

# Creating Competitive Advantage Through a Low Carbon Strategy

**Richard Brown CBE**

Chief Executive  
Eurostar

# The Background

- 2006: growing demand from business travellers for accurate data on CO2 emissions from corporate travel
- Eurostar commissioned research which showed a journey on Eurostar generates x10 less CO2 than flying to Paris/Brussels
- Consumers and business taking the initiative looking for solutions to cut their carbon footprint

# Looking for Competitive Advantage

- Not enough just to be 'greener'
- 'x10 better' not a platform for competitive advantage on its own
- Consumers see 'environment' as much more than just Greenhouse Gas / CO2 emissions
- Growing sense of a duty to take clear actions to reduce environmental impact

# The Tread Lightly Initiative

- In April 2007 Eurostar pledged to cut its CO2 emissions by 25% per traveller journey by 2012
- Ten-Point plan to reduce the environmental impact of Eurostar operations
- From November 14 2007 – Eurostar became the world's first train operator to make all journeys 'carbon neutral'

# Cutting CO2 By 25% Per Traveller Journey

- Installing energy meters / advice systems on trains
- Fitting new controls for train lighting, heating and air-con
- Working with suppliers to source cleaner electricity
- Making even better use of train capacity
- Designing energy efficiency into mid-life re-engineering of our train fleet

# Our 10 Point Plan

- Based on three core principles:
  - Reduce usage
  - Source responsibly
  - Recycle
- Initiatives include:
  - Separating, sorting and recycling onboard waste
  - Replacing air-con refrigerants – seven years before EU deadline
  - Sourcing on-train food from local suppliers, including organic produce

# Offsetting Emissions Since 14 November 2007

- Offsetting alone not the answer – but as support to reduction initiatives it *is* part of the solution
- Selected offsetting suppliers and projects
- Looking to develop a pipeline of projects and providing ‘pump priming’ funding to get them off the ground
- Seeking always to ‘buy forward’ by offsetting ahead of emitting

# Tread Lightly - Progress So Far

- New UK Eurostar maintenance depot opened in November with its own waste handling centre
- Over half of all mandatory Frequent Traveller communication now sent by email; 70% of all printed collateral now on FSC accredited paper; 17% reduction in paper usage
- Majority of UK sourced food served onboard is now organic
- All old materials from Waterloo recycled or re-used where possible
  - 10 self-service ticket machines and over 100 seats reused

# Our Learnings So Far...

- Business needs to look beyond simply embracing the low carbon economy
  - Any environmental initiative must permeate all aspects of a company's operations
- Total commitment needed to effect change – this is not a marketing initiative
- Keep it simple – asking consumers to make complex behaviour change won't work, giving them real choice will

# Making Change Happen

- Engagement with environmental groups is essential
  - Forum for the Future and Friends of the Earth partnerships
- Leadership and commitment from the top is also crucial
- Staff engagement is vital - *Tread Lightly Champions*
- Be humble: this is a long term effort and we don't have all the answers but we can help make a difference

# The Challenges...

- Robust, transparent and accessible environmental data must be made available to customers - *eurostar.com/environment*
- Challenging false assumptions – Eurostar responded to inaccurate data on green credentials of high speed rail in the rail white paper; took these to the Transport Select Committee
- Too many averages used in carbon calculators – damages credibility and doesn't enable consumers to make informed choices

# The Circle of Competitive Advantage

- Good for your business - environmental concerns driving a switch from short-haul air to high speed rail
  - Eurostar's business ticket sales up 12% in 2007
  - Passenger numbers up 11% since the launch of carbon neutral journeys on 14 Nov (*14/11/07-31/12/07, year-on-year*)
  - Costs will be cut through reduced consumption of fuel and materials
- Good for your people/talent
  - New recruits increasingly asking to see company's environmental policies
  - Existing staff engaged in the process and will be your best source of ideas/information

# The Power of High Speed Rail

- High speed rail now offers a real alternative to short haul air
- Eurostar's move to St Pancras International has opened up international rail to many more people across the UK
  - Faster journeys, through ticketing, seamless connections
- Railteam will transform high speed rail across northern Europe – creating alternatives to short haul air

# Conclusion

- All businesses have a duty to act to lessen their environmental impact
- Consumers are ahead of businesses and businesses are ahead of governments – there is no doubt that expectations are changing
- The businesses who thrive in the emerging low carbon economy will be those that embrace and implement a robust and transparent environmental strategy with commitment across the business to achieve clear targets