## EMISSIONS INTELLIGENCE BUILT FOR NET ZERO



Efficiency, transparency, confidence – get it all with managed carbon reporting and reduction



In partnership with



78% of respondents believe that they need to improve the efficiency of their carbon reporting tools and solutions<sup>1</sup>

### The clock is ticking on net zero

As net zero deadlines creep ever closer, the pressure organisations face to deliver on their sustainability objectives is growing.

For organisations of all sizes, there are a host of challenges to overcome. The scale and depth of information that needs collating is immense, and gathering that data alone can prove complex without the time and skills to do so. Analysing and reporting on it, similarly, can be a huge strain on resources – especially without experts in the field. And then there's the backdrop of an exacting and ever-changing legislative environment to contend with.

Yet, organisations need to demonstrate they have plans in place to achieve net zero – which means tracking the performance of decarbonisation programmes to keep stakeholders, partners and legislators happy.

It can all feel like a lot to contend with. But these challenges also represent a very real opportunity to drive change, establish impactful ESG practices and set new benchmarks for success in your industry. In complex circumstances like these, technology has continually proven to be a way of gaining efficiencies, generating insight and unlocking effective decisions. That's why Mitie has created an end-to-end solution that streamlines and simplifies carbon collection, reporting and reduction.

Using our own expertise in data recording, analysis and decarbonisation, and supported by Salesforce's Net Zero Cloud platform, Mitie can help you reduce the cost and complexity of your reporting obligations – and provide the energy management and built-environment expertise you need to minimise your impact on the planet.



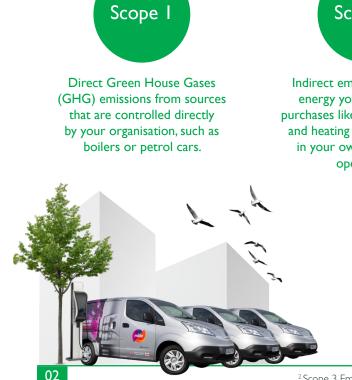
## A complex legal landscape

The regulatory landscape for carbon reporting is changing, placing greater emphasis on the need to clearly understand emissions, know how to reduce them and be transparent in the reporting of those activities.

Recent legislation has ushered in mandatory reporting on scope I and 2 emissions for more organisations. And for some, scope 3 disclosure is now also required. This is a major addition, as according to the UN Global Compact, scope 3 emissions account for 70% of the average corporate value chain's total emissions<sup>2</sup>. The trajectory for legislation in broad terms is:

- more reporting on carbon emissions with more organisations and scopes included
- 2. more tracking of reduction commitments and activities
- **3.** more visibility of point one and two to stakeholders including investors, employees and the general public

So, if you don't have your carbon reporting practices established and optimised already, now is the time to do so.



# Scope 2

Indirect emissions from the energy your organisation purchases like electricity, steam, and heating and cooling used in your own buildings and operations.



Indirect emissions from activities upstream and downstream of your organisation's operations – such as suppliers, business travel, waste and employee commuting.

**52%** 

of our survey respondents expect ESG regulations to become stricter in the next 3 years. As regulations become stricter, compliance will cost organisations over £4m on average<sup>3</sup>

## A quick guide to carbon reporting legislation

## I. Energy Savings Opportunity Scheme (ESOS):

#### Environment Agency. Statutory Instrument 2014 No. 1643

The Energy Savings Opportunity Scheme is a mandatory energy assessment scheme for 'large UK undertakings'. It's designed to identify opportunities for businesses to reduce your energy use, costs and carbon emissions. Organisations that qualify for ESOS must carry out ESOS assessments every 4 years. These assessments are audits of the energy used by your buildings, industrial processes and transport. Phase 4 of ESOS will require organisations to develop a carbon reduction plan and report on its execution.

### 3. Task Force on Climate-Related Financial Disclosures (TCFD):

The Task Force for Climate-Related Financial Disclosures provides a framework to help disclose climate-related risks and opportunities. Currently voluntary, but with widespread international support, the UK Government have announced it will be mandatory across major areas of the British economy by 2025. It requires targets and metrics to track decarbonisation goals which gives investors and stakeholders meaningful information about your climate performance.

