

Community of Practice

SCOPE³

Carbon & Costs

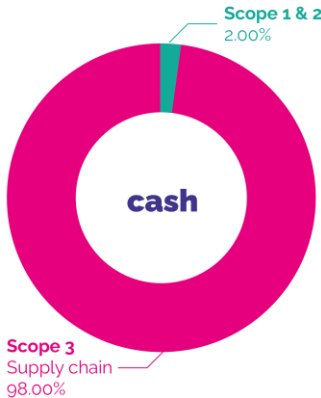
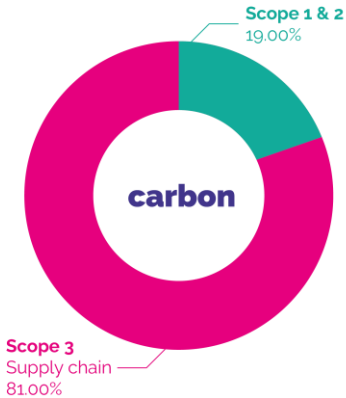
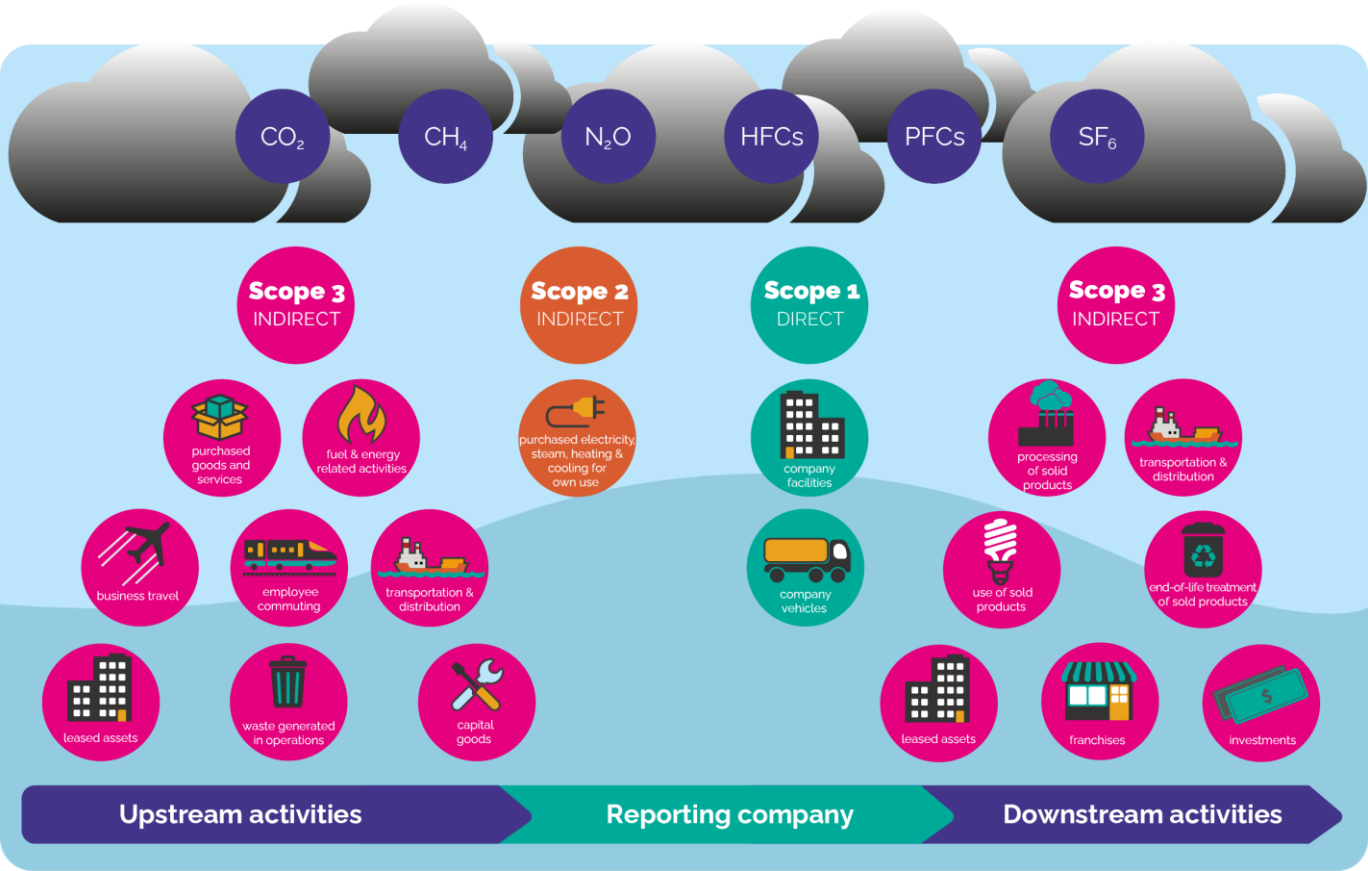


Most organisations have over 80% of their emissions and 90% of their spend in Scope 3.

Scope 3 is becoming increasingly critical as purchased goods and services make up the bulk of all organisations carbon footprints. Government and the NHS have mandatory requirements for a Scope 3 baseline and action plan as a precursor to tender and many private sector organisations are asking their supply chain for a plan for all 3 scopes.

Scope 3 is largely un-tackled and consequently offers the potential for both carbon and cashable savings. A detailed carbon audit pinpoints which suppliers are contributing the majority of your organisations carbon, which allows you to put in place a manageable and targeted program to work with them to understand their net zero journeys, which can then be mapped into yours using our carbon reduction planning tool. This accelerates your path to net zero and also underpins measurable cost avoidance from the requirement to offset or the potential risk of carbon tax.

