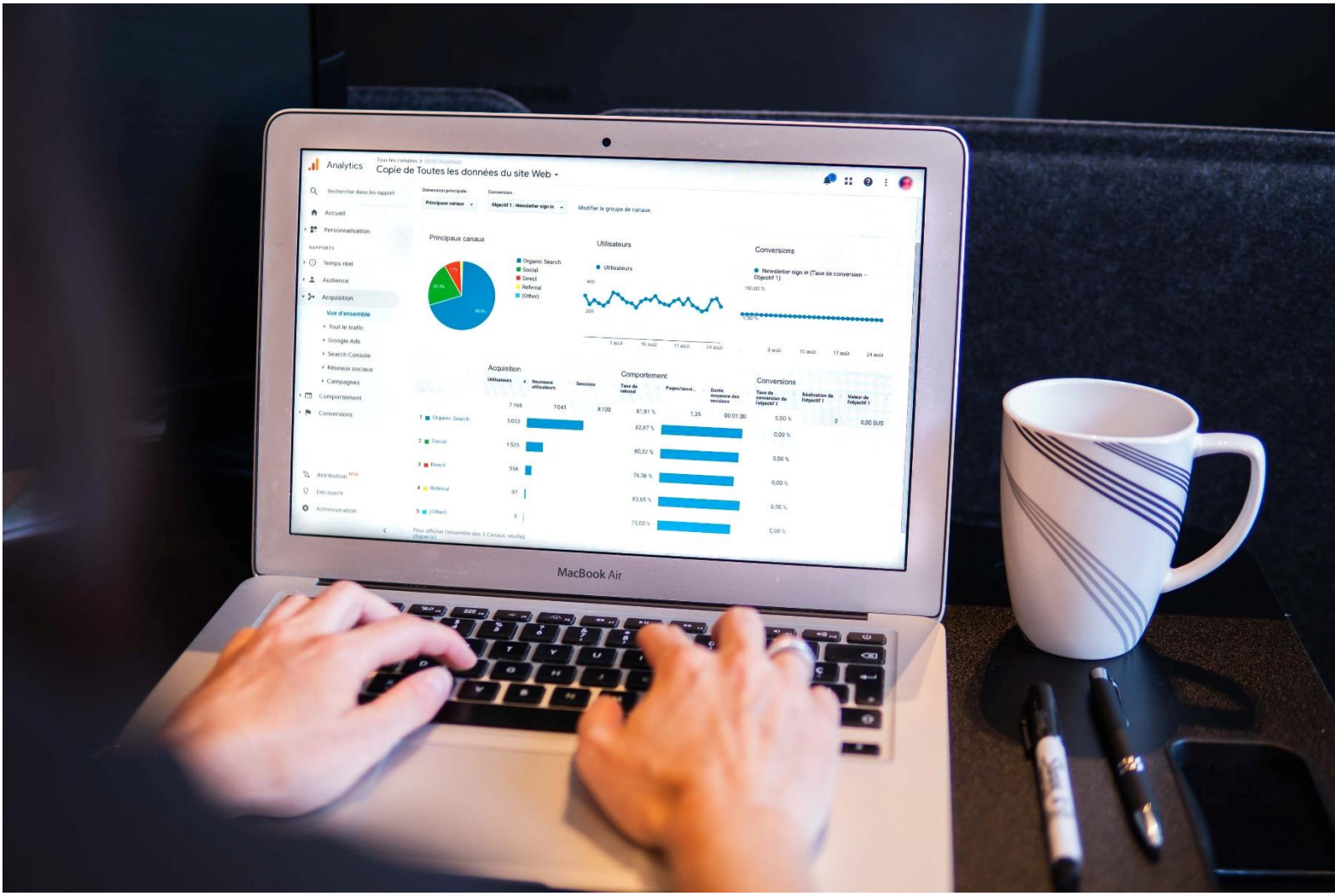

Corporate carbon reporting dashboards

Many companies today rely on outdated, manual processes to report on sustainability KPIs. Carbon reporting dashboards offer an alternative that is more automated, accurate, and real-time. In this article we explore these benefits and discuss the key features to look for in a carbon accounting solution.

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Why is it important for telcos to do carbon reporting?

Fifty percent of telcos today have set net-zero targets and are developing their strategies to achieve them. Carbon reporting will form an essential part of these efforts to be more sustainable. Some of the benefits of carbon reporting include:

- It helps to identify areas of emissions hotspots, so that telcos know where best to focus their carbon reduction efforts
- It enables telcos to surface more efficiently on sustainability indexes (such as the Dow Jones Sustainability World Index)
- It meets the demands of external stakeholders including investors and customers, who increasingly consider sustainability to be an important factor and want greater visibility into telco emissions

Telcos should use sustainability reporting dashboards to support their carbon reporting

How do telcos track carbon emissions today?

For many telcos, tracking carbon emissions relies on a manual process of tracking and calculating carbon emissions, typically based on excel spreadsheets. When working with a network of hundreds or thousands of suppliers, it can be a huge task to track the emissions across the entire supply chain, and manage the disparate forms of data provided by each supplier that are of varying quality. This often results in employees having to go through a laborious process of manual data input, which in some organisations can be a full-time job for an employee.

