



## 5. Getting started guide

# Getting Started Guide: Introduction to transition planning

The corporate climate landscape is increasingly complex. Countless standards, frameworks, and technical terms can leave companies confused and unsure of how to get started. To help cut through the noise, the following pages provide a simple and practical guide for wholesalers who are early in their climate action journey.

The guide is split into four key stages, based on the structure of the UK's Transition Plan Taskforce's Implementation Guidance: 1.) baselining your company's current position, 2.) defining an appropriate level of ambition, 3.) developing a plan for reducing your emissions and 4.) ensuring internal accountability structures for delivery of your plan.

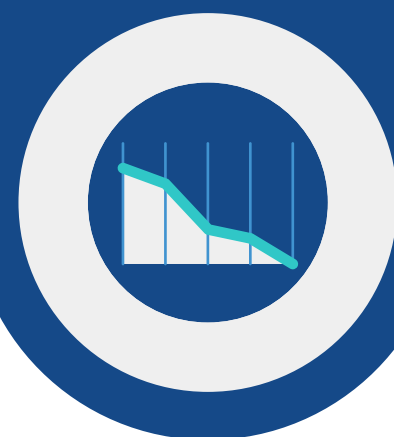
At each stage, the guide outlines a checklist of key actions for companies and signposts users to supporting resources such as e-learning courses, corporate climate standards and guidance documents. To cater to businesses who are further along their climate journey, additional advanced actions and relevant resources are also included.

Stage one of the guide includes a deep dive into carbon footprint calculations, pointing to a tool which has been designed specifically by FWD to allow members to identify their key emissions hotspots and benchmark against industry averages. Guidance on assessing climate-related risks and opportunities in line with the recommendations of the TCFD (Taskforce for Climate Related Financial Disclosures) is also provided.

**1.**  
**Baseline  
current  
position**



**2.**  
**Set  
ambition**



**3.**  
**Develop  
an action  
plan**



**4.**  
**Ensure  
accountability  
for delivery**



# 1. Baseline your current position

## Key actions checklist:



### Calculate your corporate carbon footprint:

Understanding your company's GHG emissions inventory is a critical first step on the journey to Net Zero. The following page provides an overview of an [emissions calculator tool](#) which was developed specifically for FWD members, along with guidance for how to use it.



### Assess relevant climate-related risks and opportunities:

A changing climate and the resulting economic and regulatory shifts have wide-reaching impacts on businesses, especially those operating in the food sector. FWD members should perform a stocktake on their potential exposure to climate-related risks and opportunities - see Page 40 for guidance.

## Advanced actions:



### Assurance of GHG emissions inventory:

In response to stakeholder demands, companies are increasingly obtaining external assurance or auditing of their carbon footprints. More information can be found in Chapter 2.3: Audit, assurance and verification considerations of the TPT Implementation Guidance. It is normal to get your Scope 1 and 2 emissions assured as a first step.



### Inclusion of supplier/product-specific data in carbon footprint:

Over time, companies should strive to improve the accuracy of their Scope 3 calculations by incorporating primary emissions data related to their specific product portfolio or supplier base. See SBTi Supplier Engagement Guidance for further details.

## KEY RESOURCES

- DEFRA: Guidance for small business on how to measure and report greenhouse gas emissions [↗](#)
- GHG Protocol Corporate Accounting & Reporting Standard [↗](#)
- SME Climate Hub emissions calculator [↗](#)

## ADVANCED RESOURCES

- TCFD risk management resources [↗](#)
- Corporate Scope 3 Accounting & Reporting Standard [↗](#)
- Transition Plan Taskforce Implementation Guidance [↗](#)

## Climate data management

The ongoing management of climate-related data is a perennial issue for companies. It is important to invest in the internal infrastructure required to streamline and standardise the data collection and reporting processes. This will include the improvement of climate literacy and GHG footprinting skills amongst relevant staff and the use of emissions reporting platforms which integrate with your business' data management processes.



