Decarbonization Strategy Guide



Guide

Business



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Welcome from our CEO

By confronting carbon, Sweep is helping all companies to be on-track in their climate journey. Sweep specializes both in the ability to use the data to map carbon emissions, and to help you realize feasible goals while managing future growth.

We hope our guide will be useful to you, no matter which stage of the sustainability journey you're at.



Rachel Delacour Cofounder and CEO at Sweep



Introduction

In the face of global warming and climate change, businesses find themselves at the forefront of a critical challenge: reducing carbon emissions. This urgent problem demands proactive measures across all sectors of society, from individuals to governments, non-governmental organizations to the business realm. For companies, the task is monumental – meeting the ambitious targets of the Paris Agreement, halving emissions by 2030, and achieving net zero emissions by 2050.

However, despite many companies having established their Greenhouse Gas (GHG) inventory and initiated carbon accounting, the pivotal question remains: how can they develop an impactful yet realistic decarbonization strategy that resonates with investors, customers, and other key stakeholders?

As pressure mounts to take immediate and meaningful steps, the complexity of crafting a strategy that not only meets environmental goals but aligns with business objectives can be overwhelming.

Our guide is here to support you. We'll cover:

- · Identifying carbon hotspots in your value chain
- Mapping the key decarbonization levers for your business
- · Selecting the right tools to model your decarbonization trajectory
- · Impactful reporting of your progress to stakeholders
- · The role of contributions

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Lay the groundwork

Before you begin work on your decarbonization strategy, it's important to get a baseline measure of your business' carbon footprint across the entire value chain. This starts with setting the boundaries of your GHG inventory, selecting a measurement framework, and gathering data to set your baseline.

If you'd like to read more about these subjects you can do so here:

- · The business guide to carbon accounting
- Setting the boundaries of your GHG inventory

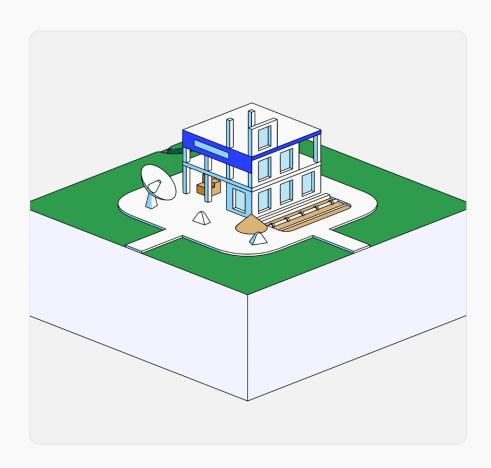
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Mapping your suppliers is crucial as it gives you a clear picture of the activities, processes, and systems involved in the entire chain. It also helps you identify your top emitters. Provide your procurement and sustainability teams tools to automate data collection for purchased goods and services. Empower them to send surveys to suppliers to collect missing data.

If you'd like to learn more about supply chain decarbonization, read our guide.

Greenhouse gas (GHG) inventory

A greenhouse gas (GHG) inventory is a list of emission sources and the associated emissions quantified using standardized methods.



1. Streamlined carbon tracking

From the word go, Sweep is built to make carbon tracking simple. You'll start with a base understanding of your company's emissions, using CDP data models to footprint your organization and value chain.

2. Clear data visualization

With a clear map (which we refer to as a 'Tree' in Sweep) you'll be able to visualize exactly what data you'll need and from whom. You can also use this to conduct a baseline measurement of your emissions using spend-based or physical data that you have at your disposal.

