GOING NET ZERO? ARE YOU JUST LOOKING AT THE TIP OF THE ICEBERG?

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By the time this article is published, the USA will have withdrawn from the Paris Climate Agreement. This departure leaves the remaining 186 participants to continue their endeavours to strengthen the global climate effort without the support of the world's largest economy and the second biggest producer of GHG emissions. This is a horrendous consequence of the election of President Trump in 2016 but a move that is not irreversible – it all hangs on the outcome of the US presidential elections.

In the meantime, and notwithstanding the actions of other nations, the UK has committed to a 100% reduction in carbon emissions relative to the levels in 1990, to be achieved by 2050. Thanks to this commitment, and also in no small part to the passion and eloquence of David Attenborough and Greta Thunberg, the race to achieve Net Zero emissions has gained traction and has rocketed up the agenda of many organisations in the UK. The United Nation's Race to Zero initiative, launched in October is helping to increase momentum.

There is, sadly, however, the inevitable 'greenwashing' by some organisations that claim to have already achieved Net Zero, or to be well on the way. These claims make headlines but on further analysis, it seems that the strategies, plans and ambitions of these organisations focus on scopes 1 and 2 and conveniently place scope 3 emissions 'out of scope'. I am reminded here of FIFA's commitment in February this year to make the 2022 world cup carbon-neutral across the event's operations. It's not the first time they've captured the headlines with such a commitment. FIFA first promised a carbon-neutral World Cup for the 2006 tournament. Since then, the event's footprint has grown considerably – the 2018 World Cup in Russia generated 2.17 million tonnes of emissions, of which 98.6% were classed within Scope 3.

JUST TO BE CLEAR, NET ZERO MEANS INCLUDING SCOPES 1, 2 AND 3 IE:

Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain.

Whilst Scope 3 is always going to be the most challenging aspect of achieving Net Zero, supply chain mapping is critical to de-risking and future-proofing operations and the sooner you start the better.

By engaging companies and suppliers to document the exact source of every material, every process and every shipment involved in bringing goods to market, organisations will get greater visibility over their supply chains than ever before, and will thus be able to identify areas for improvement and greater efficiency, reduce the chances of disruption and stay competitive.

Rather than seeing supply chain mapping as a business cost in order to achieve Net Zero, organisations should see this process as a vital part of their business resilience strategy. There are likely to be considerable benefits that far outweigh any costs e.g. preparedness for a global pandemic.

Literally mapping out, analysing and managing the organisation's supply chain risks and opportunities by engaging more deeply with suppliers is to everyone's benefit. It's very likely that this will reveal good news stories about technological innovations and community initiatives that can become part of an organisation's USP, adding value for partners and customers. Equally, it will uncover hitherto unknown socio-economic and environmental risks that need addressing. For example, some low carbon materials, goods and services may be associated with harmful impacts on water resources that in turn affect local communities' way of life and health. Such risks are especially relevant for consumer goods retailers and manufacturers but also for the office-based service industry. For example, what's the story behind the IT devices and mobiles the organisation uses in relation to source locations for rare earths used in circuit boards, wages and working conditions in factories in developing countries where units are made? Do working conditions disadvantage women? Office catering contracts need to take into account ethical and environmental issues down the food and drink sector's supply web.

Getting to grips with scope 3 means de-risking the organisation's operations and improving its resilience into the future in ways that should benefit the bottom-line. There is a lot of excellent guidance and tools freely available to begin starting to map out scope 3 impacts and opportunities, such as the GHG Protocol, the Carbon Disclosure Project and sector specific organisations like the Cool Farm Alliance. For manufacturing, both WRAP and the Ellen McArthur Foundation have useful case studies and sector-specific reports to help organisations fully embrace the circular economy. Scope 3 requires a 'whole organisation approach'; it should be driven by the senior management team and involve procurement, sales and marketing, energy and estate management, HR, etc across all divisions and teams. It shouldn't be assigned solely to the Environment Manager working with a post-graduate intern.

Getting started can be daunting and sometimes there isn't enough knowledge or resources available in-house to create the action plan and see it through. Investing in bringing in external expertise is well worth the cost because it means activity can be fast-tracked with confidence, using professional support to effectively close gaps. JRP's approach is to create a programme that links scope 1 and scope 2 savings with improvements in wider resource efficiency towards zero waste as part of scope 3. Behaviour change is a critical part of the approach as it invariably leads to substantive operational improvements for maximising returns.

For more information about any aspect of Net Zero, contact **info@jrpsolutions.com** or call **0800 6127 567.**