## 2. Streamlined Energy and Carbon Reporting (SECR):

#### Covered under: Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

The UK's Streamlined Energy and Carbon Reporting policy requires organisations to share energy use and carbon emissions information in their annual reports published on Companies House. The SECR builds on existing reporting requirements in the UK and its purpose is to widen the scope of energy and carbon reporting to a larger number of companies and to encourage energy efficiency actions.

## 4. The Corporate Sustainability Reporting Directive (CSRD):

From 2025, The CSRD will see large and listed companies required to disclose information on risks and opportunities related to their ESG practices including actions they're taking to mitigate their negative impacts on the environment and society. In the European Union, the CSRD has replaced the Non-Financial Reporting Directive (NFRD) and is aimed at significantly increasing transparency in the field of sustainability and the number of companies that must comply.

### The great carbon reporting challenge

The benefits of improving carbon reporting stretch way beyond just reducing emissions and maintaining legal compliance. Organisations can expect to benefit from greater transparency across all energy usage and associated costs. As well as providing the ability to manage skills, resources and plan emissions reduction strategies more efficiently. All while presenting the best version of your organisation to a socially and environmentally conscious pool of potential clients, investors partners and employees.

But achieving the best outcomes can be incredibly complicated – especially for larger organisations without adequate tools in place and the knowledge and experience to manage and streamline data. Carbon accounting requires cooperation from multiple stakeholders across all corners of the organisation, and the responsibility often falls on those who may not have specialist experience. The time and cost of gathering data using manual tools and processes, keeping up with legislative changes, and implementing the required technology, people and resources can be a significant burden. The sheer amount of administration involved inevitably detracts from higher value strategic work, like carbon reduction projects or data analysis that can drive better decision making.

In many cases, outsourcing these activities can be the best course of action. As well as offering the advantage of expertise and reduced complexity, 70% of organisations feel that using third-party providers for carbon reporting reduces the chance of attracting accusations of greenwashing<sup>5</sup>.

77%

of respondents believe that there is a skills shortage in the market for corporate ESG experts, and **58%** believe they need more support than they already have<sup>4</sup>

## How confident are you in your reporting?

**33%** of organisations are not confident about predicting their energy usage, despite the use of technology<sup>6</sup>.

**40%** of companies still say the biggest challenge they face in carbon and energy reporting is data quality and accuracy<sup>7</sup>.



## The top three barriers to accurate carbon reporting

### I. Inaccurate data

For your carbon reporting to be accurate and meaningful, you need high-quality data. But manual data collection and processing can be highly onerous, time consuming and open to human error.

## 2. Continuously evolving legislation

Keeping up with, and understanding the intricacies of, the latest legislation – and that which lies ahead – can be a daunting challenge without dedicated experts in the field.

### 3. A scarcity of experts

Sustainability specialists are an emerging talent, which means carbon reporting responsibilities are often allocated to those without specialist expertise or by borrowing time and skills from shared resources. As a result, accuracy and efficiency can both suffer.

# End-to-end carbon accounting, reporting and reduction

McKinsey estimates that companies can achieve cost and time savings of around 70% by using a carbon reporting tool<sup>8</sup>. But not all tools are created equal. To meet your obligations and ambitions in a meaningful way, you need a solution that covers three key areas:

- Carbon accounting: To streamline the process of gathering accurate data from your scope 1, 2 and 3 emissions.
- 2. Carbon reporting: To simplify and expedite reporting, effortlessly communicating complex information in a consistent and transparent way.
- Carbon management: To explore new opportunities to minimise carbon outputs and find new pathways to net zero.

This three-step process should be continual, which is why we developed a fully managed service to meet each of these criteria. It encompasses our breadth of expertise in overseeing decarbonisation and energy management projects across buildings, transport, power, and waste for the UK's leading organisations, along with a comprehensive reporting capability enabled by our partnership with Salesforce.

It's a solution that takes the complexity out of gathering, collating, and validating emissions data wherever you are on your net zero journey. It removes the administrative burden from reporting and allows you to make measurable reductions. Here's how it works...

### **63%**

of survey respondents believe their organisation should consider outsourcing to a managed service for their carbon reporting activities to free up internal resources.<sup>9</sup>

## 01

#### Baseline your emissions

We use a combination of sensor technology and data gathering expertise to collect scope I, 2 and 3 emissions data across your entire estate.

