

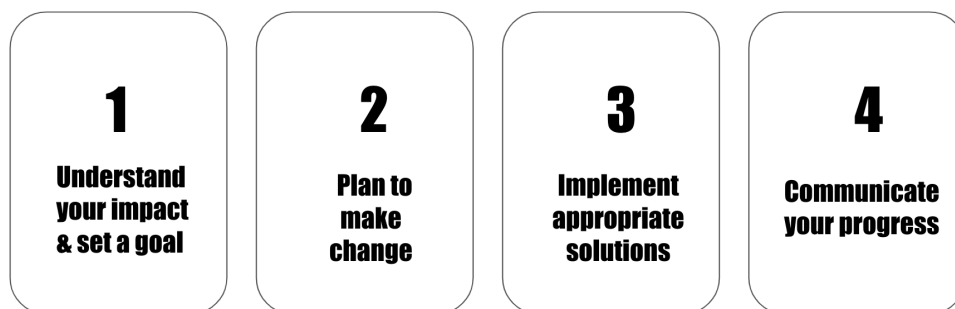
# BETTER NOT STOP

## THE BENEFITS OF REDUCING YOUR CARBON FOOTPRINT

The heart of the decarbonisation effort to combat climate change is the need to measure and track greenhouse gas emissions in an efficient way.

As both the private and public sectors continue to recognise the sustainable development agenda, it is key to ensure that carbon and GHG reduction strategies are in place, which first requires an understanding of those emissions.

We like to view understanding your business' carbon emissions as the initial step of a wider journey towards a business becoming more sustainable. This journey is made up of 4 key stages as outlined below.



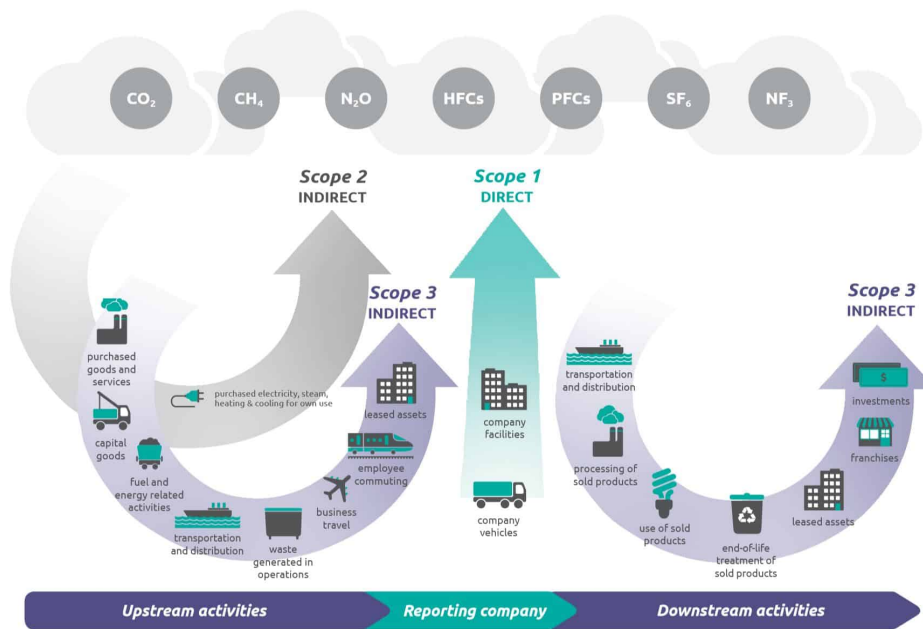
Having a better understanding of your carbon footprint is also key for plotting a course to net zero. It will allow you to know where emissions hotspots exist in your value chain, including emissions of suppliers and or products.

This enables you to understand what is being consumed and where priorities need to be. This prioritisation helps your business identify near term actions to start your journey without causing too much initial disruption.

For UK businesses, depending on size, recording and reporting has become mandatory and, we can imagine, will continue to develop in scope, breadth and detail to meet our net-zero target by 2050.

## CLASSIFYING CARBON EMISSIONS

All carbon emissions are attributed to a category depending on where the GHG comes from and how they are captured. Scope 1,2 and 3 emissions are categories set out by the Greenhouse Gas Protocol and see how emissions are reported by activity. The diagram below outlines this further.



## UNDERSTANDING SCOPE 1 EMISSIONS

The key thing to remember about Scope 1 emissions is that they are 'direct emissions' i.e. they are caused by your organisation actually generating GHGs directly through your company activities. For SMEs and smaller service-led organisations these tend to be very small. The most common ones are:

1. **Gas Supply**- usually for heating and a company kitchen
2. **Company vehicles**
3. **Air-conditioning leaks** - this is usually a very low figure (particularly in the UK) and is only really needed when applying for formal certification of your emissions.