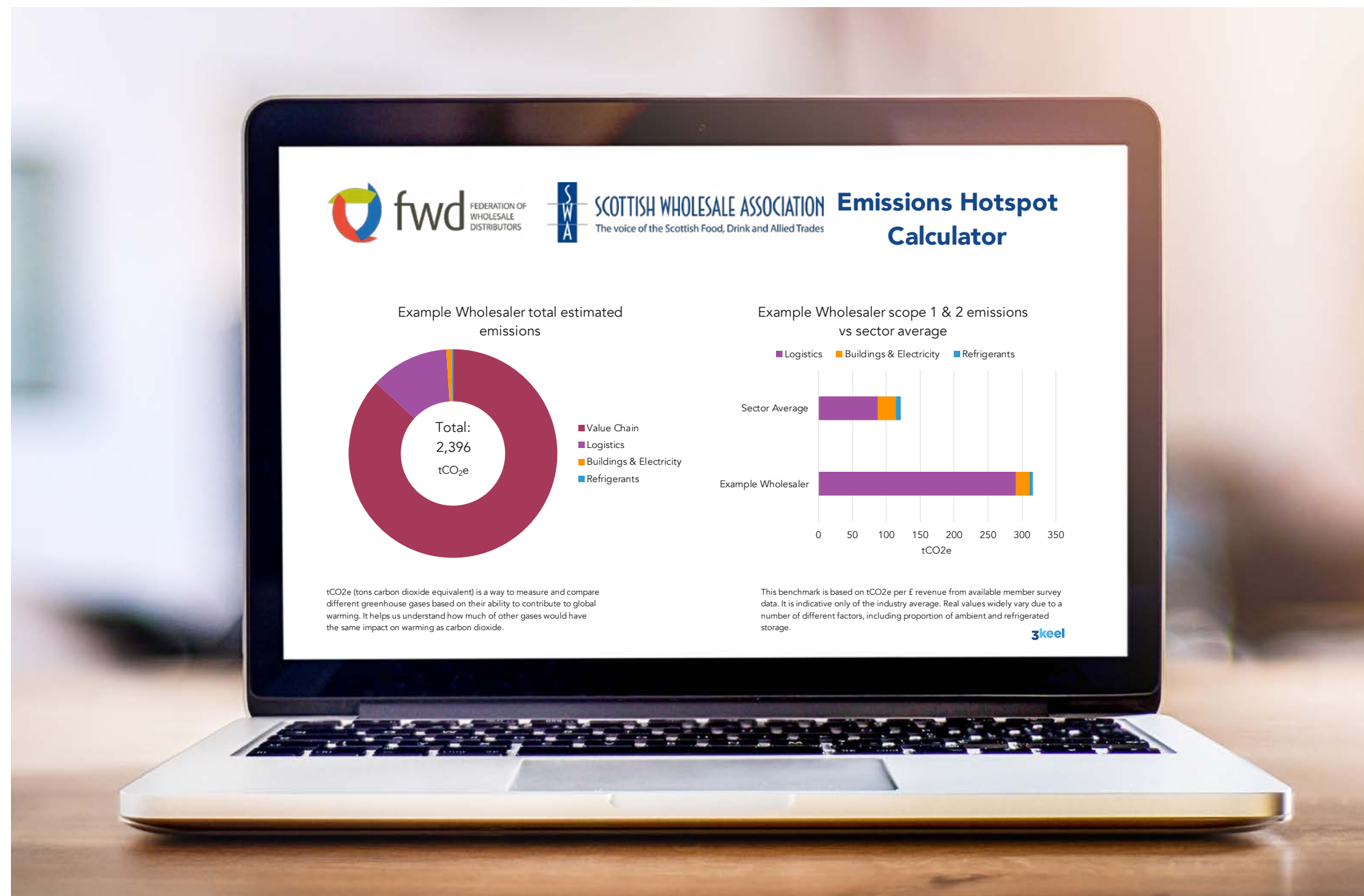
# 1. Baseline your current position

## Getting started with footprint calculation

FWD, in collaboration with 3Keel, has developed an [emissions hotspot calculation tool](#). This tool is designed to help wholesalers to kickstart the carbon footprint calculation process and to identify the most emissions-intensive parts of their business. It is a simple, easy-to-use Excel based spreadsheet which allows members to calculate their direct (Scope 1 and 2) emissions and provide an initial estimate on their indirect value chain (Scope 3) emissions.

The tool outputs are a range of visual charts showing your company's total estimated emissions, how you compare to the sector average (calculated from a survey of FWD members' emissions data) and your top three emissions hotspots, with advice on priority decarbonisation actions per hotspot.

When opening the tool for the first time, it is recommended to navigate first to the "User Guide" tab which provides an overview of how best to input company information and should hopefully answer any of your questions. A short guidance video demonstrating how to use the tool will also be distributed to FWD members.