3. Automated data cleansing using Al

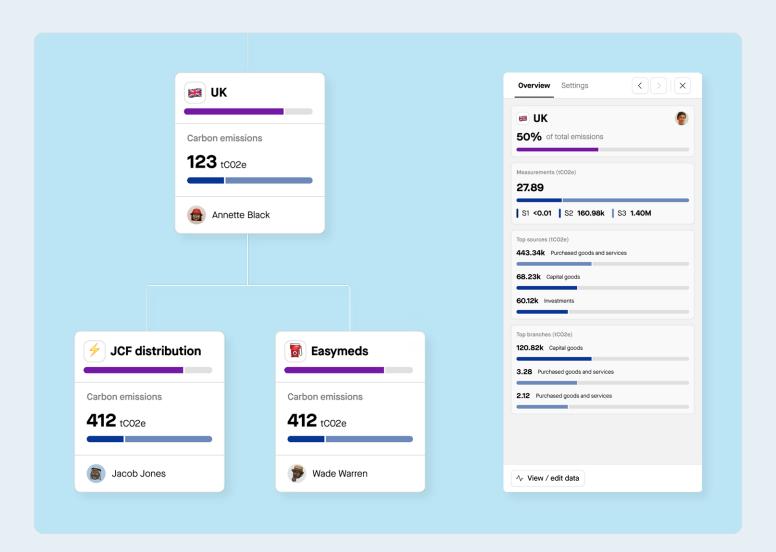
With reliable data, you can ensure the accuracy of your GHG inventory.



Use Sweep AI for automatic data cleansing to make sure you have no duplicates, errors or inconsistencies in your datasets.

4. Smart survey responses

Sweep AI provides smart instructions for responding to surveys, improving the accuracy and relevance of the data collected.



Set realistic targets

Selecting the right climate targets for your business is pivotal in navigating the complexities of emission reduction strategies. Science-based targets are the bedrock of a credible sustainability plan, aligning your company's commitment with the latest climate science.

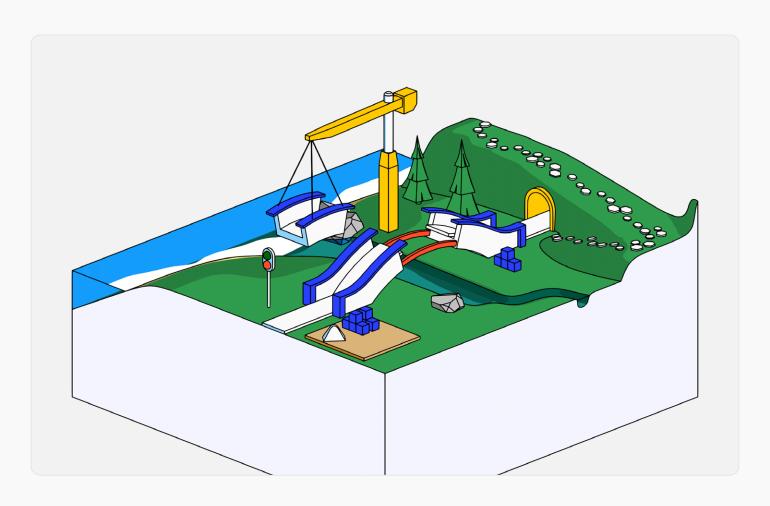
Absolute targets

When considering absolute emission reduction targets, such as cutting emissions by a specific percentage within a defined timeframe, it's crucial to recognize their direct contributions to global climate goals. Policymakers and environmental organizations often favor these targets, yet challenges arise in their uniform application to diverse companies.

Intensity-based targets

On the other hand, intensity-based targets offer a dynamic and adaptable approach, accounting for variations in business activities and fostering efficiency improvements. As businesses aim for transparency, sustainability, and growth, the choice between absolute and intensity targets becomes a strategic decision in aligning with global objectives while acknowledging the intricacies of individual operations.

You can read more about absolute and intensity based targets here.