## UNDERSTANDING SCOPE 2 EMISSIONS

Scope 2 are considered as indirect emissions from purchased or acquired electricity, steam, heat and cooling.

Unlike Scope 1 these emissions are 'indirect' because your company is not directly creating the greenhouse gases by burning fossil fuels. Scope 2 emissions are considered the easiest to understand and to measure. It's just the emissions caused by the electricity that we purchase from our national grid.

## UNDERSTANDING SCOPE 3 EMISSIONS

In a nutshell, Scope 3 emissions encompass everything else that can have an impact on the environment that is not already covered in Scope 1 and 2.

The categories are sometimes simplified into the following:

- Purchased goods and services
- Business travel
- Employee commuting
- Waste disposal
- Use of sold products
- Transportation and distribution (up- and downstream)
- Investments
- Leased assets and franchises

Understanding Scope 3 emissions can feel complex and daunting when looking at all of the areas that can be measured. But for 99% of businesses the majority of your Scope 3 emissions will come from the top three on this list.

## **THE IMPORTANCE OF SCOPE 3 EMISSIONS**

For many businesses Scope 3 is where considerable impact lies. Research shows that Scope 3 emissions account for more than 75% of businesses GHG emissions, therefore this must be a key focus. However, businesses have significantly less control over how Scope 3 emissions are addressed as they lie outside of the company's direct operations.

Even though this adds complexity, it presents a great opportunity for your business to work with key players in your current supply chain. To start demystifying your Scope 3 emission you must have a clear understanding of your data collection and reporting processes. There are many useful, free resources available. More information will be provided at the end of this guide.

## **KEY BENEFITS OF REDUCING YOUR CARBON FOOTPRINT**

Although there may be some financial implications associated with reducing your carbon footprint, the costs are coming down all the time and there are some significant benefits of behaving in this way as a business. These include:

- More sustainable, ethical businesses have been shown to outperform those that don't invest in these areas.
- Staff engagement for these initiatives is always very high. This can help with recruitment and retention.

- In the short-term you'll find that your customers are very engaged with these initiatives. It can be of real value when winning new business and customers and a great thing to report to existing customers. In the longer term, if you don't change the way your business operates, you'll get left behind by your competitors.
- Beyond just thinking about your own carbon footprint, you may find opportunities to develop more sustainable versions of your own products and services that can give you an edge in the market that you operate in.

## **EMISSIONS REDUCTION TARGETS**

There are various ways to go about setting emissions reductions targets however the most popular to be adopted by businesses in recent years are science-based targets.

Businesses sign up to have science-based targets officially validated by the Science Based Targets Initiative (SBTi); supported by the UN Global Company, the World Resources Institute and the WWF.

## **KEY THINGS TO KNOW ABOUT SCIENCE-BASED TARGETS**

- This is a formal, validated approach. Your target will be approved by the SBTi to validate your decarbonisation ambitions.
- First, you need to submit a letter which outlines your intent to set Science Based Targets.
- Following this you work on that target and present it for official validation.
- Businesses must then announce the targets and inform all stakeholders.
- Lastly, report your business-wide emissions and track your progress every year.

It is important to remember that everyone faces different challenges in terms of carbon emissions reductions. Setting science-based targets may not be the right way forward for every business. Smaller businesses may find it useful to utilise the science-based target framework however scale targets relative to their business.

The greatest threat to our future is inaction. The cost of doing nothing outweighs the investment needed to decarbonise our economy. Even implementing small actions to better understand your business' carbon emissions can aid in the transition to a more sustainable future.

## NEXT STEPS

Follow our LinkedIn page to join a Free Webinar on how to better Understand your Business Carbon Footprint Book in a discovery call to understand how we can help your business measure and reduce your carbon footprint.

Email [info@betternotstop.com](mailto:info@betternotstop.com) if you want to talk to us about how we can help you measure and reduce your Carbon Footprint.

## USEFUL LINKS

- What is the difference between Scope 1, 2 and 3 Emissions: <https://compareyourfootprint.com/difference-scope-1-2-3-emissions/>
- Understanding your Scope 1, 2 and 3 Emissions with Diagrams: <https://www.anthesisgroup.com/scope-1-2-3-emissions/>
- Official GHG Protocol: <https://ghgprotocol.org/>
- Scope 3 Evaluator: <https://quantis-suite.com/Scope-3-Evaluator/>
- Science-based Targets Initiative: <https://sciencebasedtargets.org/>
- World Resources Institute information on Science-Based Target Initiative: <https://www.wri.org/initiatives/science-based-targets>
- Setting Science-based Targets for your Business: <https://www.unglobalcompact.org/take-action/action/science-based-target>