# 1. Baseline your current position

## Climate-related risks and opportunities

Regulation, such as the UK Government's implementation of mandatory climate risk reporting for certain businesses, and changing stakeholder expectations make it increasingly important for companies to understand their exposure to climate-related risks and opportunities. The Taskforce for Climate-related Financial Disclosures (TCFD) provides a helpful framework for companies to carry out such an assessment.

The TCFD framework can be used to identify climate-related risks that could impact a company's operations, supply chain, or financial performance. This includes physical risks (e.g. extreme weather events) and transition risks (e.g. policy changes). Material risks should be assessed in terms of their likelihood and potential financial impact. A similar process should be followed for climate-related opportunities.

This is a complex area and how companies assess, manage, and report on their climate-related risks and opportunities will evolve over time. The resources below provide further information to support you in this process.

### KEY RESOURCES...

- CDSB (2021) TCFD Good Practice Handbook [↗](#)
- TCFD (2017) Recommendations of the Task Force on Climate-related Financial Disclosures [↗](#)
- TCFD Publications & Guidance [↗](#)

### Transition risks

In moving to a low carbon economy, the extensive technological, legal, policy and market changes that may occur to enable this are referred to as 'transition risks'. There are four key types:

**Policy & Legal** e.g. implementation of a GHG emissions tax

**Technology** e.g. cost of implementing lower carbon technologies

**Market** e.g. consumer preferences trend towards 'greener' options

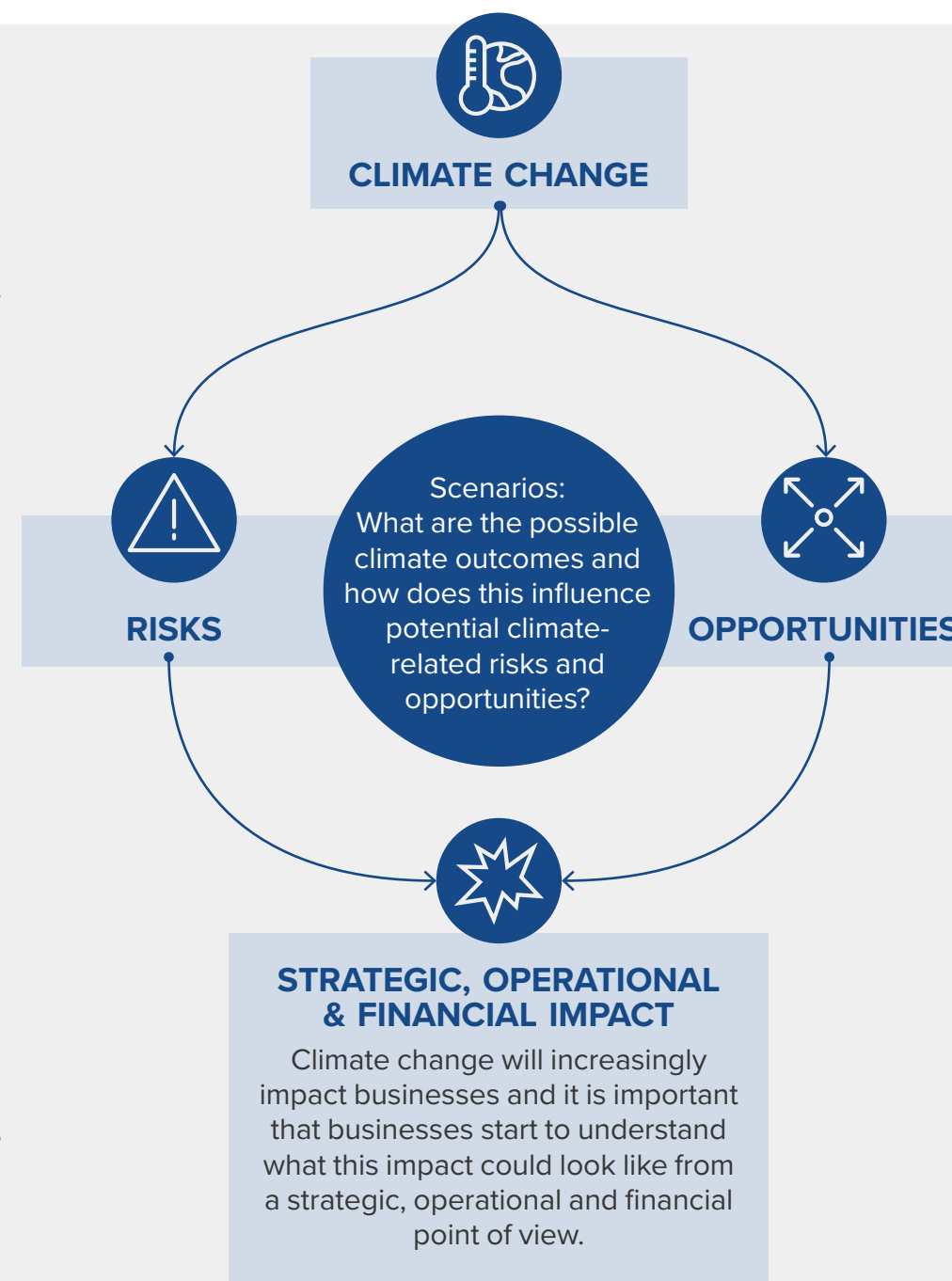
**Reputation** e.g. carbon-intensive activities are stigmatised

