

**The Household of Their Royal Highnesses
The Prince of Wales and The Duchess of Cornwall
Carbon Report for the year ended 31 March 2009**

Foreword

The Carbon Report in context

His Royal Highness The Prince of Wales has been a leader in helping to foster good sustainability practice for nearly 40 years and, as part of the Household's role in supporting the Prince and his family in all their activities, it is committed to monitoring, reporting on, and continually improving its sustainability performance.

The 2009 Annual Review includes a sustainability account which combines financial and non-financial information to provide a balanced picture of the Household's overall performance including its carbon emissions that arise as a result of its work. This Carbon Report provides further information on how its carbon emissions are calculated. It also includes an external assurance report which presents positive assurance, as defined by international assurance standards, over the Household Carbon Statement for the year ended 31st March 2009.

Roles and Responsibilities

The Senior Management of the Household are responsible for preparing the Carbon Report including the Carbon Statement in accordance with the Household's Carbon Reporting Policy, and for defining the boundaries of operations and the determination of methods and conversion factors used. In preparing the Carbon Report, the Senior Management are required to:

- ensure that the Carbon Reporting Policy is appropriate and applied consistently;
- keep proper records that disclose with reasonable accuracy the carbon emissions of the Household;
- make judgements and estimates that are reasonable and prudent; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

Overview of the Carbon Report

The four main sections of this document should all be read together to gain a full understanding of the Household's carbon emissions:

Introduction – provides narrative details of the Household's carbon performance for the year;

Household's Carbon Statement – sets out this year's carbon emissions data alongside prior year data and 2007 baseline data;

Carbon Reporting Policy – explains the bases of preparing the Household's carbon emissions data; and

Assurance Report – the external assurance report on the Household's Carbon Statement prepared by PricewaterhouseCoopers LLP, a leading firm of independent accountants.

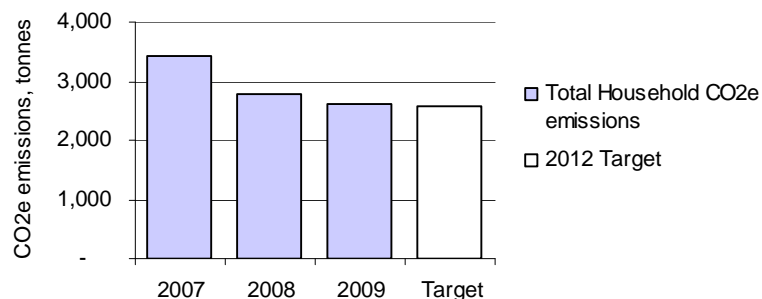
Senior Management confirm that they have carried out their responsibilities as set out above and have approved the Carbon Report.

30 June 2009

Introduction

The Household strives to minimize its carbon emissions, which arise primarily from travel, heating and lighting. Emissions arising from the Home Farm at Highgrove are reported in the Annual Review but are outside of the scope of this report.

The Household has set a target of reducing its carbon emissions by 25 per cent by 2012 against a baseline year of 2007. In 2009 this target has almost been met, with a total reduction of 24 per cent from 2007, bringing emissions down to 2,601 tonnes CO₂ equivalent.



The majority of carbon emissions arise from overseas trips undertaken by Their Royal Highnesses at the request of the Foreign and Commonwealth Office. This year Their Royal Highnesses undertook two long-haul trips and this has resulted in a significant increase in emissions from this source.

Other travel includes general staff journeys between residences and offices, staff commuting and Their Royal Highnesses' private travel. The Household has more direct control over this category and emissions have been reduced through a combination of less travel and the use of forms of transport with lower emissions.

The Household endeavours to minimize the environmental impact of travel during the planning process taking into account security, logistical, cost and other considerations. A green travel policy is in place for all staff.

Energy use encompasses heating, hot water and lighting for all the offices and residences. The Household seeks to maximize energy efficiency and use energy from renewable sources where possible.