1. Setting your targets

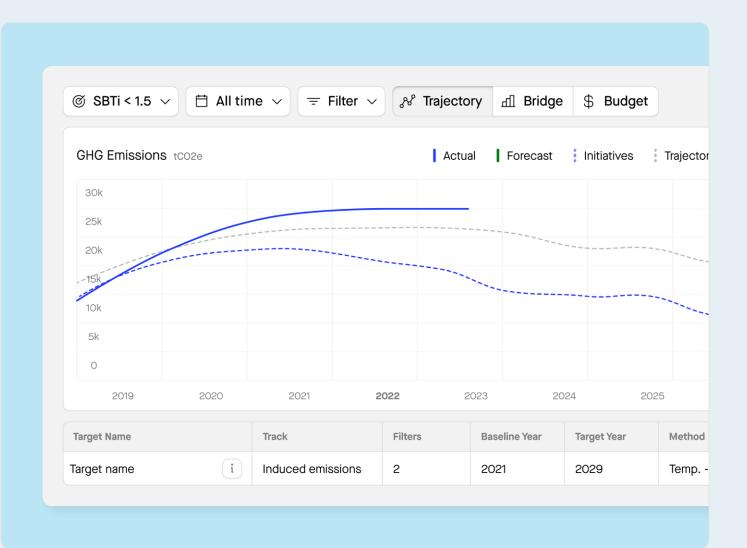
In Sweep's platform you can set both various absolute and intensity targets or simply apply SBTi targets (1.5°, 2.0°).

2. Selecting the right metric

Intensity targets can be set with various metrics in Sweep, such as revenues, headcount or production units.

3. Forecasting your trajectory

You can build scenarios and forecast your emission trajectory, and build initiatives to ensure you hit your targets.



A note on science based targets

Science based targets (SBTs) are ambitious emissions reduction goals set by the Science-Based Targets initiative. They are designed to align your carbon accounting with the objectives of the Paris Agreement on climate change. Through a rigorous scientific methodology, SBTs calculate how much we need to lower GHG emissions to prevent global temperatures from rising more than 1.5°C above pre-industrial levels.

More and more companies across various industries are adopting SBTs as they recognize the urgency to take bold action on climate change. By setting SBTs, you are not only reducing your environmental impact but also improving your reputation and demonstrating your commitment to sustainability, which is increasingly crucial to investors, consumers, and other stakeholders.

Identify the key decarbonization levers for your business

What are decarbonization levers?

Decarbonization levers are strategic tools and approaches employed by organizations to reduce their carbon footprint. They encompass a range of measures, from investments in low-carbon technologies to incorporating environmental, social, and governance (ESG) criteria into decision-making. Identifying and leveraging these levers is crucial for crafting effective decarbonization strategies tailored to industry-specific needs.

Three-step action plan for selecting decarbonization levers

Step 1: Assess industry relevance and impact

Begin by understanding the unique environmental challenges and opportunities within your industry. Investigate successful decarbonization strategies adopted by similar businesses. Identify levers that align with your industry's characteristics, considering both sector-wide practices and specific challenges. Assess the potential impact of each lever on your carbon footprint, prioritizing those that promise meaningful reductions.

Step 2: Conduct a comprehensive organizational analysis

Perform an in-depth analysis of your organization, considering current operations, future growth plans, and resource utilization. Evaluate your carbon footprint across scopes, understanding emission hotspots. Identify areas where specific levers, such as grid greening, on-site solar, or fleet electrification, can have the most significant impact. Assess the feasibility and alignment of each lever with your business objectives, taking into account financial considerations and regulatory landscapes.

Step 3: Develop a phased implementation plan

Create a phased implementation plan that accounts for the complexity of decarbonization levers. Prioritize levers based on their feasibility, impact, and alignment with your business strategy.

Establish clear timelines, milestones, and performance indicators for each lever. Consider dependencies between levers and integrate them into a cohesive strategy. Ensure flexibility to adapt the plan to evolving circumstances, technological advancements, and changes in market dynamics.

Regularly monitor and assess the effectiveness of implemented levers, making data-driven adjustments as needed. By developing a strategic and flexible roadmap, your organization can systematically select and deploy decarbonization levers that align with its unique goals and operational context.

