



Carbon Footprint of Financial Institutions

Workshop, Brussels, 15 June 2009

1. Introduction

This workshop was the first in a series organised by WSBI/ESBG as a follow up to the “Guidance Framework on Climate Change“ that was endorsed by the ESBG Board of Directors and published in December 2008. It forms part of an action plan to implement the Charter for Responsible Business that has been adopted by the ESBG and WSBI General Assemblies respectively in May 2008 and April 2009.

The objective of the workshop was to provide the opportunity for ESBG members to exchange information, experience and best practices on the challenges and opportunities presented by the introduction of a climate change strategy in their organizations.

2. Highlights from the workshop

The Focus

This workshop focused on the “carbon footprint” of financial institutions and implementing a climate strategy. The specific focus was on the establishment of a carbon footprint for a financial institution and how it applies to property and facilities management, including business travel.

Financial institutions can begin to develop a climate strategy by measuring their own carbon footprint, i.e. their level of greenhouse gas (GHG) emissions and setting up targets and a reduction plan to reduce these emissions. They can also contribute momentum to the global effort by incorporating the environmental dimension into banking offers to customers, their own operations and processes, relations with suppliers as well as in their role as institutional investors.

Measuring and Managing the Carbon Footprint

Measuring and managing the carbon footprint of a financial institution requires a clear governance structure, the allocation of dedicated human and financial resources and support from the top management and Board. The key to success is motivating and empowering staff to change their mindsets and make smart decisions about energy saving in their daily lives. This needs to be backed up by concrete data on the amount of carbon emission reductions achieved as well as the value to the business to ensure that the momentum and motivation continue.

It is also important to communicate externally on the emission reduction targets and policies in place as well as on progress in meeting these targets. This communication shows the financial institution’s commitment to sustainable business and enhances its reputation with customers and other external stakeholders.





When measuring their carbon footprint, financial institutions should examine both their direct and indirect emissions with recognised national or international tools such as the GHG Protocol. Direct emissions are from GHG sources owned or controlled by the organisation, such as energy used for the heating and cooling of buildings and travel in company owned vehicles.

Indirect emissions are caused by the organisation's consumption of electricity as well as those from sources not owned or controlled by an organisation, but which occur as a result of its activities. These include travel by rail/air, transport of purchased goods, employee commuting, lending and investments.

Some concrete steps to reduce carbon emissions include:

- Energy efficiency measures that reduce the energy needed to heat and cool buildings and reduce the amount of electricity used to power computers and illuminate offices.
- Using renewable sources of energy and electricity.
- Encouraging travel substitution schemes. This could mean encouraging business travel by rail rather than air, where it makes sense. Travel substitution can also mean the substitution of physical meetings by virtual meetings where possible and encouraging employees to use public transport or other more carbon-friendly means of commuting to work rather than driving cars.
- In addition to these reduction schemes, some ESBG members offset remaining emissions through purchasing carbon offsets and schemes to plant trees.

Incorporating climate change into relations with suppliers

Relations with suppliers constitute one of the most important sources of indirect emissions for financial institutions. These sources can be related to transport of funds for ATMs, production and delivery of IT and office supplies, paper, catering etc. Accordingly, procurement strategies should incorporate the environmental dimension. This includes procuring locally where possible and reducing the number of trips in any one delivery period. It also means looking for suppliers which have or are willing to incorporate corporate social responsibility (CSR), including environmental considerations, into their business activities. This may include environmental management systems along the lines of those certified by the International Standards Organisation (ISO) 14001 standard.

ESBG/WSBI members can access the proceedings of the workshop on the ESBG/WSBI Extranet. Go to Extranet, click on Responsible Business, then click on Environment and finally on Climate Change workshops.