



Towards Zero emissions in French SMEs



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LIBERTÉ - ÉGALITÉ - FRATERNITÉ



CONSEIL ÉCONOMIQUE
SOCIAL ET ENVIRONNEMENTAL

- In France, the “Economic, Social and Environmental Council” (CESE or ESEC) is the third Constitutional Assembly with a consultative role.



- **ESEC represents key economic, social and environmental fields, promoting cooperation and consensus between different socio-professional groups : various Unions, NGOs, Entrepreneurs, Farmers, mutual societies...**
- **As a kind of “Senate of Professions”, it ensures those are part of the process of shaping and reviewing public policy. Advice from “CESE” tend to become law after a few years.**

Towards Carbon Neutral SMEs

- A report and advice on « How to move towards neutral emissions in SMEs » is debated in the ESEC. Its rapporteurs are Stéphanie Goujon and myself

RAPPORTEURS



Stéphanie
GOUJON

GROUPE DES PERSONNALITÉS
QUALIFIÉES



Antoine
BONDUELLE

GROUPE ENVIRONNEMENT ET
NATURE

- It started with the fact that most climate and energy policies in France towards industry are directed at large firms.

What is mandatory in France?

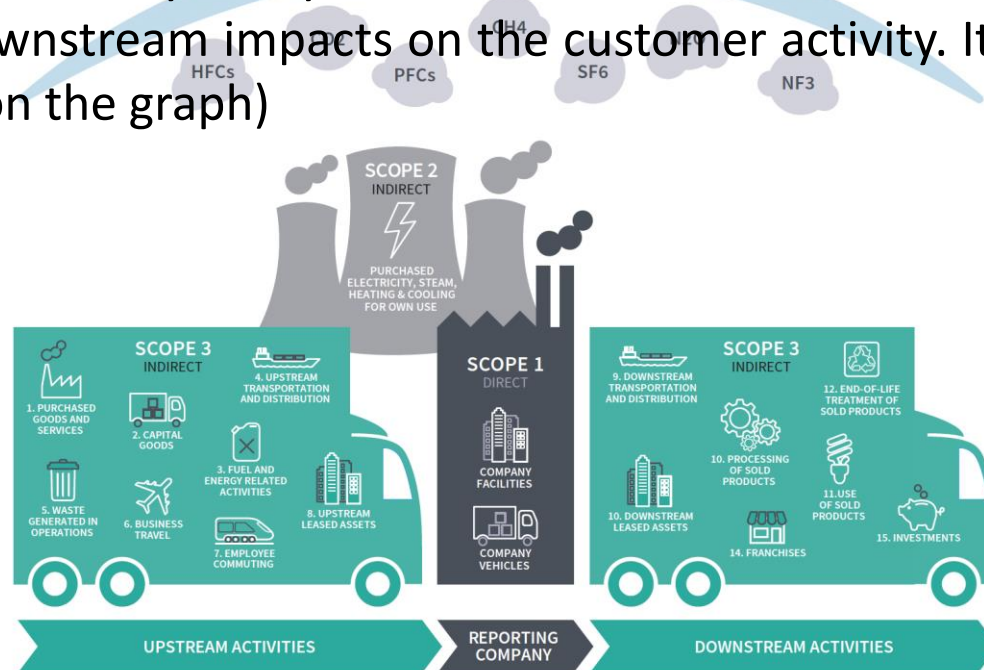
| Current status in France | Large firms | SMEs | Conditions |
|--|-------------|------|----------------------|
| Carbon performance in CSR | Yes | No | 100 M€/500 p. |
| Carbon accounting for direct emissions | Yes | No | > 500 p. |
| Carbon accounting for indirect emissions | No | No | |
| Energy Audits | Yes | No | 50 M€/250 p. |
| Territorial Plan for Transport | Yes | No | > 100 p. |
| Quotas in EU-ETS | Yes | No | 20 MW heat |
| Carbon taxation in transport and heating | Yes | Yes | All energy consumers |

Most policy is aimed at larger firms...

- Carbon measuring is mandatory for firms over 500 employees since 2011. Note that half did not yet comply (!).
- EU-ETS carbon quotas are only for large industrial units.
- Local transport plans are for firms over 100 persons (since 01-2018)
- Energy audits are also for larger firms (under NF EN 16247-1). ISO 50001 certified firms are exempt.
- The focus on large firms is also obvious on funding for industries and in the programs of public agencies

Scope 1-2 ? Indirect emissions ? Scope 3?

To measure GHGs, France uses the « Bilan Carbone ADEME ». It is close to the Greenhouse Gas Protocol (GHGP) and mainly includes direct carbon emissions (Scope 1) and purchased electricity and heat (scope 2). Indirect emissions (Scope 3) metering is voluntary. They include most raw material, transport, upstream supplies, and downstream impacts on the customer activity. It represents « all the rest » (in green on the graph)



All this focus on scopes 1-2 makes sense for process and energy emissions: 2500 factories represent 99,5% of direct emissions of industries in France.

What importance SMEs?

- Industry in France is rather concentrated. 36 plants use 40% of energy, and small industry represents probably 1% or less of the total industry emissions.
- But SMEs are much more represented in services, constructions and artisans. They represent many of 5 million vans, and a majority of offices, professional kitchens and food industries. Also, the majority of road freight is transported by very small firms.
- In all this represents 9% of emissions of France (Half of industry or 1/3rd of Transport)

...indirect emissions of SMEs

- Small firms represent half of all employees, thus lots of car commuting. They use a large chunk of construction materials (cement, bricks...) for individual housing, food, office supplies...
- With these « indirect » emissions SMEs represents 12% to 14% of emissions.
- SMEs have also leverage on consumer choices, e.g. construction firms, packaging, food, textile... All essential for a future carbon neutral economy.

Hearings and debates



Discussions in progress

- Policies being discussed concern carbon accounting, contractor law, but also local energy efficiency groups such as discussed at ECEEE.
- Our debates show the large consensus to act after the Paris Accords.
- Small firms also accept that all have to go carbon neutral and phase out hydrocarbons. For example, half of artisans accept they will have electric vans in the next 10 to 15 years.

Discussions... continued.

- Small firms tend to fear that their contractors will demand carbon measures and objectives. They want to be ready.
- For small industry firms, being updated on Energy Transition is also key to retaining young staff.
- For Craftsmen it may also mean taking back autonomy towards suppliers, improve quality (e.g. bakers) and relationship with customers.

Current proposals...

- Multiply contacts through the Chambers of Commerce and with Professional Associations
- Train in-house accountants and chartered accountants to a few energy and climate notions as well as technicians and entrepreneurs.
- Develop local energy groups
- Enforce existing regulation on carbon accounting for large firms
- Standardize carbon accounting by integrating indirect emissions such as supplies of materials, commuting of staff, impacts of waste and delivery.
- Help low carbon practices : experiment low VAT on some activities, and mandate more public purchase for SMEs with low carbon practices.
- Help SMEs buy adapted equipments through redirecting savings, bank warranties, and issuing green bonds...
- Integrate SMEs in the climate and transport plans of cities

Final vote on September 11th, 2018



Thank you for your attention

- Texts of referral, plus videos of entrepreneurs on :
- <http://www.lecese.fr/travaux-du-cece/saisines/tpe-pme-comment-reussir-le-passage-la-neutralite-carbone>
- antoine.bonduelle@lecese.fr