ESG

ESG stands for Environmental, Social, and Governance, representing a set of criteria used to assess the sustainability and ethical impact of an investment or business.

1. Easy gap identification

In Sweep's platform, you can easily identify hotspots or gaps with data-driven visualizations and reports.

2. Your Decarbonization Lever Library

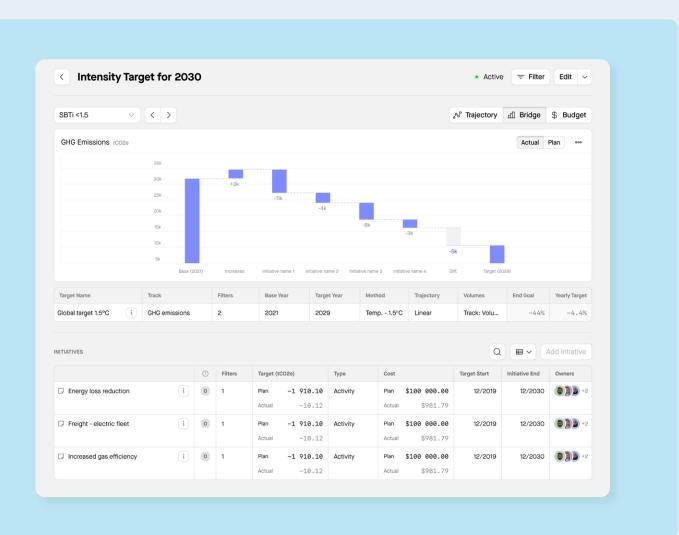
You'll also find a "Decarbonization Lever Library" – a meticulously curated catalog of tasks, ranging from major initiatives like energy supplier transitions to specific actions like carpool program implementation. Organized by industry, these predefined levers empower suppliers and facilitate seamless value chain decarbonization.



Sweep AI facilitates the creation of sustainability initiatives by drawing on industry data and insights to estimate costs and timelines and prioritize initiatives.

3. Efficient collaboration

Sweep facilitates real-time collaboration among stakeholders and suppliers. Share dashboards for transparent progress tracking and swiftly adjust initiatives or introduce new strategies for effective carbon reduction.



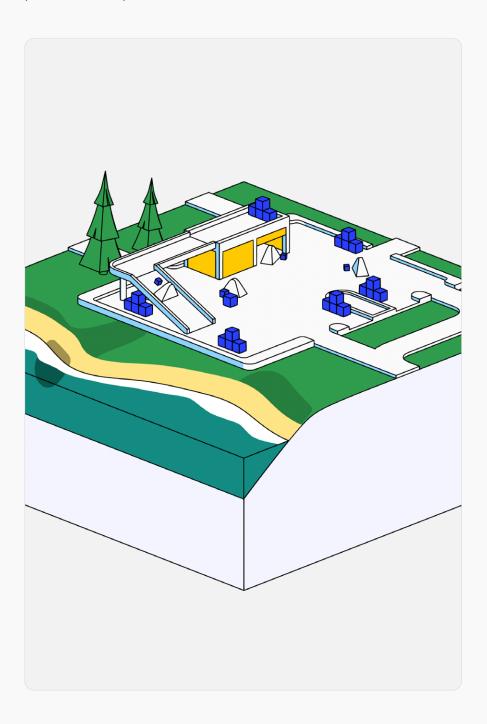
Leverage deep insights and model reduction pathways

In the pursuit of effective decarbonization, leveraging deep insights and modeling reduction pathways is essential. A robust tool can provide you with an at-a-glance view of carbon hotspots and the potential impact of specific reduction levers on your trajectory.

Use data-driven insights to guide reduction efforts, easily identifying areas for improvement through data-driven visualizations. Simulate reduction pathways to project the impact of specific activities on your carbon footprint.

Create some healthy competition

A little competition helps keep things moving. Using Sweep's platform, you can assign teams to specific emissions or branches in your organization - they can easily see who emits the least and incentivize your company's reduction.