### Physical risks

Climate change will lead to physical risks for businesses that will be either event-driven (acute) or reflect longer term changes (chronic) in climate patterns.

**Acute** e.g. severe flooding disrupts UK agricultural supply chains

**Chronic** e.g. sea level rise intensifies coastal hazards and threatens coastal physical assets



### Opportunities

The transition to a lower carbon economy and any associated work to mitigate and adapt to climate change also presents businesses with opportunities. These will vary depending upon a business' geography, markets and industry, but could offer significant opportunities in the following areas:

**Markets** e.g. increased demand for an EV logistics option in the last mile

**Consumers** e.g. meeting consumer preferences for greener products / services by developing green logistics fulfilment options

**Resilience** e.g. implementing energy efficiency measures to reduce energy use and operating costs

**Products / Services** e.g. developing new 'green' logistics services to support customers to reduce their emissions.

## 2. Set Ambition

### Key actions checklist:



#### Select a base year:

The meaningful and consistent tracking of climate ambition requires the establishment of a base year GHG emissions inventory. Your company should select a recent base year for which there is accurate data available across all emissions scopes and which is also representative of your typical emissions profile.



#### Set near-term emissions reduction target:

Near-term targets cover a time horizon of 5 - 10 years. Separate targets for direct (scope 1 & 2) and indirect (scope 3) emissions may be set. It is viewed as best practice to validate your targets against the requirements of the Science-Based Targets Initiative (SBTi) - see resources section for further guidance.



#### Set long-term net-zero emissions reduction target:

In addition to near-term targets, companies should also set a long-term target to deeply decarbonise their value chain and neutralise any remaining emissions with an equivalent amount of carbon removal, thereby reaching 'Net Zero'.

### Advanced actions:



#### Set other climate-related targets:

Alongside emissions reduction targets, companies should also explore setting quantitative targets on areas such as the use of renewable energy, waste management or increased investment in R&D for low-carbon innovations.

#### KEY RESOURCES

- Science Based Targets initiative (SBTi) Corporate Manual [↗](#)
- SME route FAQs [↗](#)
- SME Climate Hub commitment [↗](#)
- UNGC short e-learning course: Setting Science Based Targets [↗](#)

#### ADVANCED RESOURCES

- UNGC e-learning course: SBTi Net-Zero Standard [↗](#)
- SBTi Forest Land and Agriculture (FLAG) Guidance [↗](#)

## Carbon removals

In the long-term, to reach Net Zero, companies will need to Invest in high quality projects that remove carbon dioxide from the atmosphere to balance residual emissions. There is currently a lack of consensus on what constitutes a robust strategy for removals investment. It is therefore recommended that companies stay abreast of the latest removals guidance from the GHG Protocol and SBTi as it becomes available.

# 3. Develop an Action Plan

## Key actions checklist:



### Identify key stakeholders across business functions:

To successfully develop and deliver your climate strategy, it is crucial that decision-makers from across the business are engaged in the process from an early stage. These may include representatives from departments such as finance, operations, procurement and communications.



### Identify priority interventions across the 5 wholesale sector decarbonisation themes:

Using the information outlined in section 3 'Decarbonisation Themes', assess which levers are at your own company's disposal to reduce emissions from different sources. Considerations of emissions savings potential and cost can help inform the prioritisation of interventions.



