



Sustainable Glasgow Green Economy Hub

Delivering a Sustainable Glasgow Together

A charter promoting and celebrating ambitious Glasgow business action to achieve net-zero carbon by 2030 –
Supplementary note for small to medium enterprises



Sustainable Glasgow

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GLASGOW
CHAMBER OF COMMERCE



Balfour Beatty



Introduction

The Sustainable Glasgow Green Economy Hub Charter is a commitment by leading businesses and employers in Scotland's largest city, and host of COP26, to take action within their own organisations and sectors to contribute to a green recovery and radically reduce the city's carbon emissions.

Sustainable Glasgow Green Economy Hub 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 Charter aims to be accessible to businesses of all sizes. In engaging with small to medium enterprises (SMEs) during the development of the Charter, it has been recognised that SMEs are keen to sign up but that they may require some additional support to do so. This supplementary note therefore aims to provide some useful information to assist SMEs to be able to commit to the charter and deliver ambitious carbon emissions reductions.

Delivering the aims of the charter will provide significant benefits to signatories, potentially including cost reductions as a consequence of reducing carbon emissions, more efficient business processes, enhanced knowledge of stakeholders and stronger brand differentiation in line with consumers' increasing desire for green options.

Climate change requires all businesses to act, so while the Charter targets a high ambition level, it also recognises that businesses who are in the early stages of their climate action work need a route to be able to commit to the Charter, continue to engage on their progress and learn from businesses further along in their journey.

Therefore, while the Charter 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. This note lays out some of the benefits of signing up to the Charter, 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?

Customers now place increasing value on environmental, sustainability and governance aspects, so setting and achieving carbon reductions is a key way for businesses to maintain a competitive edge. The good news is that in many cases, efforts to reduce carbon throughout your business value chain will also reduce costs.

How do I set and achieve carbon reduction targets?

The process of setting and achieving carbon reduction targets can be challenging at first, but there are support systems available to help SMEs with the process (see **How to access support** below), and the process itself also provides side benefits in terms of knowing your business better and being able to set more ambitious strategies for the future.

Stage 1

The first stage is to develop your footprint. This is where you take stock of greenhouse gases that your business directly and indirectly emits each year. Businesses usually start with Scope 1 and 2 (see definition below), setting a target for these emissions, then once they have confidence in their process and data, they move on to measuring Scope 3 and setting a target across their whole value chain. A useful free starting point to calculate your carbon footprint is the **Carbon Trust's SME Carbon Footprint Calculator**.

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

Stage 2

Once you have your footprint, the next stage is to set reduction targets. The aim is to be as ambitious as possible, but some emissions may be harder to remove than others and you may wish to test out some scenarios for how achievable the proposed target may be for your business. You will need buy-in from the senior leaders within your organisation as delivering the targets may require changes to the way in which your business operates.

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

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, though this is not essential for the purposes of the Glasgow Charter. See **Definitions** below for more information about the Science Based Targets initiative.



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.

This 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 – Avoid/Prevent, Minimise, Restore/Rehabilitate, Offset.

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 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:

- ACS Advanced Clothing Solutions Circular Economy Ambitions
- SP Energy Networks Annual Sustainability 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.

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. 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 Charter will have access to a platform for reporting progress and sharing best practice.

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

Whilst it's ideal that you have measured your carbon footprint and set targets before signing up to the charter, we recognise that this might not be possible for all SMEs within the timescale. In the case that you are not able to measure your footprint and set a target before signing the charter, you are still able to sign up to the ambition of the charter, providing information about your timeline for footprinting and target setting and any carbon reduction activities you have planned.



Definitions

Greenhouse Gases: Natural and human-made gases which trap heat in the earth's atmosphere, causing global heating. The primary greenhouse gas is carbon dioxide (c.81% of UK emissions), followed by methane, nitrous oxide and fluorinated gases.

Carbon: 'Carbon' is often used as a shorthand for all greenhouse gases as carbon dioxide is the primary greenhouse gas.