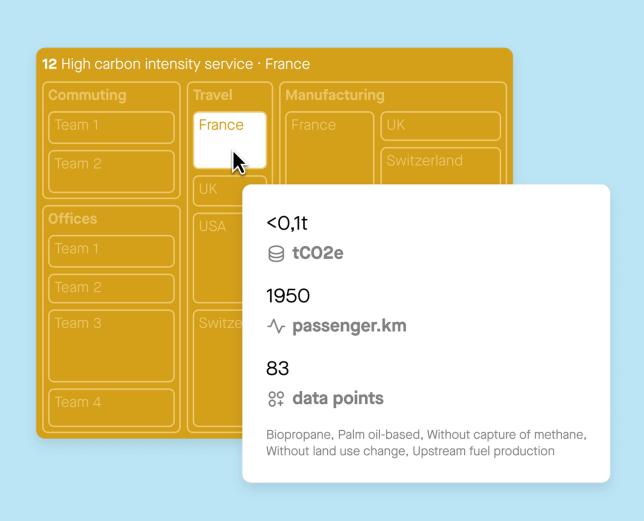


Effective simulations

Sweep enables you to test the impact a specific activity will have on your footprint, and map out scenarios to inform your initiatives.



Sweep AI not only streamlines and automates your data collection, but also provides you with recommendations of where and how you might reduce your environmental impact – supporting you to act more efficiently.



Track the effectiveness of your reduction initiatives

It's then important to regularly monitor and analyze the impact of each reduction activity you implement. Encourage employee engagement and awareness, as a committed workforce is crucial to the success of reduction efforts. Regularly reassess goals based on the milestones that you reach.

Implementing a real-time tracking tool is very useful for immediate intervention and adjustment.

Sweep School

As part of its commitment to accelerating global decarbonization, Sweep aims to empower business professionals to drive climate action intheir companies. With Sweep School, they can easily get to grips with collecting, measuring and acting on their carbon data, involving team members and partners.

Sweep School is a self-paced training program with modules covering a range of key topics, such as how to get started with carbon measurement and communicate corporate climate impact.



1. Focus on targets

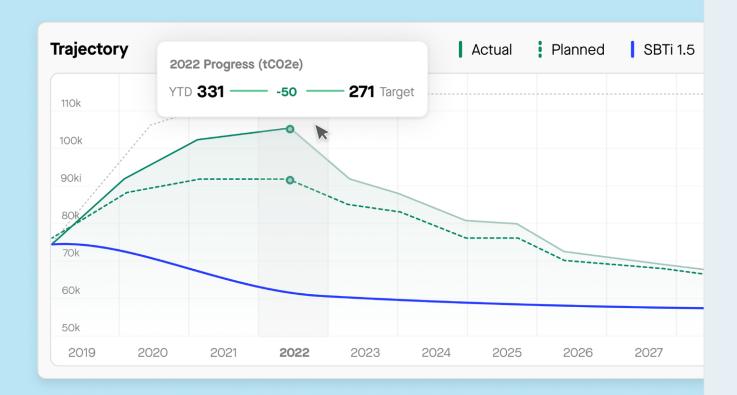
In Sweep's platform, all your measurement data is automatically tied to your targets.

2. Real time measurement

You can monitor how you're doing in real time, and quickly adjust based on your incoming data.

3. Maximized impact

If you discover an initiative with great momentum, you can deploy it to other business units or geographies for a bigger impact.



Why reduce when you can contribute?

It might be tempting just to carry on emitting as much greenhouse gas as usual and compensate for it by purchasing negative carbon elsewhere. But the truth is that we'll never reach planetary net zero this way. Here are just two of the reasons why:

- We don't have time: We need to halve global greenhouse gas emissions by 50% by 2030. A tree, while it is great at absorbing carbon, will only do so slowly and gradually over its lifetime.
- We don't have unlimited storage capacity: Most emerging technologies, such as direct air capture, need carbon sinks to store the captured carbon (in rock, for example). But the total storage capacity of the planet is only a fraction of the total emissions we produce.

