



NatWest



Carbon Planner

Helping businesses understand their climate
impact and make a change.

Executive summary

Carbon Planner is a free-to-use digital tool which empowers businesses to understand their carbon footprint and take tangible steps to reduce it. The tool takes data provided by a business, calculates a carbon footprint, shows them bespoke actions, and signposts the support available to turn those actions into CO2 reducing reality.

We created it because we know that, as a large bank, we have a crucial role to play in tackling climate change and helping businesses of all shapes and sizes transition to a sustainable, low carbon economy.

The idea and design for Carbon Planner grew out of extensive research with businesses to understand the needs and challenges they face around climate and decarbonisation. In our initial research we asked business customers about their priorities and the barriers to decarbonisation.

Three common factors came through strongly:



lack of time



lack of knowledge (and a sense of feeling overwhelmed)



lack of accessible funding for transition plans

Coupled with this, businesses were just emerging from Covid and are currently weathering a cost-of-living crisis.

Our research shows that many wanted to take positive steps on climate, but needed to do it in a way that helped their business cut costs, survive, and grow.

Carbon Planner evolved, and was co-designed with a specific amount of customers, directly in response to these challenges.

We designed a tool that's:

- Free to access for all business (not just NatWest customers)
- Easy to use and to get an initial view from, even with just a few inputs
- Gives a clear starting point, a way of setting goals and taking relevant action, with links to expertise and funding options when needed.

Since we officially launched Carbon Planner to the public in Sept 2022. We've made great progress against our goals with 4440 businesses using Carbon Planner and 15,360 carbon cutting actions generated with significant estimated Co2 emission reduction.

