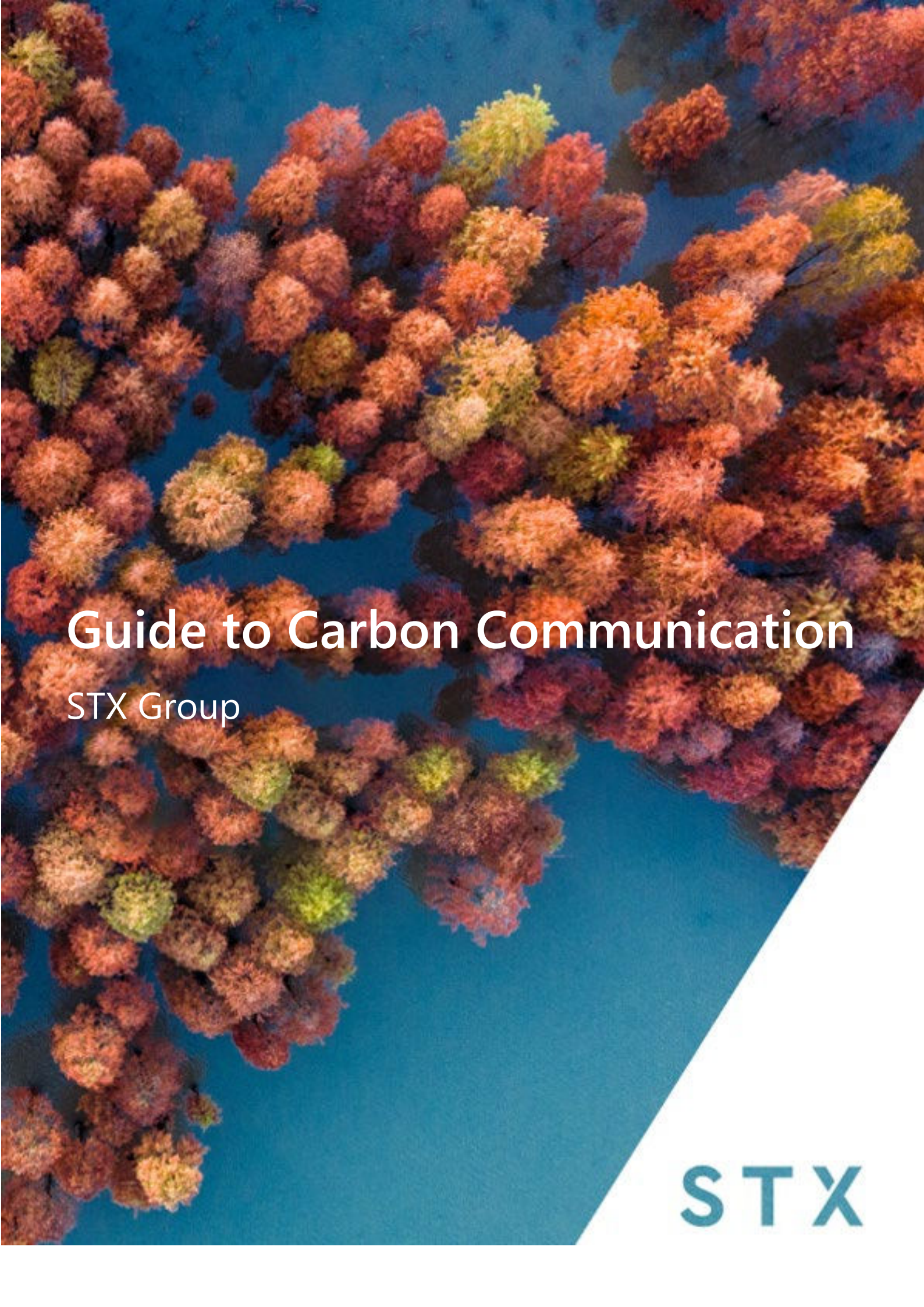


An aerial photograph of a dense forest with trees in various shades of orange, red, and yellow, indicating autumn. The forest is situated around a large, calm blue lake. The sky is a clear, deep blue. The overall scene is serene and natural.

Guide to Carbon Communication

STX Group

STX

GUIDE TO CARBON COMMUNICATION

Introduction

STX Group works with its clients to help on the best ways to communicate their carbon neutrality. This guide will provide notes and examples of best practices when communicating about the carbon agenda.