### Engage with suppliers, customers and peers:

Active collaboration with other organisations from your value chain can be a powerful driver of climate action. This could include working with suppliers to improve primary emissions data, joining sector initiatives to shift demand signals or jointly working with customers to reduce emissions from use of sold products.

## Advanced actions:



### Implement carbon pricing to fund decarbonisation initiatives:

When an internal carbon price is set, a cost is assigned to each ton of carbon used so this can be factored into business and investment decisions. Money raised through an internal carbon tax can be directed to investments in initiatives which reduce emissions. See further guidance in resources section.

## KEY RESOURCES

- UNGC Transition Plans webinars [↗](#)
- Exponential Roadmap Supplier Engagement Guide [↗](#)
- Financial support guide: Options for SMEs to find financial support on the journey to NZ [↗](#)
- Business in the Community: Seven Steps for Climate Action [↗](#)

## ADVANCED RESOURCES:

- UK Transition Plan Taskforce's Implementation Guidance [↗](#)
- Carbon pricing guidance from CPLC [↗](#)

## Purchasing renewables

Purchasing renewable electricity can play a key role in a company's climate action plan. The most direct method of doing so is through Power Purchase Agreements (PPAs). PPAs are agreements directly with the supplier of renewable energy. While PPA may be challenging to negotiate, multi-buyer or aggregated PPAs, can help to spread costs and negotiation among multiple buyers.



# 4. Ensure Accountability for Delivery

## Key actions checklist:



### Define KPIs & publicly report progress annually:

It is vital to define metrics for measuring success to keep your climate journey on track. These should include GHG emissions figures as well as operational and financial metrics. As best practice, these metrics should be publicly reported against on an annual basis to provide transparency for your stakeholders.



### Assign clear roles and responsibilities:

To ensure there is oversight of your company's Net-Zero plan and a clear accountability structure for its delivery, climate-related roles and responsibility should be explicitly assigned throughout the business. An individual at Director/C-Suite level should ultimately be responsible for effective delivery of a climate strategy.



### Build climate capacity across the business:

It is important that employees across your company are equipped with the skills required to achieve your Net Zero transition plan. Building capacity may include the development of internal or external training programmes or even the hiring of new staff with specific technical skills.

## Advanced actions:



### Connect executive remuneration to climate KPIs:

According to the TPT Framework, it is best practice for companies to link their compensation programme for senior staff to the achievement of climate-driven objectives. This helps to align interests and gives leaders a clear definition of success.

## KEY RESOURCES

- ClimateFit: Free online SME training course [↗](#)
- CDP & SME Climate Hub:SME Disclosure Framework [↗](#)
- Business in the Community: Building Green Skills Routemap [↗](#)

## ADVANCED RESOURCES:

- Cambridge Institute for Sustainability Leadership: Sustainability Essentials for Business Course [↗](#)
- UK Government Report: Skills for a Green Economy [↗](#)
- TCFD Workshop: Governance [↗](#)
- Chapter Zero: Climate Board Toolkit [↗](#)

## Climate Policy advocacy

For most companies, a successful climate transition will depend on an accommodative policy landscape. In parallel to the development of an internal climate action plan, FWD members should advocate for climate-positive policies that impact the UK food and beverage sector and should lobby against policies which could hamper their ability to transition - see the Global Standard of Responsible Climate Lobbying guidance. [↗](#)





