key emission is defined as one with >1% of the applicants total emission. This is justification for general inclusion of waste disposal in the initial carbon footprint assessment.

For each footprint level and activity the minimum and preferred reporting units are defined as follows:

#### Activity Preferred Reporting Units and Minimum Reporting Units

##### Level 1

- Fuel Combustion Quantity of fuel consumed in reporting period (e.g. tonnes, litres, therms, kWh) from metered data or quantity of fuel purchased in reporting period (e.g. tonnes, litres, therms, kWh)
- Purchased electricity, heat and steam
- Quantity of energy consumed on site in reporting period from metered data (e.g. kWh)
- Quantity of energy purchased (e.g. kWh) – where bills are based on regular meter readings
- Owned transport quantity of fuel consumed in reporting period (e.g. litres, kg)
- Distance travelled and breakdown of vehicle types

##### Level 2

- Process/fugitive emissions
- Quantity of process emission produced and type of gas
- Emissions inferred from production levels

##### Business Travel

- **Air:** Sum of the emissions from each journey based on number of passenger km/miles, Number of domestic, short and long haul flights
- **Hire Car:** Total miles travelled in hire car by company staff on business purpose (non-commuting)
- Average distance and number of trips
- **Rail:** Total passenger km or passenger miles travelled by company staff on business purpose (non-commuting)
- Average distance and number of trips
- **Taxis:** Total km or miles travelled by company staff on business purpose (non-commuting) Total spend on taxis

## Appendix D

### Guidance on leased assets

Whether a leased asset, like a building or vehicle, must be included in an organisation's footprint depends on:

The selected organisational boundary approach

- **Equity share:** an organisation accounts for the emissions from an operation based on its equity share in that operation;
- **Financial control:** an organisation accounts for 100% of an operation over which it has financial control; or **Operational control:** an organisation accounts for 100% of an operation over which it has operational control.

### The type of lease

- **Finance/capital lease:** This type of lease enables the lessee to operate an asset and also gives the lessee all the risks and rewards of owning the asset. Assets leased under a capital or finance lease are considered wholly owned assets in financial accounting.
- **Operating lease:** This type of lease enables the lessee to operate an asset but does not give the lessee any of the risks or rewards of owning the asset. Any lease that is not a finance or capital lease is an operating lease.

### For a Lessee

Under a financial/capital lease, the lessee is considered to have ownership and both financial and operational control of the leased asset. Therefore the emissions are always counted as part of the scope 1/2 emissions and should be included in an organisation's footprint. A typical example is leased office space. Under an operating lease, the lessee has operational control but not ownership or financial control. Therefore, the emissions must be included if an operational control approach is used but is optional if equity share or financial control approach is used.

### For a Lessor

A Lessor would only count emissions where considered to have operational control of the asset, i.e. in the case of an office that was leased out, the lessee or tenant would be in control and therefore the Lessor would not count this toward their own footprint. If the office were not leased out, then as the owner the Lessor would need to account for this in their declared footprint.