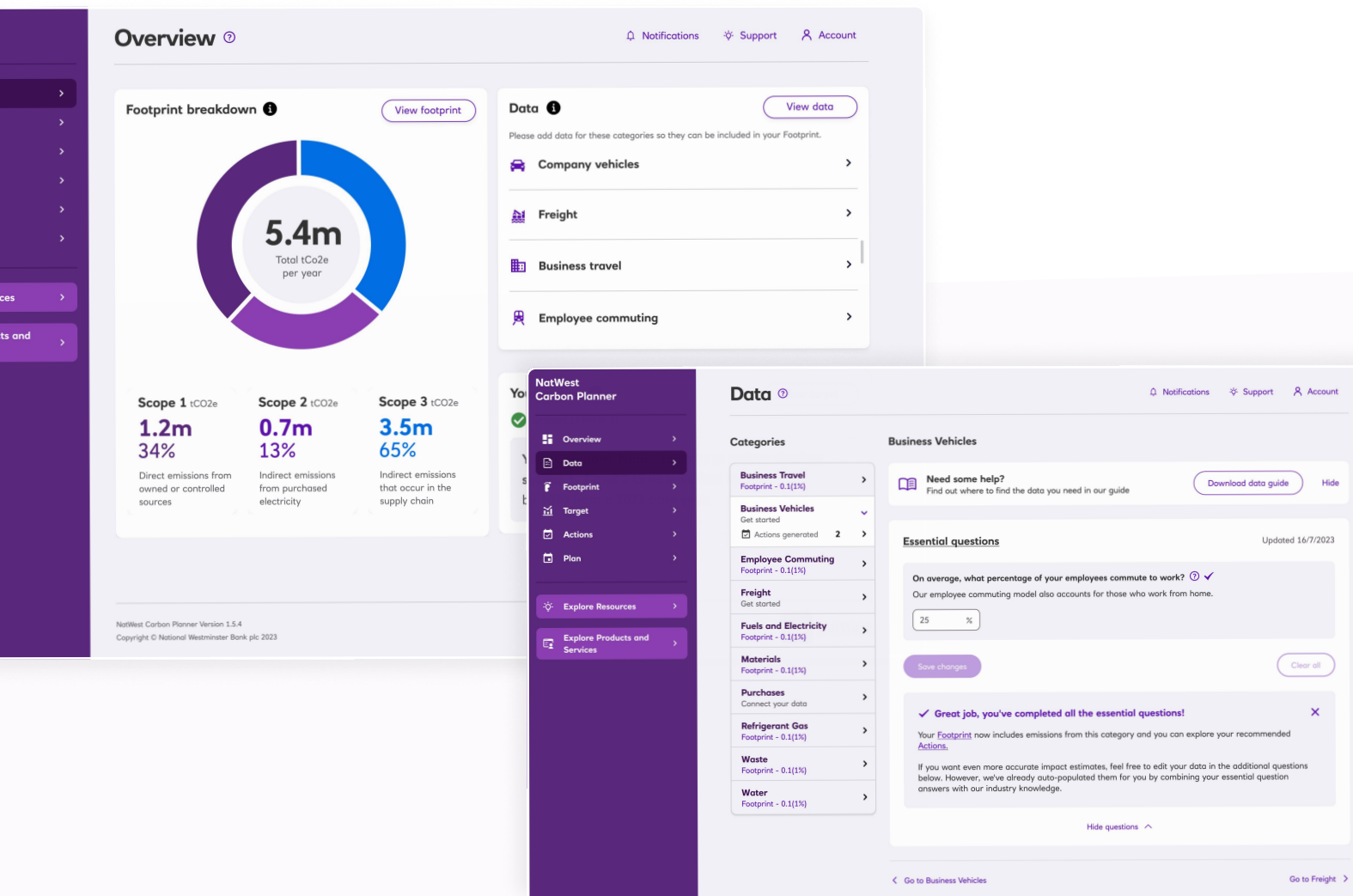
Overview and context

We're facing a climate crisis, with a limited window of opportunity to avert disaster. Banks have a big role to play in accelerating the decarbonisation of our economies and supporting sustainable business growth. Apart from being the custodians of money, we collaborate with government and international financial institutions to shape the direction of the world's economy.

This approach can have widespread impact, but can be slow to drive through, and inconsistencies in application reduce effectiveness. With Carbon Planner we wanted to help businesses directly and encourage change from the bottom up.

We set out to create a tool that helps businesses address the practical challenges they face around decarbonisation. To cut through the complexity and empower them to understand their carbon position, take ownership and take positive steps.

The appeal of this bottom-up approach is that individual actions can have a massive impact when adopted by large numbers of people, and the barrier to entry is low.



Our climate strategy and the business challenge

Helping people, families, and businesses with the transition to a low-carbon economy is one of three pillars of NatWest's purpose-led approach to banking.

- We have a target to at least **halve our overall financed emissions by 2030** – this includes the emissions of all businesses who bank with us
- We also have a target of **providing £100 billion in climate and sustainable funding** to support customers with the transition between 2021 and the end of 2025.

It's in this context that a team of designers and climate experts began exploring solutions to help business. We undertook research in 2021 with business customers to identify their barriers to decarbonisation. Three factors were identified - a lack of time, a lack of knowledge, and a lack of accessible funding for transition actions. For us to reach our own targets and help with the transition, it became clear - we needed to play an active role in supporting our customers to understand, prioritise, and act on carbon reduction activities.

The research showed there was genuine desire on the part of many businesses to take steps to understand and manage their impact, but there was a lack of knowledge about how to start: "it's notable that more than half (52%) of the respondents would measure their footprint if it was free and straightforward to do. Although under half (44%) of the respondents were yet to set any specific environmental targets, there is a clear desire to get started if it were straightforward and accessible. More than four in 10 (43%) of SMEs would like their business to have a net-zero strategy but feel confused about how to get started."

Customer quotes

"I need support to make my business more sustainable in the context of the current business environment."

"Time, know-how and lack of favourable finance are barriers to me achieving sustainability goals."

