

The Household of Their Royal Highnesses  
The Prince of Wales and The Duchess of Cornwall

Carbon Report for the year ended 31st March 2008

# Foreword

The Household is committed to reducing its greenhouse gas emissions and first published its emissions data in 2007 along with a reduction target. This year the Household has further developed its reporting processes to reflect the continuing development of reporting practices within the UK and has obtained external assurance on the carbon data.

This report provides information on the Household's carbon emissions, including material emissions of other greenhouse gases, and includes the external assurance report which presents positive assurance, as defined by international assurance standards, over the Household Carbon Statement for the year ended 31st March 2008.

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.

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

- **Background and Results** – 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;
- **Carbon Reporting Policy** – explains the bases of preparing of 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 auditors.

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

30th June 2008

# Background and Results

Carbon dioxide emissions arise as a result of the Household's work in supporting Their Royal Highnesses as well as from the engagements undertaken by The Prince and The Duchess themselves. There are a wide range of sources such as heating and lighting offices, business travel between properties, staff commuting and official travel throughout the UK and around the world.

This year has seen considerable progress in reducing the Household's carbon emissions, with changes in travel arrangements contributing significantly. Last year the Household set a target to reduce its total carbon dioxide emissions by 12.5 per cent by 2012. While performance will fluctuate from year to year, primarily as a consequence of overseas official travel undertaken at the request of the Foreign and Commonwealth Office, the target for the five-year period was achieved in the first year, with a reduction of 18 per cent.

The environmental impact is a significant factor in organising travel arrangements. The Household endeavours to minimise this impact, after taking account of security, logistical, cost and other considerations. The Prince's Jaguar, Audi and Range Rover cars and, since September 2007, the Royal Train, run on used cooking oil. As the oil is left over from its first use, it does not result in additional land in the UK or elsewhere being cultivated for biofuel production.

Savings have also been made in heating, hot water and lighting as a result of various measures such as the installation of energy-efficient condensing boilers in Clarence House and the use of energy-saving light bulbs. Sustainably-managed wood is used in place of gas in part of the Highgrove estate and a woodchip boiler has also been installed at Birkhall. The Household is currently assessing the feasibility of making further use of alternative energy sources at Highgrove. The Household has also continued to increase the proportion of electricity supplies that are derived from renewable and more sustainable sources. On a day-to-day basis, simple but effective steps are taken such as replacing older equipment with energy-efficient models and ensuring staff switch off lights and equipment when not in use.

Some of the savings made this year are one-off. A similar level of reduction in future years is not guaranteed, and there may be some years where overall emissions increase. However, various initiatives are under review to ensure that the Household's emissions fall in the long term. In view of increasing concern about climate change the Household's carbon reduction target has been increased from 12.5 per cent to 25 per cent by 2012 compared with 2007 levels.

## The Household's Carbon Statement

The Household's Carbon Statement has been prepared in accordance with the Household's Carbon Reporting Policy.

<b>Year to 31st March</b>	<b>2008*</b> <b>tonnes</b>	<i>2007</i> <i>tonnes</i>
<b>Household CO<sub>2</sub> equivalent emissions</b>		
Official travel	1,428	1,494
Other travel, including staff commuting	711	1,014
Energy – heating and lighting	656	917
<b>Total</b>	<b>2,795</b>	<b>3,425</b>

\*PricewaterhouseCoopers LLP has provided independent assurance over The Household's 2008 carbon emissions data; the 2007 data have not been subject to assurance.

# Carbon Reporting Policy

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 2008. The Duchy of Cornwall and the Prince's Charities are separate organisations and are outside of the scope of this Policy. The CRP formalises and extends prior years' reporting arrangements building on initial work completed in 2006.

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 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 includes carbon dioxide emissions and equivalent emissions of other material greenhouse gases 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. As in previous years, it excludes emissions arising as a result of the activities of Prince William and Prince Harry and from third party contractors.