So it's important that we all focus on reducing our own emissions first. And then for emissions that cannot be reduced further, we need to make contributions to climate projects, too.

Contributions Vs Offsetting

The business community is moving away from "carbon offsets" and leaning towards "contributions". The terminology is important, because different language shapes different approaches.

Offsetting, while well intended, can raise the wrong expectations. It implies that you can pay another company to remove their emissions, or suck carbon out of the air with a high-tech device, instead of curbing your own. And then claim you are 'net zero' or 'carbon neutral' (see above).

But when you contribute, you're investing in solutions that tackle climate change, and contributing to global efforts to reach planetary net zero. But you're not using it as a replacement for reduction.

We propose a three step process to build a strategic portfolio of climate projects. To read more about these, take a look at our Contributions whitepaper.

Report your progress

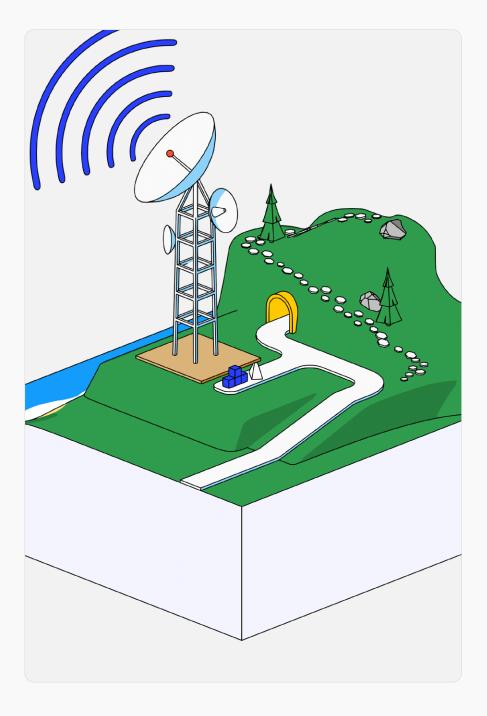
After identifying your emissions, establishing targets, and implementing your initiatives, it's time to communicate these efforts effectively. Publish your report, share it with stakeholders, and use social media to engage your audience.

However, exercise caution in your messaging, as consumers and investors are adept at spotting greenwashing. Given the evolving regulatory landscape, ensure your claims align with substantial actions taken. Transparency is paramount; share insights with the business community as we collectively navigate the ongoing learning curve on the journey to net zero.

Greenwashing

Greenwashing refers to the deceptive practice of conveying a false impression or providing misleading information about the environmental benefits of a product, service, or company. It involves exaggerating or overstating the positive environmental attributes of a product or brand while downplaying or ignoring its negative environmental impacts.

Greenwashing can mislead consumers into believing they are supporting environmentally friendly practices when, in reality, the company's actions may not align with sustainable principles.



1. Ease of use

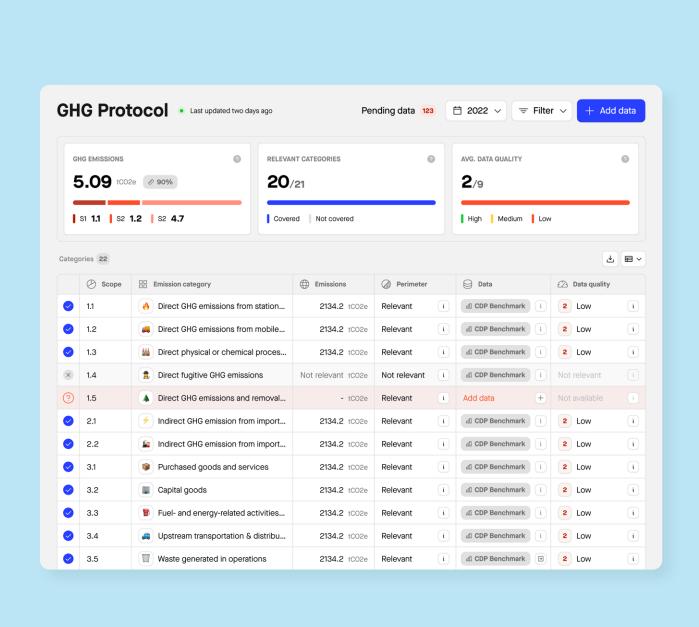
Sweep comes ready packed with detailed dashboards and reports to give you great insight into all your emission data.

