Navigating Carbon Footprint: A Pathway for Irish Organisations

by Gillian Peters

The landscape of Irish business today is rather bright. Organisations of all kinds are the heartbeat of local economies, driving innovation, creating jobs, and fostering community growth. Yet, as global environmental and social challenges escalate, so does the imperative for such organisations to embrace sustainability as a cornerstone of their wider operations.

In Ireland, this journey towards sustainability is gaining strong momentum, with businesses introducing initiatives to integrate sustainable practices into their traditional business models – from formal plans to reduce energy consumption or waste generation all the way to ensuring employees feel truly heard and valued.

The Status Quo

At the heart of Ireland's sustainability narrative lies a complex interplay of challenges and opportunities for businesses. These organisations face a myriad of obstacles as they endeavour to navigate the sustainability terrain:

Resource Constraints

Business leaders will often report that limited resources pose a tough challenge for teams striving to adopt sustainable practices. From financial limitations to time and manpower constraints, organisations often encounter hurdles in investing in environmentally and socially friendly technologies and initiatives.

Regulatory Compliance

The ever-evolving landscape of environmental regulations presents a daunting task for organisations of all sizes. Navigating intricate legal frameworks requires considerable resources and expertise, placing an additional burden on these businesses, not only the business that falls into scope but for suppliers of goods and services to these businesses.

Consumer Expectations

In an era characterised by heightened environmental consciousness, consumers are increasingly scrutinising the sustainability credentials of businesses. At the same time, according to the Pulse Survey performed by PwC in February 2023, around 70% of Irish respondents said they would pay more for sustainably produced goods. Expectations are there but demand is also there, and organisations must respond to this paradigm shift by aligning their practices with evolving consumer preferences to remain competitive.

Supply Chain

Businesses frequently encounter the challenge of navigating intricate supply chains, which complicates their efforts to uphold sustainability standards across the entire network. The complexity of these supply chains can leave businesses feeling ensnared, presenting a myriad of obstacles, from the apprehension of disrupting well-established relationships to the constraint of limited time to explore alternative partnerships. As a result, business leaders may find themselves stuck, hesitant to initiate changes that could jeopardise their existing supply chain dynamics.

Collaborating with suppliers and partners to integrate sustainable practices becomes a formidable undertaking for these enterprises.

The task involves not only overcoming internal barriers but also aligning diverse stakeholders with varying priorities and levels of commitment to sustainability. This collaborative endeavour demands strategic coordination, effective communication, and a shared vision for driving positive environmental and social outcomes throughout the supply chain.

Measuring Carbon Footprint

Measuring the carbon footprint of a business involves quantifying and assessing the greenhouse gas emissions resulting from various activities and sources within the office environment.

In order to measure an organisation's footprint, it's important to initially determine the scope of your carbon footprint assessment. This includes identifying the boundaries and sources of emissions you will consider.

Common sources include energy consumption, waste generation, employee commuting, business travel, and purchased goods and services.

Next up, it's time to collect relevant data related to energy sources used in the business. You can do that by gathering utility bills or meter readings to determine resource consumption.

In a similar way, you will need to assess the amount of waste generated in the office and categorise it into recyclable, compostable, and non-recyclable waste.

You can track your waste generation over a period of time and while this work is happening, you can brainstorm potential initiatives on how to reduce the amount of waste created by your office.

Employee commuting is always an interesting topic as realistically speaking, not everyone can count on public transportation. The most common advice is to survey employees to gather information on commuting distances, modes of transportation, and frequency of travel to calculate transportation-related emissions. Hybrid working models can alleviate the pressure on employees and consequently, reduce the overall emissions generated by this activity.

The same goes for business travel. In a post-pandemic world, business travel can easily be replaced by video conferencing. In order to ensure employees are not missing out on important opportunities to meet and engage with clients and partners, it's important to understand what sort of business travel happens and why. By collecting data on business-related air travel, train journeys, hotel stays and car usage for business purposes you will be able to find out what is really needed versus what can be replaced by technological solutions.

When it comes to your supply chain i.e. Purchased Goods and Services, it's important that you can gather information on the procurement of goods and services, including their associated emissions, such as transportation, manufacturing, or disposal. Suppliers are becoming familiar with this sort of requirement so the first step here is to invite the most relevant of your suppliers for a meeting where you will present your organisation's sustainability plans and invite them to be a part of the change.