## 04

Develop strategies to reduce carbon and optimise performance

Easily visualise net zero transition plans from baseline to current year and target date. All reduction plans can be regularly updated according to any changes in your strategy to feed back into ongoing reporting. A fully managed service supported by Salesforce Net Zero Cloud

## 02

#### Account & report

Our solution automates in-year and annual accounting and reporting across Green House Gases (GHG), waste, water circularity and Environmental and **Emissions Monitoring** System (EEMS) or specific regulations. The reports it generates account for emissions across your entire supply chain and even include insights into social and governance performance.

### 03 Track & monitor

Track and monitor your emissions and benchmark your progress against your peers down to a departmental level in the customisable dashboard. And perform whatif analysis on your decarbonisation initiatives.

# 5 benefits of partnering with Mitie for your carbon reporting and reduction needs

## 01. A baseline set by experts

Build a platform for all your future carbon reduction activities with experts who will collate, organise and streamline the data you need for scope 1, 2 and 3 emissions. Our platform allows you to set emissions goals with a built-in module created in line with the Science Based Targets initiative (SBTi) – an organisation that validates emissions targets in accordance with the Paris Agreement.

## 02. Total clarity and transparency

Gain complete visibility of everything you need exactly when you need it, with all your information in one place. Our intuitive, investor-grade dashboards and fully-auditable platform means you can take a deep dive into emissions across your entire estate – as well as the scope 3 emissions that come from your suppliers and procurement activities.

#### Harness the power of the cloud

Our end-to-end solution is built on Salesforce's Net Zero Cloud. Rather than having to implement yourself, it is part of our service. We set it up and provide ongoing operational management of the platform and give you access to capabilities from one of the world's leading cloud-based software companies.

#### 03. Accurate emissions evaluation and forecasting

Perform scenario planning in real time based on your cost and emissions inventory and use what-if analysis to determine the carbon reduction projects that will deliver the most value – including long-term gains and quick wins.With robust carbon footprint forecasting you can see what the future holds and set data-driven goals accordingly.

## 04.Years of proven experience

Mitie has years of experience self-delivering comprehensive decarbonisation solutions for some of the biggest organisations in the UK. Our projects have led to significant sustainability improvements across buildings, waste management, electric vehicle infrastructure and other key sustainability areas, and saved hundreds of thousands of tonnes of CO<sub>2</sub> in the last decade alone.

## 05. Turn data into action

Reduce energy use through specific reduction interventions, projects and investments. We'll help you visualise the business case for your projects and programmes to maximise results and illustrate the financial impact of your investments to key stakeholders.

### Our expertise in action

Having accurate emissions data is just the first step. It's what you do with it that matters.

As the UK's leading facilities management company, we've used our energy management and sustainability expertise to save hundreds of thousands of tonnes of CO<sub>2</sub> for our customers in the past decade - including some of the UK's biggest names.





#### We helped one of the world's leading fast-food brands:



Gain a clear picture of its carbon footprint with emissions reporting dating back to 2015



Remain fully compliant with all UK legislative requirements

Create a net zero roadmap with projects across 1,425 restaurants

Reveal potential energy savings of 32,860 tCO<sub>2</sub>e per annum with a planned route to net zero by 2030

Prepare for upcoming legislation, disclosure standards and scope 3 reporting requirements



## We helped one of the country's leading mobile network providers:

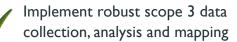


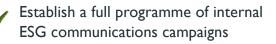
Establish robust carbon accounting and reporting processes to meet mandatory regulations and internal requirements



Produce four independently verified annual ESG reports

Achieve successful 14001 and 50001 re-accreditation





Capture supplier data for scope I, 2 and 3 emissions using Diligent software



# Turning the carbon challenge into an opportunity

With the right approach to carbon reporting and reduction, you can easily demonstrate compliance, track and manage efficiencies, provide essential evidence to elevate the reputation of your brand, and help attract new customers and partners.

However, it all has to start with the right data – and knowing how to make the most of it. Our expertise and years of proven experience in this area mean we have the tools and know-how to help you understand and decarbonise your environments wherever you are on your net zero journey.

### Let's get started

If you'd like to know more about how Mitie can help your organisation simplify carbon collection, reporting and reduction, book a session with one of our expert decarbonisation consultants. You can reach us on:

www.mitie.com/decarbstrategy





A The set



The Shard, Level 12 32 London Bridge Street, London, SEI 9SG

www.mitie.com/planzero/carbon-reporting/ planzero@mitie.com

Ref: 0540\_CRB\_010324