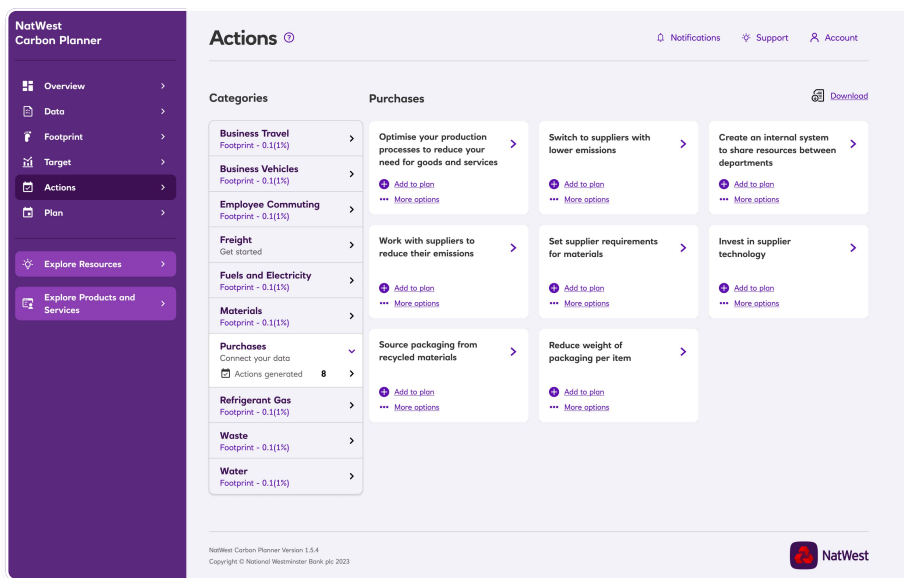
Setting our business and customers objectives

This initial research helped us define our objectives and set the terms of our design challenge:

1. How could we design a tool that would help businesses bridge the gap between good intention and actions on decarbonisation?
2. How could we make it quick for users to get a view of their impact, make a plan and take action (without existing expertise or all the data to hand)?
3. How could we link businesses with relevant expertise, resources, actions, and finance options?

Whatever we designed would need to support our business and customer goals:

1. Helping halve our overall financed (customer) emissions by 2030
2. Giving access to climate and sustainability finance (our target of 100biln by 2025)



Customers can access personalised actions tailored for each category

We knew that measurements of carbon reductions are difficult to calculate and attribute exactly with so many influencing factors. While getting that clarity for businesses was a key long-term goal, at first, we set ourselves a simpler target of testing if a bottom-up approach would work, building engagement and driving action.