Note: Measuring an organisation's carbon footprint is an iterative process, and it may require refinement and adjustments over time. Consider using recognised carbon footprint calculators or seeking assistance from sustainability experts to ensure accuracy and consistency in your measurement.

Scope Measurement

The term 'Scope Measurement' first appeared in the Green House Gas Protocol of 2001 and today, Scopes are the basis for mandatory GHG reporting in the EU, UK and beyond.

There are three categories of emissions:

Scope 1 emissions— This one covers the Green House Gas (GHG) emissions that a company makes directly — for example while running its boilers and diesel / petrol vehicles.

Scope 2 emissions — These are the emissions it makes indirectly – like when the electricity or energy it buys, is being produced on its behalf.

Scope 3 emissions — In this category go all the emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and

down its value chain. For example, from buying products from its suppliers, and from its products when customers use them. Emissions-wise, Scope 3 is nearly always the big one.

5 things every organisation needs to know about Scope 1, 2 and 3 emissions:

1. Scope 1 and 2 are mostly within an organisation's control.

Companies will normally have the source data needed to convert direct purchases of gas and electricity into a value in tonnes of GHGs. This information may sit with procurement, finance, estates management, or in a sustainability function.

2. In some cases, the solutions exist to deliver net zero for Scope 1 and 2 emissions.

For example, an organisation can source renewable electricity, renewable gas, or electrify its heat demand, transition to electric vehicles or look at alternative fuel types.

3. Scope 3 is often where the impact is.

For many businesses, Scope 3 emissions account for more than 70% of their footprint. For example, for an organisation that manufactures products, there will often be significant carbon emissions from the extraction, manufacture, and processing of the raw materials.

4. Businesses also have less control on how Scope 3 emissions are addressed.

Organisations can offer to collaborate on solutions to reduce emissions with current suppliers or consider changes to their supply chain. However, in most areas, suppliers will have considerable influence on how emissions are reduced through their own purchasing decisions, and product design.

5. Committing to reach net zero will involve tackling your Scope 3 emissions.

Definitions for what constitutes net zero ambition can be slippery but businesses looking to adopt best practice will commit to tackling Scope 3 emissions as part of their plans. Mapping emissions footprint by scale, and how much control business leaders have over the source will be a good way to start addressing them. As well as making the emissions hotspots within easy reach an organisation's first ports of call.

Scope 3 Emissions

Upstream emissions:

Upstream emissions encompass the indirect greenhouse gas emissions within a company's value chain related to purchased or acquired goods (tangible products) and services (intangible products) and include:

- Purchased goods and services
- Capital goods
- Fuel & energy-related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets

Downstream emissions:

Downstream emissions include the indirect greenhouse emissions within a company's value chain related to sold goods and services and emitted after they leave the company's ownership or control:

- Downstream transportation and distribution
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Downstream leased assets
- Franchises
- Investments

Conclusion

At Pragmatica, we see on a daily basis the requirements of SMEs, particularly those in the supply chain of larger business who are in the process of collecting data for their scope 3 emissions. This can be looking for full carbon emissions reports including a breakdown per category of environmental policies and reduction plans. In some cases, SMEs are being asked to set Science Based Targets (SBTis) to validate their carbon emission reduction plans.

For businesses who have not yet started to calculate emissions, the Climate Toolkit 4 Business provides practical ways to start taking action. The toolkit helps businesses measure energy, water, waste and company travel or freight data. https://www.climatetoolkit4business.gov.ie/

About Pragmatica

Pragmatica is a consultancy agency that acts as an Outsourced Sustainability Partner for business. Services include:

- Bespoke ESG Strategy design and implementation
- Corporate and product carbon footprint
- Green Team training including setting KPIs
- Sustainability Communication Strategies
- BCorp Certification Assistance
- Financial Reporting requirements to explore regulatory obligations, strategic reporting options and potential future reporting responsibilities.

Useful Resources

- Climateactiontoolkit
- CPA Sustainability Hub
- www.mywaste.ie
- SEAI
- Uisce Ireland
- www.ghgprotocol.org

Gillian Peters
CEO Pragmatica