Communicating about Carbon Credits use

The International Carbon Reduction and Offset Alliance (ICROA) elaborated a list of recommendations to follow when communicating about carbon offsetting. As members of ICROA, we also invite our clients to communicate online or offline their carbon status and footprint in a clear and transparent manner.

Best practice of climate communication

STX encourages all corporates to follow regulatory guidelines for climate disclosure and transparency such as IFRS or CSRD in the future.

Where possible, companies should follow the communication recommendations of GHG Protocol or Voluntary Carbon Market Integrity initiative.

In order to support its climate claim, companies should disclose and publish relevant data and proofs related to their claim:

Climate target: If you have a climate target for your organization, product, service or event, disclose details on scopes and boundaries of the target as well as numeric values of the target and methodology of its setting.

Carbon footprint: Communicate the company's total emissions linked to your organization, product, service or event including the calculation standard you used (for example GHG Protocol), calculation boundaries, emission factors used and sources of emission factors. Ideally, you will have your carbon footprint verified by 3rd party verifier (such as TUV Sud, SGS, Bureau Veritas,..) and you publish the verification statement as well.

Reduction strategy: Communicate all verifiable actions taken to reduce greenhouse gas emissions. You may disclose the emission reduction achieved compared to your base year or base level. You might want to disclose the amount of financial investment in emission reduction made by your organization (new technology purchased etc.).

Carbon credits use and clean energy sourcing: Communicate all emissions compensated with the proper details of the scopes, project(s), including all official documentation as well as the link to the registry where the carbon credits have been retired. For Scope 2 (purchased electricity) disclose the retirements of Guarantees of Origin, Renewable Energy Certificates or other energy attributes you use to claim your renewable energy use.

Uncertainties: Communicate transparently uncertainties or risks associated with the carbon footprint or internal or external emission reductions.

How should your company NOT communicate?

Over-stating information, giving incorrect data or not disclosing documents are just a few examples that can lead to bad criticism or negative feedback from stakeholders.

Organization over-claims action

Example of wrong message: “Our service is the greenest on the market”. This statement is vague and, at first sight, lacks data to back it up. What makes this entity greener than others? Because there is no information with regards to what “greener” means, one could easily criticize this statement simply by proving the actual emissions per unit (can be km or tonne of transported goods), even if they are offset, are not higher than other organizations.

Example of a better statement: “We are happy to announce that we have supported climate projects beyond our value chain in YYYY. The environmental footprint of our service has improved by x% compared to last year. We are actively working on reducing our footprint per unit and all unabated emissions are 100% compensated by carbon credits from highly credible and internationally recognized emission reduction projects. For more details click here”. This statement gives accurate data on the organization’s actions and includes a report with full details and proof of the company’s progress.

Another example of over-claiming is if your organization claims carbon positive achievement when offsetting only 100% of residual emissions or claims carbon neutrality when offsetting only part of residual emissions.

Organization selects wrong credits or unverified compensation activity

Carbon credits or compensation activity used for offsetting should come from emission reduction activities that are additional, independently verified, permanent, cause no harm and carbon credits are real and retirement should be traceable in a registry, with no possibility of double claiming (basic requirements). To be sure, companies should use credits from internationally recognized standards such as CDM, Verra, Gold Standard, Woodland Carbon Code, ACR or CAR or other recognized standard. If using alternative credits from local or innovative standards or from own activities (such as planting trees), the organization should collect and provide a proofs that the emission reductions/removals comply with the basic requirements as listed above.

The emission reduction credits we offer and sell to our customers at STX Group are annually audited by Climate Check against the basic requirements and comply with ICROA Code of Best Practice.

Organization does not provide appropriate disclosure of carbon activities

Examples of proofs you should give: For transparency reasons and to follow best practices, your company should be able to inform its clients about the unique proof of unit retirements, credit types, date or frequency of retirements and credit standards, full disclosure on your footprint calculation method and emission factors used.

STX Group can help and co-create an Evidence and Retirement Procedure, which will allow you to send to your stakeholders a regular report that includes retirement links and proofs. Additionally, you could create a page on your website to share details of your carbon neutral claim, project descriptions, retirement frequency, footprint calculation method used and show how your stakeholders can trace the unique retirement action in the relevant carbon credit registry.