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TREADING CAREFULLY

Practical advice for managing your carbon footprint.

AUTHOR – Brian Murnane

GLOBAL warming is an existential threat to life as we know it. The term, used interchangeably with Climate Change, is the process by which the average temperature of the earth is increasing. Global warming creates problems on a myriad of levels, many of which are not well understood by business, government or society in general.

Those of us in business are hard wired to see a problem as an opportunity: so it should be with Global Warming. Much of it can be solved in ways that are also economically and commercially beneficial. The key is to identify the 'win win' opportunities in the new dynamic that it creates: those who adapt better will aid their own survival and growth, more than those that don't.

So what are the causes of Global Warming, and what can companies do to rise to its challenges?

THE CAUSES

The earth's temperature changes naturally as a result of Milankovitch cycles. These cycles are caused by changes in the earth's orbit around the sun, (eccentricity), its precession (wobble), and the tilt of its axis (obliquity). Each of these have a different effect on how much of the sun's energy reaches the earth and when the strongest sunlight occurs. Temperature is also affected by the changes in the composition of gases in the atmosphere and vegetation on the earth.

However, these natural cycles are slow moving. The last interglacial period (the Eemian) occurred over 100,000 years ago. The current stage in the Milankovitch cycle should see the earth gradually cooling. Instead, it is rapidly warming. The reason is anthropogenic (man-made) emissions of Greenhouse Gases (GHG's). Worryingly, a 10,000-year downward trend has abruptly changed in the last 50 years.

Global warming in simple terms equals the difference between the energy radiated from the sun to the earth – and the energy radiated back from the earth into space. GHG's accumulate in the atmosphere to form a blanket that hinders this natural phenomenon. Radiation from the sun travels in short wavelengths, that penetrate the GHG Blanket. Energy from the

earth however, travels in longer wavelengths, that do not all pierce the blanket. The trapped energy raises the earth's average temperature – and does this unequally across the globe. This throws the planetary system out of equilibrium formed over millions of years of evolution – with profound consequences. Those consequences are increasingly evident: more extreme weather events, drought, flooding, sea level rise, over rapid change to marine and other ecosystems threatening food security, and many others.

NO SILVER BULLET

Given the scale and complexity of the problem, there is no apparent silver bullet to solve it. The solution looks more like silver buck shot: survival needs a toolbox with a broad array of solutions. Understanding what governments are doing and the potential for clean technologies to assist – is the subject of another article. For now, I'd like to focus on what business can do to play its part.

- **Understand the danger of 'Greenwash'** – the term used for unsubstantiated claims of carbon efficiency, often found in marketing statements. Not only is greenwash dishonest – but it is reckless in how it creates a false sense of security, channelling resources into solutions that are not helping. Instead, be sceptical, ask to see the science behind the claims. The more companies put their environmental efforts transparently on their web sites (the science, not the marketing speak), the better the world will be. Consumers are increasingly rewarding transparency as they learn to filter fake news.

- **Seek third-party Verification** – In GHG Accounting, Verification is akin to auditing in financial accounting. Large companies with mandatory carbon accounting requirements are required to have the GHG inventory verified. The only verifiable system for GHG Accounting is the ISO 14064 series of standards: usage of this is a good indication of a company's carbon credentials. The vast majority of companies however only report voluntarily, if at all. In effect, companies can then make whatever self-serving statement they wish – and many do.



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The key is to identify the ‘win win’ opportunities in the new dynamic that it creates: those who adapt better will aid their own survival and growth, more than those that don’t.

- **Have a carbon footprint** – or GHG Inventory Quantification, done professionally. While one can download a free or cheap app to compile this, they do not provide the judgement necessary for a business challenged by more complex ownership structures, boundary issues, treatment of leased assets, using appropriate emission factors for the activity and geography etc. A proper GHG inventory is very affordable and not only provides accuracy, but is also the solid foundation on which subsequent improvement efforts and capex, are based. The independent footprint report always creates trust when companies can say – ‘here is where we are and here is what we are doing’. As with anything else, build on solid foundations.

- **Build a roadmap of what to do** – the footprint should highlight opportunities to improve – stimulating a cost benefit analysis and eventual resource allocation. For companies wishing to become ‘carbon neutral’, the footprint is the first step also. Achieving neutrality involves three basic steps: measure your emissions, reduce what you can, then ‘offset’ the rest. An offset is matching the emission of carbon in one place, with an emission reduction created elsewhere. Offset credits can be purchased from reputable suppliers, who approve the projects that generate them and ensure they are retired when you buy them. A sample offset project might be a new forestry project, a clean energy power plant, rewetted peatlands that sequester CO2 or other ‘clean’ technologies that displace dirtier legacy technologies. An example of an un reputable credit would be one where the same credit not retired after it is sold but is sold to multiple buyers. This is how the world gets fooled. Verification is crucial.

- **Become carbon literate** – Carbon accounting and reduction draws on many business disciplines and as such, benefit from a multidisciplinary approach. Consider

attending a course from a reputable provider – and send your Finance, Engineering/ Environmental, and CSR people to learn together. It tends to reshape company values in a positive and practical way. While there are some online courses in the field, the instructor led courses are better as they tend to lead to idea sharing across industries, driving progress more efficiently.

So much for what a business should be doing at a macro level, but what can a business and its employees be doing at a more operational and personal level? At the operational level, there are many practical choices a business can make, namely:

- **Use electricity from renewable sources** – this won’t lower emissions in the short term, but will clean up the electric grid in the longer term by creating preferential demand for clean power.
- **Employee commuting:** encourage cycling and car-pooling if possible. It is also worth considering a scheme to allow more flexible work at home options – even one day per week. This is a good ‘win win’ example: companies doing this for emissions reason also found this to be great for employee retention as well.
- **Fly less** – consider a sail and rail company policy where feasible.
- **Eat as low as possible on the food chain as you can** – and eat in season. Try more locally grown root crops in winter and fewer strawberries from the other side of the world. ie as close to production as is feasible. Every item has a supply chain with its own carbon footprint. By eating local produce, growing your own, reducing your meat consumption, your diet will be healthier, and your emissions will be lower.
- **Plant trees** – the most efficient way to reduce atmospheric CO2.

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