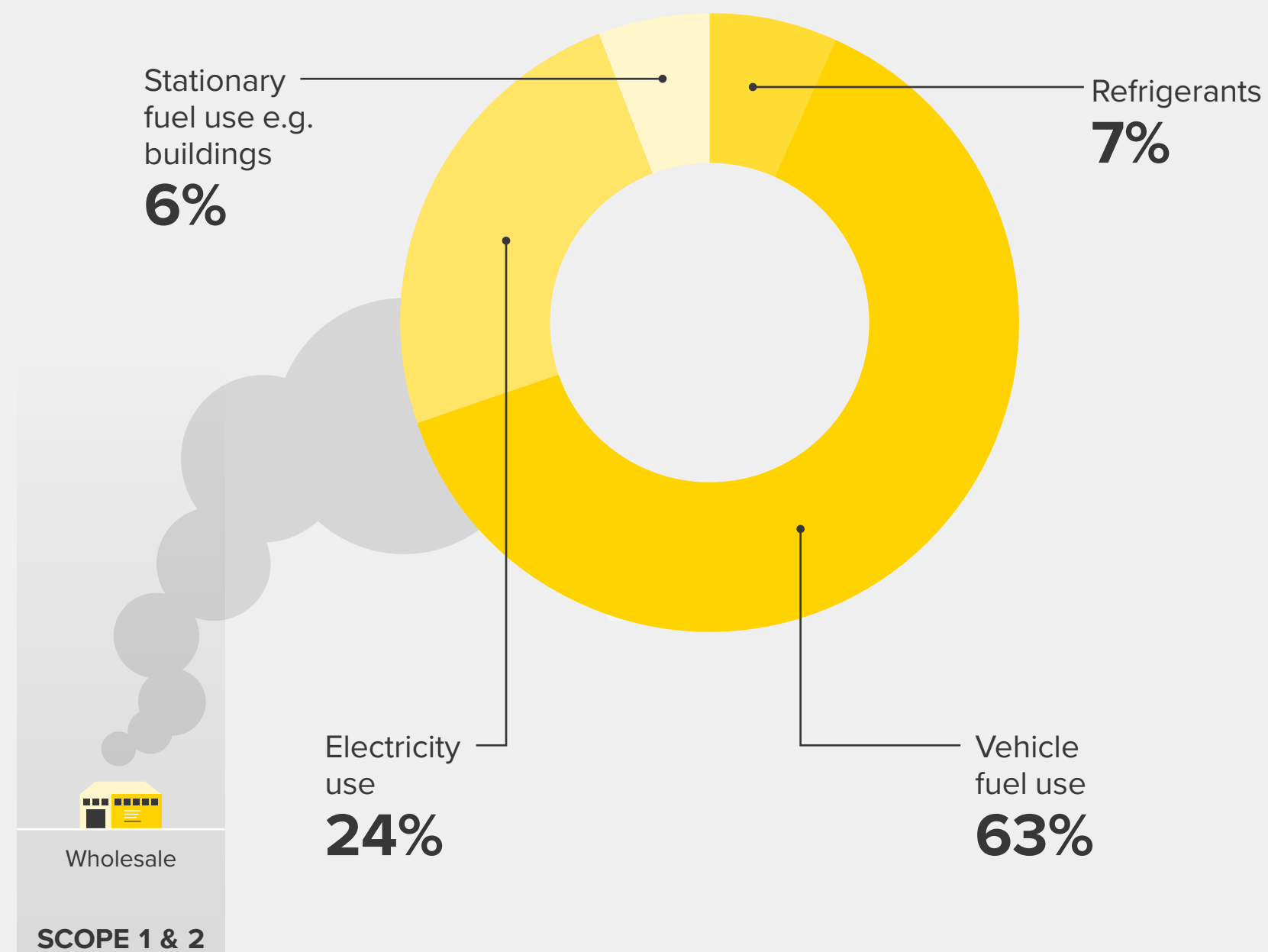
# Appendices



# Wholesale sector Scope 1 & 2 methodology explainer

A combination of primary and secondary data sources were used to calculate the emissions of the UK wholesale sector. A detailed survey was sent out to FWD members. The survey contained fields to collect data on respondents' operations, their emissions or energy use activities, and their climate policy. In total, 15 members responded, providing either Scope 1 and 2 emissions figures or fuel and electricity data. One additional member's data was collected via CDP. These responses were then cleaned and aggregated, to derive a total Scope 1 and 2 emissions figure for the members surveyed. To estimate the emissions for the entire sector, we scaled up this figure based on the revenue generated by the responding members and the overall revenue generated by the sector in 2021 (Cebr, 2022). The responding wholesalers' represent 56% of the UK wholesale sector's total revenue. Scope 1 emissions were broken down by emissions source, using an average of the percentage splits reported by all the members who provided reliable, granular, data on their emissions or activities. Secondary data sources were used to estimate Scope 3 emissions (which many FWD members do not currently measure in full). Using the GVA split of the UK food and drink sector (DEFRA, 2021), wholesale was taken to represent 11% of the total UK food and drink sector emissions data (WRAP, 2021; 2022). The total emissions include both operational and indirect emissions from the wholesale sector.

FIGURE: WHOLESALE SECTOR SCOPE 1 AND 2 EMISSIONS



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