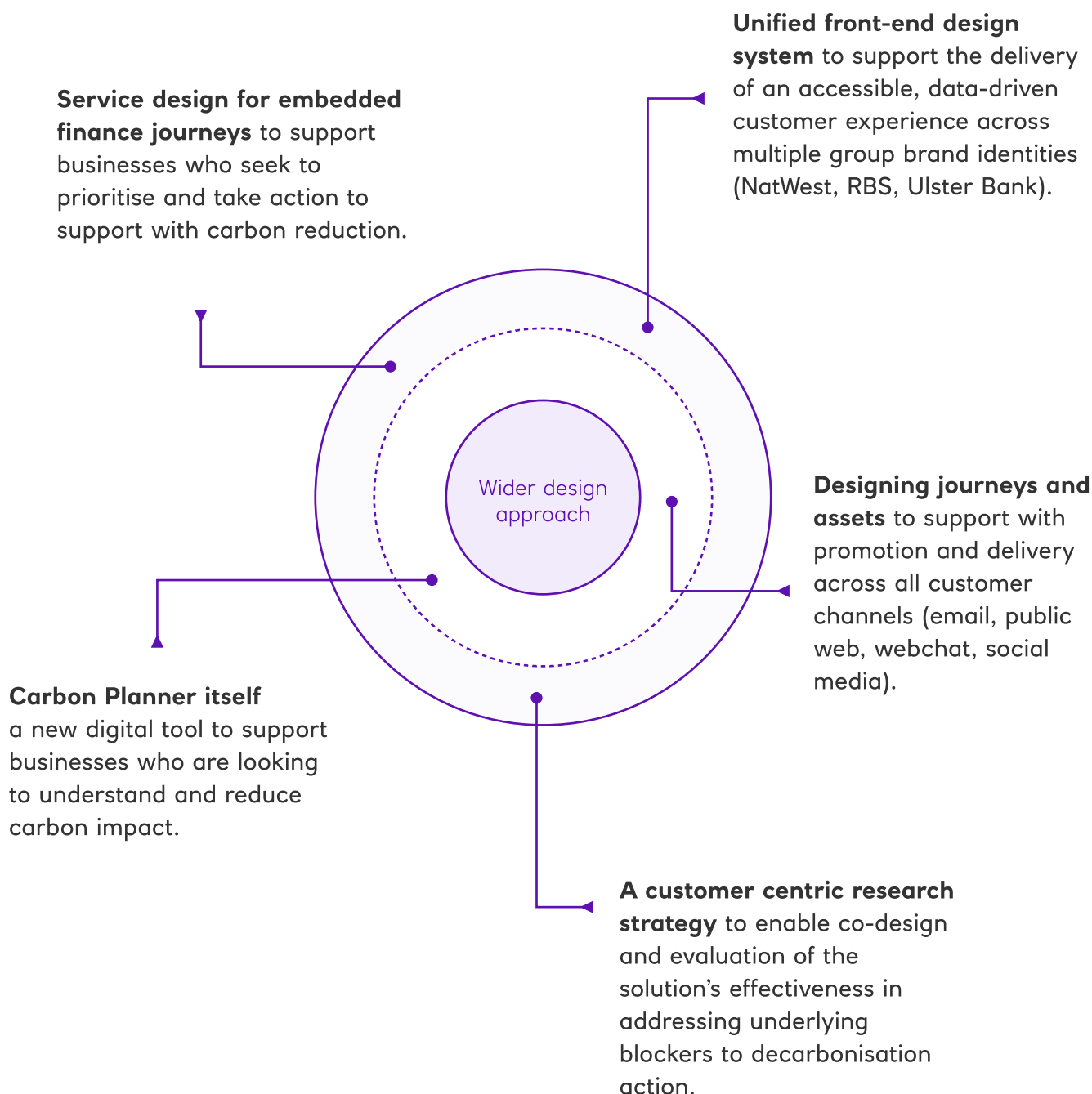
We aimed to create a solution that would get strong initial update and usage, with a target of [REDACTED CONFIDENTIAL DATA] businesses onboard in our first six months, and [REDACTED CONFIDENTIAL DATA] in our first year. Just as crucial, we wanted to arm as many businesses as possible with their carbon footprint and the means to reduce their carbon impact. We set an initial target of [REDACTED CONFIDENTIAL DATA] carbon footprints calculated in our first year.

We felt this was a realistic target for the first stage of the Carbon Planner's development, and a fair test for an entirely new proposition, before we began to scale and invest more in the service.

Design outputs

To address this design challenge and meet these primary goals the idea for Carbon Planner crystallised.

The tool itself would be part of our wider design approach, which set out to deliver:



Our design approach

Co-creation played a key role in how we designed Carbon Planner. We invited over 1000 customers to help us create this tool, as it was crucial to understand how it would meet their needs and remove the blockers identified in our research and throughout.

Here is how our design solution addressed those key challenges and business goals:

Lack of Time

62%

of businesses surveyed expect to spend less than a day a month focused on this topic.

Most businesses don't have dedicated sustainability roles, so Carbon Planner needed to make it easy to calculate a carbon footprint and derive actionable insights.

Our MVP used an interactive Q&A user interface which also had the benefit of allowing businesses to skip data points they didn't have while still gaining value from those that they did. Today, customers can use popular accountancy packages like Sage and Xero to help with this process.

Businesses can add data across nine categories.

Accountancy software integration allows users to auto-populate their data for two categories at present, and full integration for all categories is currently in development. **A key feature of the design was to make it clear that data input could be gradual.**

Users can get a useful initial view of their business's footprint with just a few essential inputs. Adding extra data will give a more refined picture. But with our business objectives and the time and knowledge challenge in mind, we made sure the initial step to getting an actionable footprint was quick and frictionless. **By giving users something positive early in the process we built trust and set the scene for a deeper engagement.** We also kept up the momentum that led them to join, and gave them immediate insight and actions to take.

By integrating Carbon Planner in the design of online journeys across web, Online Banking and webchat, we were able to introduce the proposition to businesses with limited time on their hands, as part of their everyday banking.

Lack of Knowledge

41%

of surveyed customers said that reducing indirect emissions was very or incredibly challenging.