Overall use of energy from fossil fuels has fallen as a result of measures such as the use of energy efficient condensing boilers at Clarence House, and woodchip boilers at Highgrove, Birkhall and Their Royal Highnesses' Welsh Residence, Llwynywermod. At Clarence House there is also an ongoing programme to improve window insulation.

To help promote energy efficiency, management receive a regular report which provides them with information on their office's energy use and compares it with that of other offices and of previous periods. This is supported by other measures including electricity monitors which provide real-time feedback on electricity use, "Smart Meters" which also provide detailed information on electricity use and new ultra-low energy LED lights.

Carbon Statement

The table below sets out the carbon emissions relating to the Household for this year and previous years.

Year to 31st March	2009*	2008*	2007
CO ₂ equivalent emissions	tonnes	tonnes	tonnes
Travel			
Official overseas travel	1,253	962	929
Official UK travel	405	466	565
Other travel	413	711	1,014
Subtotal	2,071	2,139	2,508
Energy use: Heating & lighting			
Gross CO ₂ e emissions from energy use	801	856	932
Attributed to electricity from 100% renewable sources ⁺	(271)	(200)	(15)
Subtotal	530	656	917
Household CO₂e emissions	2,601	2,795	3,425

⁺see carbon reporting policy note for electricity on page 5.

* PricewaterhouseCoopers have provided independent assurance over the 2008 and 2009 emissions data.

Carbon Reporting Policy

General accounting policies

This Carbon Reporting Policy (CRP) supports the preparation and reporting of the Carbon Statement of The Office of Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall (the Household) for the year ending 31st March 2009. The Duchy of Cornwall and the Prince's Charities are separate organisations and are outside of the scope of this Policy.

The CRP focuses exclusively on the accounting and reporting of carbon emissions, it does not cover financial accounting and reporting policies.

Carbon Reporting Principles

In preparing the CRP, consideration has been given to the World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Carbon Reporting and Accounting Standard, March 2004 as well as the Accounting Standards Board Statement of principles for financial reporting and other generally accepted reporting and accounting principles. The most pertinent principles are with respect to:

Information Preparation - the primary principles are relevance (to users) and reliability (taking into account purpose) including completeness and material accuracy.

Information Reporting - the primary principles are comparability / consistency (with other data including prior year) and understandability / transparency (clarity to users).

Reporting scope – inclusions and exclusions

The Carbon Statement relates to carbon dioxide emissions arising as a result of Their Royal Highnesses' official duties and private engagements, and those arising from the operations of the Household in support of these activities. The official duties of Prince William and Prince Harry, which are undertaken on a similar basis to those of Their Royal Highnesses, are also within the scope of reporting. Emissions arising from The Prince of Wales' charities projects are outside of the scope of reporting. In previous years the emissions from the official duties of Prince William and Prince Harry were excluded from the scope of the report as they were not material; the change in scope this year reflects the increasing number of their official engagements. The emissions

from The Prince's Rainforest Project have been excluded from scope this year to align with the treatment of all The Prince of Wales' charities; last year's emissions were included but not material in the context of the Household. The scope excludes the activities of third party contractors.

Conversion factors and fuel use calculation

The carbon dioxide emissions associated with the activities noted above have been determined on the basis of measured or estimated energy and fuel use, or distances travelled, multiplied by the relevant carbon conversion factors as explained below.

Where possible fuel or energy use is based on direct measurement, purchase invoices or actual mileage data, in other cases it has been necessary to obtain estimations. Specific estimations have been made in the following circumstances:

- Certain aircraft using the fuel use estimation methodology set out in "Revision to the Method of Estimating Emissions from Aircraft in the UK Greenhouse Gas Inventory, Report to Global Atmosphere Division, Defra, 2004" (Defra 2004).
- Certain aircraft using fuel consumption estimates obtained from the aircraft operators and other independent data sources based on average hourly fuel use, distance travelled and speed;
- The Royal Train using fuel consumption data obtained from the train operator;
- Yacht - using data obtained from third party sources;
- Public transport and taxis based on expenditure and using standard tariff information.