With respect to travel, this includes:

- *Official Travel*: within the UK and overseas, including that undertaken on behalf of the Foreign and Commonwealth Office and supporting reconnaissance visits;
- *Other travel*: including general travel between official and private residences and offices for the Household staff including the Prince's Charities Foundation staff, travel to and from work and Their Royal Highnesses' private travel;

With respect to property, this 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
- 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.

Carbon reporting is based on a reporting year of 1st April to 31st March unless otherwise stated.

## Conversion Factors

The carbon dioxide emissions associated with the activities noted above have been determined on the basis of measured or estimated energy and fuel use, multiplied by relevant carbon conversion factors. The methods for estimating energy and fuel use and the sources of carbon conversion factors are detailed 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 fuel consumption data obtained from the aircraft operators and cross checked with independent data;
- Yacht - using data obtained from third party sources;
- The Royal Train using fuel consumption data obtained from the train operator;
- Public transport and taxis based on expenditure and using standard tariff information.

Carbon conversion factors have been taken from "Guidelines to Defra's GHG conversion factors for company reporting, Annexes updated June 2007" (Defra 2007). The only exception to this is for certain aircraft where the carbon emissions factor and fuel use estimation methodology has been taken from "Revision to the Method of Estimating Emissions from Aircraft in the UK Greenhouse Gas Inventory, Report to Global Atmosphere Division, Defra, 2004" (Defra 2004).

## Reporting Methods - Property

### *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 2007, including application of a zero emission rating for green tariff supplies generated from renewable sources. 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 gas deliveries multiplied by the conversion factors from Defra 2007. 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 2007.

## Reporting Methods - Travel

### *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 2007.

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 2008, the appropriate carbon dioxide conversion factors for cooking oil are not yet available and reported emissions for the full year are therefore based on diesel using the Defra 2007 standard conversion factor.

#### ***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 incurred 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.

#### ***Public transport and taxis***

Includes the use of all public transport and commercial taxis by the Household. An allowance is made for reduced emissions from the use of a "green" taxi service.

#### ***Staff commuting***

Includes the carbon emissions from staff commuting based on a staff survey completed in May 2007. Emissions are calculated on the basis of the distance travelled, mode of transport and the conversion factors from Defra 2007.

**Independent Accountant’s Report on the Carbon Statement 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 assurance engagement on the Carbon Statement of the Household for the year ended 31 March 2008, which comprises the Carbon Statement and the accompanying Carbon Reporting Policy contained within the Household’s 2008 Carbon Report for the year ended 31 March 2008. Our engagement does 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 based upon the Household’s Carbon Reporting Policy, which define the boundaries of operations to be included and the determination methods and conversion factors used in calculating carbon emissions. Our responsibility is to express an opinion on the Carbon Statement based upon our assurance procedures.

We read other information included with the Carbon Report and consider whether it is consistent with the Carbon Statement. The other information comprises the Foreword and Background and Results. 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.

This report, including the conclusion, has been prepared for and only for the Household to assist the Senior Management in reporting the Household’s carbon emissions. We permit the disclosure of this report by Senior Management on the website [www.princeofwales.gov.uk](http://www.princeofwales.gov.uk) to enable the Senior Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent accountant’s report in connection with the Carbon Statement. 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.

**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 adopted for the definition and gathering of information. There are no generally accepted reporting standards applicable for carbon emissions reporting. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. It is important to read the Carbon Statement in the context of the Carbon Reporting Policy.

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.

## **Basis of conclusion**

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – “Assurance Engagements other than Audits and 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 emissions data in the Carbon Statement. It also includes an assessment of the significant estimates and judgements made by the 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 to give reasonable assurance that the Carbon Statement has been prepared, in all material respects, in accordance with the Carbon Reporting Policy.

## **Conclusion**

In our opinion the Carbon Statement of the Household for the year ended 31 March 2008 has been prepared, in all material respects, in accordance with the Carbon Reporting Policy.



PricewaterhouseCoopers LLP

Chartered Accountants

London

30 June 2008