To help with this, Carbon Planner directs businesses to tangible actions, based on their data. Working with a sustainability consultancy, we built an action engine which takes the calculated carbon footprint and provides the business with a selection from a set of over 40 quantified actions. These actions are all individually costed and prioritised for the specific customer. Customers can explore the details of each action then choose whether to add them to a bespoke action plan, which they can download and share to boost knowledge and understanding within their business or as a starting point for conversations with service providers.

88%

said finding external support was their hardest problem to solve. And many businesses don't have dedicated climate resource and expertise.

Carbon Planner also provides from its main dashboard a target setting facility where businesses can track progress against their goals. In this way, we're helping them see areas for reductions that are specific to their business and we're breaking down what might seem like an overwhelming challenge into simple, manageable steps. While we don't yet have the full data on the resultant carbon emission reduction, the simplicity and ease of use of our design has helped businesses create over [REDACTED CONFIDENTIAL DATA] carbon footprints and plans, and [REDACTED CONFIDENTIAL DATA] downloaded reports for use by businesses. We've helped businesses take a crucial first step to understanding their impact and what they can do about it. We've helped them raise awareness of this issue within their own businesses and set plans to reduce their emissions.

Also available to Carbon Planner customers is a Resources section that users can access from the main dashboard. For those ready to start taking the next steps, this gives them access to a host of articles and other information from NatWest and external sources that they can use to build their knowledge around climate and the actions they can take.

We saw from initial testing and feedback that some users found it challenging to understand all of the data requirements, and there was some drop off at this stage. To solve this, we adapted our design in several ways: **we created a simple 'data gathering guide', surfaced helpful prompts on the data input journey and provided jargon busting tool tips at key points.** This helped us drive the rate of full carbon footprints generated to [REDACTED CONFIDENTIAL DATA]. That's [REDACTED CONFIDENTIAL DATA] businesses who had no carbon footprint or climate plan before, are now actively tracking their emissions, understanding their impact, and putting actions in place to make reductions.

Lack of funding

58%

of companies believed they would need financial help to reduce their carbon footprint.

Carbon Planner gives businesses the opportunity to prioritise actions by return-on-investment, affordability, and impact, choosing actions that best fit their targets and budgets.

This is crucial at a time of rising costs when businesses need to weigh up the cost of decarbonisation alongside other business priorities. We've given businesses the info they need to make informed decisions about the actions they can take in the short, mid and long term. And we've shown how cutting carbon can have a cost cutting benefit too.

Carbon Planner also signposts a range of relevant products and services that could help businesses with their actions and targets. This includes finance for electric vehicles, asset finance and green loans that support decarbonisation projects from improved building energy efficiency, to switching to renewables and installation of heat pumps, solar panels and other green tech. This was part of our objective to support the bank's climate financing goals. But as designers we took the lead from our research with users to make sure this 'product linking' element of the tool was balanced and not pushy. We only surfaced products that the data suggested would be a good fit for the business and placed our primary focus for the tool on educating, and empowering users with choice about how to act.

As part of this we've also give users the option to explore bespoke sustainability consulting, and solutions from strategic climate partners, as well as our own consultancy service Mentor.

Ultimately Carbon Planner is about empowering businesses to set their own course. **Carbon Planner educates without overwhelming, and provides help without prescribing.**

NatWest
Carbon Planner

Overview

Data

Footprint

Target

Actions

Plan

Explore Resources

Explore Products and Services

Target

Choose how you want to model your target

Model a new target

We'll use the data you have given us to model an emissions reduction target for you to work towards over the coming years.

Manually enter my target

If you already know what you're working towards in terms of emissions reductions and how many years it'll take, add your target here.

This target modelling tool was developed based on the Science Based Targets initiative's (SBTi) open-source methods for developing emission reduction targets.

Targets modelled using this tool cannot be guaranteed to align with the SBTi. The SBTi does not endorse, recommend, partner with or support any third-party target-setting service or tool, and was not involved in the development of this target modelling tool.

For more information about the SBTi, visit: www.sciencebasedtargets.org

Target modelling tool

Do you want to use your Carbon Planner footprint to populate the emissions below?

