

**CEOs in Conversation #1**  
**PASCAL FREUDENREICH**  
**carbon-connect AG**  
**Carbon Offset Partner Sauber F1 team**  
**Zúrich, Switzerland**

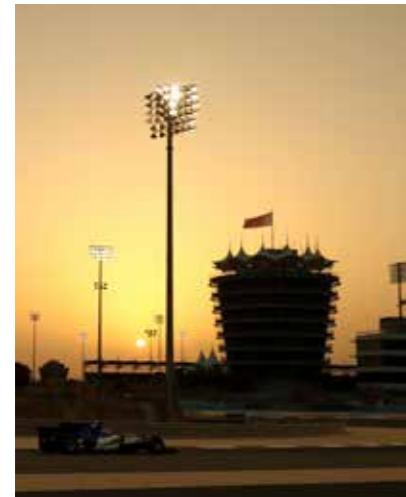
# Carbon-Connect Helps Sauber F1 Team To First Place in Formula One Sustainability Race



There is a slow but inevitable march towards widespread Corporate Carbon Neutrality. With its global reach and passion for progress and efficiency is Formula One an ideal platform to hasten this trend?

## How did you become the CEO of Carbon-Connect?

Almost by accident. I was a partner in a financial management company when I bumped into the voluntary carbon market in the summer of 2012. It fascinated me from the beginning and I was looking for a new challenge... a project that would do some good. My idea was to create a platform where private individuals and companies could offset a carbon footprint in an easy and transparent way with no complex calculations at a good price level. Thus Carbon-Connect was born."



In the brave new era of desire for efficiency and sustainability in Formula One it is inevitable in such a highly visible global operation that external pressures from stakeholders will lead to ever increasing examinations of the sustainability credentials of all those involved.

Public image and public scrutiny almost ensure that the implementation of a proactive sustainability policy will become a crucial factor in growing and diversifying the fan base and in the attraction of new and varied sponsors.

It is in this "sustainability race" that the Sauber Formula One Team are way out in front as a result of their partnership with fellow Swiss outfit Carbon-Connect AG.

### Pascal Freudenreich, Carbon-Connect's CEO, explains the attraction:

"I am sure that they (Sauber F1 Team) are aware that their sponsors and partners, not to mention their potential sponsors and partners, are looking at their environmental policies.

Even though they don't have to address carbon neutrality by law they are keen to go one step further and I am sure this helps them in terms of image. I have no doubt that this helps them attract sponsors and will have an increasingly important effect in the future."

He continues: "I think in Switzerland there's quite a desire to do this and you read about it on a regular basis in the newspapers. I think eventually carbon neutrality could become a license to operate. Let's put it this way at least in some form or partially. A carbon footprint analysis is something that every business should bear in mind at some point and I'm sure it's just a question of time until every company has to keep this on file. I think the sooner the better that we start dealing with this issue the cheaper it will become for companies to become carbon neutral."

The road to carbon neutrality is far more complex and than it used to be in the past when the concept was in its infancy and open to criticism from a whole range of interest groups.

### Freudenreich explains the two part process that Carbon-Connect follows with Sauber F1 Team:

"Basically the process begins with an audit of the teams carbon consumption. Obviously it's a bit more than an average company but in the case of Sauber they try to cut their CO2 levels as much as possible via many energy saving initiatives. We then compute a carbon balance sheet once a year according to the latest figures and any other influencing factors that should be taken into account. Then at the end of this process we add another ten per cent as a security margin so that we compensate one hundred and ten percent of their carbon footprint. We do that by supporting an environmental protection project somewhere in the world that absorbs carbon such as the Redd ADP Deforestation Project in the Amazon in Sauber F1's case"

In the past this would have been sufficient in the voluntary world of purchasing carbon certificates but in 2017 it is not a valid method of proving that the offsetting has been done. Proof is now needed that the certificate has been "retired."

As Freudenreich continues:

***Environmental protection has a long tradition at Sauber. For 20 years now the team has been using local power from a nearby incineration plant to heat its main building and, since 2004, the wind tunnel as well. An astonishing 100 per cent of the electricity used by the team is provided by renewable resources (hydroelectric power).***

We maybe need a way for the teams and the fans to offset their travel first. Then I think you could almost create something special... specific products for specific aspects of Formula One. People and companies would say 'that's interesting... I didn't even know.' Then there would be no excuse for not doing it and that would be exciting.'

**Pascal Freudenreich CEO Carbon-Connect**





## How did Carbon-Connect become involved in Formula One?

"This was a long journey... it took almost three years. I thought: 'well we are a Swiss Company...we are located just around the corner... it should make sense for Sauber F1 to work with us.' However they were in advanced talks with another company so it was a lot of waiting and a lot of back and forth until eventually they invited me in to talk and to explain the situation. After almost three years the negotiations took only a week and the contracts were signed. I am happy to say that we have now prolonged our partnership with Sauber F1 for another three years."



Such a process of course is merely the start of the road to sustainability in Formula One as it is crucial not just for teams such as Sauber F1 to be carbon neutral but also for them to encourage their sponsors, their partners, supply chains and so on. The possibilities it brings to Formula One as a whole are exciting as Sauber being carbon neutral will encourage other teams to look at their model.

As Pascal Freudenreich reiterates:

"What we need is an other really big player such as a Mercedes or Ferrari to go carbon neutral. If a really big team were to go carbon neutral that would really send a message and put all the other teams under pressure for sure."

He adds: " The possibilities are endless. Everybody can basically contribute to the solution or remain part of the problem. What about some of the suppliers, the circuits, the fans themselves. Forget about the race... it's almost negligible....it's the traveling and transportation of equipment that are the number one cause of the carbon footprint . We maybe need a way for the teams and the fans to offset their travel first. Then I think you could almost create something special... specific products for specific aspects of Formula One. People and companies would say 'that's interesting... I didn't even know.' Then there would be no excuse for not doing it and that would be exciting

"Carbon Neutrality is an extremely important part of our management strategy. It's not a strategy we went for where you might just say... 'we tried to be Carbon Neutral... we tried to do this or we tried to do that' and then nobody comes to check it. You have to be really spot on with things and know what every member of the company is doing"

Sauber Formula One Team