2. Alignment with key standards

All our reports are aligned with industry standards, like the GHG Protocol and Bilan Carbone. So your data's ready to be audited.

3. Tailored to suit your needs

With our dashboard, you can display your carbon data the way you want to show progress. You can have various views by scope, categories, geographies, business units or even products.



Compliance

The rise of ESG disclosure regulations, such as the CSRD and SFDR, means that organizations like yours will need to ensure that their climate data is accurate and reliable. That way you'll be able to confidently drive ESG compliance across your business and value chain, avoid 'greenwashing' and stand head and shoulders above the competition.

The Corporate Sustainability Reporting Directive (CSRD)

The CSRD is a European Union (EU) initiative aimed at enhancing corporate transparency and accountability regarding sustainability matters. It expands the existing Non-Financial Reporting Directive (NFRD) and introduces more comprehensive reporting requirements for EU companies. The CSRD mandates companies to disclose information on environmental, social, and governance (ESG) aspects, including climate change mitigation efforts, diversity policies, and supply chain sustainability.

Find out more here.



1. Built-in compliance

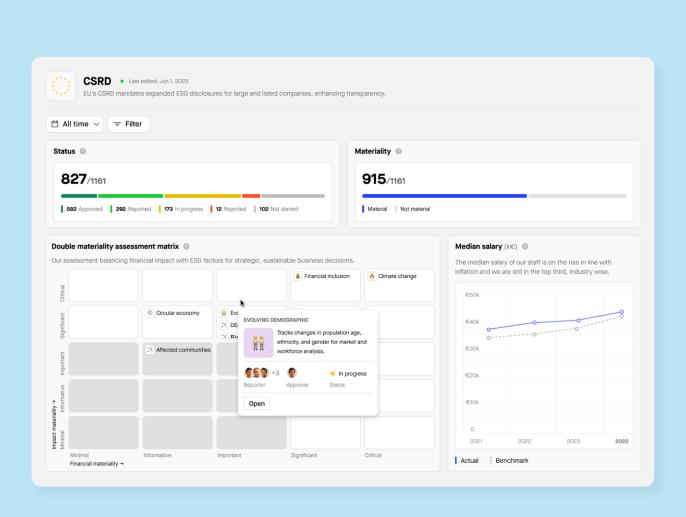
Sweep is built to comply with leading international ESG standards and regulations, including the GHG Protocol, CSRD, SFDR, SECR and ISSB to name just a few.

2. Efficient preparation

We reduce audit preparation time by half with our automated internal control systems.

3. Granular data for auditors

We provide a dashboard for auditors to identify essential standards with the ability to deep-dive into data, down to the smallest granularity.



Navigating decarbonization for future success

Embarking on your decarbonization journey may feel like a challenge, but the benefits are significant. Beyond meeting regulatory requirements, you'll unlock cost savings, enhance operational efficiency, boost corporate reputation, and elevate stakeholder satisfaction. Actively engaging in the sustainability movement opens doors to valuable networks, shared knowledge, and goodwill, positioning you on the right side of history.

Ready to get started?

We're here to support you at every step. And your suppliers can get started for free!

Our free plan lets companies measure their emissions in Sweep – so you can invite all your suppliers. And once their measurements are in our platform, we can help them get further along their own carbon track.

Get in touch today (>)



Start your sustainability journey with Sweep

Book a demo (>)