Base year

2022

Base year scope 1 emissions

100

tCO2e

Base year scope 2 emissions

200

tCO2e

Base year scope 3 emissions (optional)

2000

tCO2e

Target year

2030

Generate target

Clear all

Your target

Updated 17 March 2022

Your Company Name commits to reduce absolute scopes 1, 2 and 3 GHG emissions by 50% by 2030 from a 2022 base year.

Next steps

Know your footprint

See where you are on your journey to achieving your target

Go to footprint

Take action

Work towards achieving your target with your tailored action plan

Go to plan

8

Results

By designing Carbon Planner with users and addressing the common decarbonisation challenges business face, we created a solution which has already seen some great results. Through Carbon Planner, so far, we've validated the usefulness of a carbon planning tool and direct intervention with businesses to help reduce their footprint. And we've seen some promising results, in line with the business and customer goals we set.

In year one we had:

- 4440 businesses and counting using Carbon Planner, considerably above our initial target for year one.

Our integrated design strategy, making use of existing journeys and channels and collaborations with Marketing helped drive initial uptake. But more important than sign ups is the consistency of engagement and usage:

- We have an average of [REDACTED CONFIDENTIAL DATA] unique visitors to Carbon Planner
- [REDACTED CONFIDENTIAL DATA] businesses now have a full carbon footprint
- This has generated 15360 carbon cutting actions
- When completed these actions lead to a considerable Co2 emission saving. And future plans for the Carbon Planner involve improving our data tracking so we can measure this saving more exactly

While we don't have accurate date yet for the number of loans and green finance deals agreed that originated from the tool, initial review and discussion with product team shows a good number of generated leads, and we're working as we develop Carbon Planner to get clearer sight of this part of the journey. We're confident that Carbon Planner in its first year has had a small, but promising impact on our objective of providing £100 billion in climate funding by 2025, and this will grow in our second year as we recruit more businesses and the carbon plans of those already using the tool mature.

We're still in the early stages of the overall journey for Carbon Planner. We'll continue to evolve the tool by analysing the data and feedback from users, and we have a roadmap for improvements including:

What's next for Carbon Planner



Further integrating Carbon Planner within our customers day to day banking and digital banking services



Integration of accounting software and their NatWest bank accounts for automated data - input across all 9 categories



Expanding the range of resources, external experts and products we can link users too



Evolving the range of actions that businesses can take to reduce their impact and the sophistication of our tracking functionality



Development of a companion mobile app

Influencing factors

We've resisted including specific CO2 emission reduction estimates, as we want these to be fully validated and accurate before we claim our design solution has definitely led to any stated reductions. We've provided instead results which show the effectiveness of the tool in terms of initial uptake and usage. This is part of a journey and Carbon Planner is still in its infancy with the potential to reach 1000s more businesses in 2024.

We should also consider other influencing factors on these results, beside our design solution. We've collaborated throughout with our Marketing team on web and social campaigns that have supported uptake of the tool, this should be factored into our sign up figures. We took a design forward approach here, and led the development of the Carbon Planner promotional material for web and digital services, while the Marketing team look after our social media promotions. We should also call out the work of Relationship Managers who've encouraged customers to give Carbon Planner a try in their conversations.

There are obviously other external factors that might influence customers willingness to use a tool like Carbon Planner – these include the growing awareness of Climate as a crisis issue that we all need to deal with, and increasing governmental pressure on businesses to take action. These are general influencing pressures, but we feel confident that our design has played a key role in getting over 4000 businesses started on their carbon tracking and reduction journey. And this is just the start.

Discover a more sustainable future with NatWest Carbon Planner

Reducing emissions for your business is challenging. With limited resources and multiple priorities, it can be hard to decide where to focus your efforts.

Carbon Planner is free to use for any UK businesses and could support you to become a more sustainable and climate conscious organisation, and help you to identify potential cost and carbon savings too.



Sign up to Carbon Planner



How it works



1. Give us a few details to help us work out your estimated carbon footprint.
2. Set targets to build an action plan to reduce your emissions. We'll suggest where to focus your efforts for the biggest impact.
3. Explore products and resources that could support you with actions which could reduce your carbon emissions, cut costs and help you to achieve your targets.
4. Use the insight gained from the tool to share your climate journey within your organisation.