The conversion factors for converting fossil fuel use or distances travelled, as applicable, into carbon emissions have been taken from "Guidelines to Defra's GHG conversion factors for company reporting, Annexes updated June 2008" (Defra 2008). Where conversion factors change from prior years, those changes are not applied retrospectively to comparative periods.

Detailed accounting policies for travel and energy are given on the following pages.

Travel

Scope

Reported carbon emissions include:

- *Official overseas travel*: engagements undertaken on behalf of the Foreign and Commonwealth Office and supporting reconnaissance visits;
- *Official UK travel*: engagements in the UK undertaken in support of The Queen and reconnaissance visits;
- *Other travel*: including general staff travel between residences and offices, staff commuting and Their Royal Highnesses' private travel;

Reporting Methods

Flights

Includes air travel for official and private engagements undertaken by Their Royal Highnesses and all flights taken by Household staff including those for reconnaissance visits and when in attendance to Their Royal Highnesses. Any positioning and repositioning flights are included where appropriate.

For scheduled flights carbon conversion factors for domestic and international (short haul and long haul) flights are taken from Defra 2008.

For non-scheduled flights emissions are calculated on the basis of distance travelled and fuel consumption for each type of aircraft used. Fuel consumption is estimated according to the methodology set out in Defra 2004 where the data are available. For other aircraft, fuel consumption is based on the best-available per-hour consumption data obtained from the aircraft manufacturers or operators.

An allowance of a factor of two has been applied to all aircraft travel, excluding helicopters, to account for the increased impact of aviation due to non-carbon dioxide emissions and emissions at altitude.

Royal Train

Includes all travel on the Royal Train where appropriate. Any positioning and repositioning journeys are included. Emissions are calculated on the basis of distance and fuel consumption provided by the train operating company.

The locomotive of the Royal Train has, since September 2007, been powered by used cooking oil. For the reporting year ending 31st March 2009, the carbon dioxide conversion factors for used cooking oil have been estimated using the methodology set out in "Carbon and Sustainability Reporting Within the Renewable Transport Fuel Obligation Requirements and Guidance" (Department for Transport 2008). This policy has changed from that applied in the prior year when the standard diesel conversion factor was applied. No prior year adjustment has been made as the difference is not considered material in the context of the overall reported carbon emissions.

Yacht

Includes yacht travel. Positioning and repositioning journeys are included where appropriate. Emissions are calculated on the basis of distance and fuel consumption.

Car use

Includes all car journeys made in conducting Household activities. This includes use of fleet, private and hire cars by Their Royal Highnesses and Household staff.

Activity data for car use are obtained from the accounts reporting system and consolidated through the carbon reporting processes. Expenditure on fuel is converted to fuel use by dividing by average fuel prices for the year. Carbon dioxide conversion factors for biodiesel made from used cooking oil are taken from Department for Transport 2008.

Public transport and taxis

Includes the use of all public transport and commercial taxis by the Household.

Staff commuting

Includes the carbon emissions from staff commuting based on a staff survey completed in May 2009. Emissions are calculated on the basis of the distance travelled, mode of transport and the conversion factors from Defra 2008.

Energy

Scope

The scope includes energy use relating to official and private residences and offices including electricity, gas and oil consumption. The Carbon Statement covers the following residences and offices of the Household:

- Clarence House
- Highgrove, excluding Home Farm
- Birkhall
- Raymill
- Llwynywermod
- Other properties used for staff accommodation

Where appropriate, emissions from shared office space are determined on the basis of the leased floor area. Emissions from residences of permanent staff where the Household is not responsible for the payment of utility bills are excluded. Emissions relating to on-site holiday lets are included.

Reporting methods

Electricity

Includes electricity supplied via the Grid or Combined Heat and Power (CHP) plants and used by the Household at the properties within the scope of reporting.

Emissions are calculated on the basis of energy consumed multiplied by the conversion factors from Defra 2008. For supplies of electricity from renewable sources which are climate change levy exempt where appropriate or confirmed by the utility supplier to be on a 100% renewable tariff, this year we have reported the electricity consumed initially at a Grid average conversion factor, but then reduced to zero emissions. Electricity consumption is obtained from a combination of actual meter readings and invoiced totals. Where readings and invoiced totals do not coincide with 31st March, an appropriate extrapolation is made.