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.

CO₂ equivalent (CO₂e): Metric used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP) in comparison to the GWP of carbon dioxide. For example methane has a global warming potential of 28 x carbon dioxide, so methane emissions are multiplied by 28 to indicate their CO₂ equivalent, enabling like-for-like comparison.

Net Zero: Achieving balance between Greenhouse Gas (GHG) emissions produced and removed from the atmosphere. At time of writing a single global definition of Net Zero has yet to be agreed. This is expected to be clarified by the UN-backed Science Based Targets Initiative in November 2021, but it is expected that the definition may recommend that targets cover scopes 1, 2 & 3, that reported reductions must align with a 1.5°C pathway and that residual emissions must be specifically removed rather than offset.

Carbon Neutrality: Making or resulting in no net release of CO₂e into the atmosphere. Targets must cover scopes 1 & 2, whereas Scope 3 is encouraged but optional. Carbon neutrality can apply to specific products or services instead of the whole company and offsetting is allowed.

Absolute Zero: Eliminating all emissions across Scopes 1-3 without the use of carbon removal or offsetting.

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

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.

Capital Carbon: Emissions associated with the creation, construction and end of life treatment of entire assets such as buildings or infrastructure.

Circular Economy: A circular economy is where products or systems are created with the intention of increasing life-span and adding as much value as possible along the way. It's an approach to business where everything has value and nothing is wasted. In simple terms, it can be explained as 'make, use, remake' as opposed to 'make, use, dispose'.



How to access support

Direct support

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

In the first instance, please contact Business Gateway on Business.Gateway@glasgow.gov.uk and the team will direct you to the information and support you need.

Organisation	Description
Sustainable Glasgow	'Council-led initiative formed in 2010 to make Glasgow a world-leading centre for sustainable policy, innovation and action. It has partners from housing, communities, business, universities, enterprise and education.'
Business Gateway	'Offers professional resources and support to help anyone starting up or growing a business, including workshops, events, news and advice'
Scottish Enterprise	'Scotland's business advice, support and funding agency'
Energy Savings Trust	'Energy Saving 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.'
Zero Waste Scotland	'Zero Waste Scotland provides free expert advice on the circular economy to help businesses cut waste and carbon emissions to meet net zero targets and end the climate crisis'
SME Climate Hub • Useful tools	'The SME Climate Hub represents a global network of like-minded businesses seeking to improve themselves, their community and the planet'
Goal 13 Impact Hub	'The Goal 13 Impact Platform is an initiative led by 6 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.'



Organisation	Description
Supply Chain Sustainability School	'The Supply Chain Sustainability School is a free learning environment, upskilling those working within, or aspiring to work within, the built environment sector. We focus 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. The School also offers CPD training and networking activities.'
The Carbon Trust <ul style="list-style-type: none">ResourcesSteps to energy savings for SMEs	'An expert partner for businesses, governments and organisations around the world – supporting them in realising ambitious plans for a sustainable, low carbon future. We believe that environmental sustainability and economic prosperity can go hand-in-hand as we address the climate crisis.'
Science Based Targets <ul style="list-style-type: none">Resources	'Lead the way to a zero-carbon economy, boost innovation and drive sustainable growth by setting ambitious, science-based emissions reduction targets.'
Circular Glasgow	'An initiative of Glasgow Chamber of Commerce, working alongside key partners Zero Waste Scotland and Glasgow City Council, Circular Glasgow offers your business, no matter the size, a powerful proposition to help lead the way through innovation, design thinking and new circular business models.'
SEPA <ul style="list-style-type: none">One Planet ProsperitySector Plans	'The Scottish Environment Protection Agency (SEPA) is Scotland's principal environmental regulator, protecting and improving Scotland's environment.'
Defra Carbon Conversion factors	'The government conversion factors for greenhouse gas reporting are for use by UK and international organisations to report on greenhouse gas emissions.'



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