The audit also provides a detailed bottom up view of carbon consumption by department, allowing teams to understand the impact of their activities and suggest carbon reduction strategies. For the future this underpins the option to set carbon budgets at departmental or project level.



Our approach and solution

We make it fast and easy to analyse your scope 3 emissions, enabling you to get on with the task of reducing them.

Our award winning AI can take all of the information from your finance and ordering systems and quickly identify what you are buying at a very granular level – it identifies the individual lines on your orders and checks, codes and classifies them.

The solution learns from all of the data that it sees, and can use incomplete elements or information i.e.; a partial manufacturer's part number with incomplete product description to fully identify and classify products and services.

We then apply a Multi Regional Input Output Model (MRIO), an environmental footprinting tool that links physical data on commodity production in different countries with a detailed financial matrix that traces inter-industry buying and selling across the world.

The MRIO method is used for consumption based emissions accounting and can be allied to any level of consumption because all supply chain emissions are allocated to the final consumer.

The AI makes it possible to analyse, code, classify and generate a carbon footprint for complex data sets holding millions of individual goods and services, in only days.

Currently it has identified attributes for over 64 million products and services from 2.5m companies, giving us a high level of confidence in our matching and carbon footprinting of your goods and services.

The audit output also includes tools to help with your net zero plan, with supplier net zero calculators, a carbon reduction planning tool and the capability to set and monitor carbon budgets at departmental levels.

We are continually working with our customers to add functionality which makes it easier for everyone to create and roll out a successful net zero programme.

The benefits of the analysis & what we need

Benefits

Getting to net zero is challenging for all organisations. As a first step internal efficiency savings are important and can reduce the carbon footprint by up to 5%.

Giving team members access to their data for the first time shows up patterns in their consumption behaviour. The teams can then take responsibility for action to reduce their consumption. We recommend aiming for a series of 1% incremental improvements, with a program in place to measure outcomes, evaluate suggestions and ideas, and reward success.

Strategically speaking, the majority of your carbon is created within the manufacturing and supply chain processes of your suppliers. Only your suppliers can reduce this. The data shows which suppliers are responsible for the majority of your carbon footprint and for most organisations this is with the top 100 suppliers.

This makes it possible to engage meaningfully with a small number of suppliers to understand their net zero journeys which can then be factored into your reduction plan.

This two pronged approach maximises the speed at which you can decarbonise and has the benefit of also releasing cash savings to help fund the journey.

What we require from our customers

The data resides in your finance and procurement systems. We can take data from multiple systems and join it together to make a single data set, which is then analysed and broken down into the different views..

We provide you with a set of guidelines and standards for data collection and our technical team is on hand to help. Generally extraction of data is straightforward and is performed by your finance technical support team. We ensure that the data can be presented in a format that is easy for you to extract.

The data is picked up through a secure file transfer, validated and processed. Once we have visibility of the data we will liaise with you regarding any anomalies or queries to ensure that the data is as complete as possible before we commence the run.

Analysing data and making savings

What we do with the data

Once your data has been securely uploaded to the Google cloud, it goes through the AI process of coding, classification, enrichment and carbon footprinting. It is then presented back to you in an interactive excel workbook.

Easy to use and intuitive

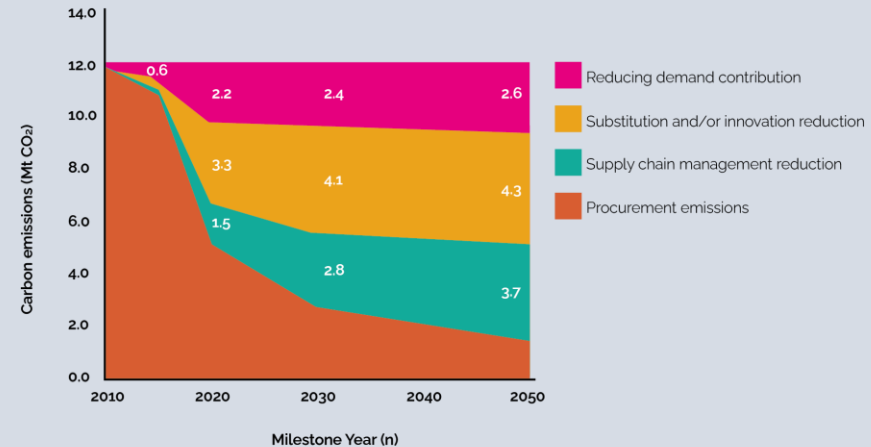
The workbook has been designed to be straightforward and logical to use, and we have found that for most customers there is a preference for excel. We can also port the output into your preferred analytic dashboard and are working closely with Microsoft as part of their 2022 'AI for Sustainability Accelerator' to make it available in their new sustainability suite.

Frequency to suit your organisation

For smaller organisations an annual refresh of the data to review departmental progress is fine. For very large organisations where cashable savings are significant we suggest a more frequent refresh. For many of our customers a 1% saving is in excess of £5m so it makes financial sense to run the data more regularly and track progress.

NHS Achievements

Contributions from interventions to absolute carbon reductions



NHS Action Plan



Reduce demand Stop buying items
(do not print)



Reduce 'in use' emissions (double sided printing)
Substitute and innovation (get iPads/Laptops)



Supply chain management
New standards for drugs and medical devices

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Supplychain. Your biggest emissions. Sorted. Saving you carbon, money and time.