Gas

Includes all mains and other gas supplied to the Household.

Emissions are calculated on the basis of total mains gas and other gas deliveries multiplied by the conversion factors from Defra 2008. Gas consumption is obtained

from a combination of actual meter readings and invoiced totals. Where readings and invoiced totals do not coincide with 31st March, an appropriate extrapolation is made.

Oil

Emissions are calculated on the basis of oil delivered multiplied by the conversion factors from Defra 2008.

Wood chip

In line with common reporting practice, the burning of wood chips is assumed to have no net direct emissions due to the relatively short carbon cycle of wood chip fuel in comparison with fossil fuels. Any indirect emissions arising from the transportation and production of wood chips, where they are not produced on-site, are excluded.

Independent Assurance Report

on the Carbon Statement for the year ended 31 March 2009 to the Household of Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall



We have been engaged by the Senior Management of the Office of Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall (the “Household”) to perform an independent reasonable assurance engagement in respect of the Household’s statement of carbon dioxide emissions for the year ended 31 March 2009, which comprises the Carbon Statement and the accompanying Carbon Reporting Policy contained within the Household’s Carbon Report for the year ended 31 March 2009 and on the website www.princeofwales.gov.uk. Our engagement did not include the comparative carbon emissions data for the year ended 31 March 2007.

Respective responsibilities of Senior Management and PricewaterhouseCoopers LLP

Senior Management are responsible for preparing the Carbon Statement on page 2 in accordance with the criteria set out in the Household’s Carbon Reporting Policy set out on pages 3 to 5 of the Carbon Report and for the development of the Carbon Reporting Policy as set out in the Statement of Roles and Responsibilities on page 1.

Our responsibility is to form an independent opinion, based on our assurance procedures, on whether the Carbon Statement is fairly stated, in all material respects, in accordance with the Carbon Reporting Policy.

This report, including the opinion, has been prepared for the Household to assist the Senior Management in reporting the Household’s carbon dioxide emissions. We permit the disclosure of this report by Senior Management within the Carbon Report for the year ended 31 March 2009 and on the website www.princeofwales.gov.uk to enable Senior Management to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Carbon Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Senior Management as a body and the Household for our work or this report save where terms are expressly agreed and with our prior consent in writing.

We read the other information included within the Carbon Report and consider whether it is consistent with the Carbon Statement. We consider the implications for our report if

we become aware of any apparent misstatements or material inconsistencies with the Carbon Statement. Our responsibilities do not extend to any other information.

Assurance work performed

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – “Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board.

Our work included examination, on a test basis, of evidence relevant to the Carbon Statement. It also included an assessment of the significant estimates and judgements made by Senior Management in the preparation of the Carbon Statement. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence on which to base our opinion in respect of the Carbon Statement.

Our work included the following procedures:

- Making enquiries of relevant management.
- Evaluating the design and implementation of the key processes and controls for managing and reporting the carbon dioxide emissions data.
- Testing the preparation and collation of the carbon dioxide emissions data including review of the underlying input information.
- Undertaking analytical procedures over the reported carbon dioxide emissions data.

Inherent limitations

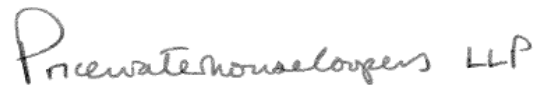
Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore the nature and methods to determine such information, as well as the

measurement criteria and precision thereof, may change over time. It is important to read the Carbon Statement in the context of the Carbon Reporting Policy set out on pages 3 to 5 of the Carbon Report.

In particular, the conversion of fuel used to carbon emissions is based upon, inter alia, information and factors derived by independent third parties as explained in the Carbon Reporting Policy. Our assurance work has not included examination of the derivation of those factors and other third party information.

Conclusion

Based on the results of our procedures, in our opinion, the Carbon Statement for the year ended 31 March 2009 is fairly stated, in all material respects, in accordance with the Carbon Reporting Policy.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Chartered Accountants
London, 30 June 2009