> A person with the patience of an angel would have to send hundreds of emails and organize meeting after meeting to get the relevant data, then manually enter it into Excel spreadsheets. This quickly becomes confusing, especially when you work with thousands of suppliers.
>
> *Res Witschi, Delegate For Sustainable Digitalization - Swisscom*

Sustainability reporting dashboards automate and enhance this process

A carbon reporting dashboard is a tool that automates the process of tracking and calculating emissions. It does this using a combination of company data (including travel reports, fuel and energy related activities, business purchases), manual data sources (e.g. employee questionnaires) and standard datasets (including emissions factors).

The benefits of using a dashboard over relying on a manual process include:

- Greater automation – this provides a huge time saving benefit and is also less susceptible to human error
- More granular and real-time insights into a telco's emissions – this leads to more accurate insights into where and how a telco can cut emissions, and enables operators to publish progress in quarterly investor reports rather than just annually
- Data sharing across the organisation – it is easier to cascade reporting throughout the organisation so people can see more directly the impact that their actions have on emissions, and are held accountable for this
- Ability to automatically output reports that are of audit quality
- More insight into Scope 3 emissions – dashboards have tools to calculate Scope 3 emissions which comprise the greatest proportion of total telco emissions

What should telcos look for in a dashboard?

There are many different sustainability reporting offerings on the market today, many of which have very similar messaging and claims. Since there tends to be a lack of granular information provided about the methodology each company uses, it can be difficult to establish which claims are legitimate, and idenitfy which reporting dashboard is ultimately the most suited to a company's needs.

Some of the key considerations when looking to adopt an emissions reporting solution include:

- Does the solution comply with industry bodies, either by following the methodology (such as the GHG protocol method for calculating emissions) or by producing audit-ready reports that comply with industry standards?

- Does the solution purely calculate emissions, or also provide recommendations on how to reduce emissions (e.g. by identifying emissions hotspots, and suggesting the most effective actions to take in order to reduce these)?
- Does it focus only on carbon emissions, or does it support with your company's wider ESG efforts (e.g. by providing tracking / support with circular economy or workforce diversity efforts)?
- Does the solution provide a framework to enable customer level reporting, by enabling telcos to track and report on emissions at a product level?
- How does the solution calculate Scope 3 emissions?
  - All carbon reporting solutions should report on Scope 1, 2 and 3 emissions. Calculation of Scope 1 and 2 emissions is more established, while Scope 3 emissions (the indirect emissions that occur in a company's value chain) are harder to calculate.
  - Scope 3 emissions are calculated with the use of emissions factors. As a rule of thumb, the more the emissions factors a company uses, the more accurate and granular their calculations can be.
  - Most companies rely on two methods to calculating emissions: the transaction-based activity method and the activity-based method. The transaction-based method uses economic transaction data as an input, whereas the activity-based approach uses company activities (e.g. fuel use, quantities of a purchased good or service) as the input. The activity-based method enables a deeper analysis, but collecting the required data inputs can be a long and cumbersome process. It is therefore preferable to use a combination of transaction data (to identify emissions hotspots), and activity data (to drill down into these hotspots and capture a more granular picture).

– Companies should therefore consider two factors relating to Scope 3 emissions. The first is how much transparency there is around the calculation of Scope 3 – some companies provide reports that fully outline their methodology, but a company that only provides high-level information may be hiding or missing something, which would expose telcos to the risk of making unsubstantiated sustainability claims.

  The second is the quantity and granularity of input data required. For companies that are early in their process of carbon accounting, a methodology that is heavily transaction-based may be a good starting point (that will be simpler and cheaper), whereas companies that are more advanced in their journey will want more accurate calculations – with more input data, more specific emissions factors and a heavier emphasis on the activity-based method.

What are some reporting dashboards available today?

We have provided an overview comparison of some of the carbon accounting solutions available today. The table below summarises the information each company makes available on their website (which is why there are some categories where the information is not provided).

	Microsoft	Salesforce	SAP	Diligent	Normative	Sweep
Scope 3 emissions calculation	Has a report that outlines methodology (based on quantifying emissions at individual component and IT hardware level, and connecting emissions to cloud customer emissions based on service-level usage).	Matches procurement spend to the value chain categories outlined in the Greenhouse Gas Protocol (and uses spend-based emissions factors dataset).	Uses 'emissions factors for specific categories'. Reuses results from existing company product life cycle assessment (LCA) and also uses LCA from external content providers.	Uses 70,000 built in emission factors from across over 120 countries.	Has a report that outlines methodology that leverages 'over 8,000 material and activity categorizations and 10,000,000 suppliers and industries in the database, including regional-specific emissions factors for all major countries.'	Offers over 35,000 emission factors from leading databases (plus some they have created themsleves).
Compliance with industry bodies		Ensures data is auditable for investor and regulatory reports.	Formats reports following the most common ESG standards including GRI, CDP and SASB or own reports.	Fully auditable and complies with the GHG Protocol.	Aligns with GHG Protocol, SBT, SDGs, IFRS. Exports data for standard frameworks like GRI, CDP, Nasdaq ESG, TCFD, SASB, and SECR.	Reports align with industry standards including GHG Protocol, Bilan Carbone, TCFD, CDP, Gold standard, pCAF, SBTi, SDGs.
Support with reducing emissions	Provides insights to minimise the impact of	Forecasts future emissions, recommendations for reduction, and			Reveals emissions hotspots and recommends	Assessment shows where the company is

	Microsoft	Salesforce	SAP	Diligent	Normative	Sweep
	operational systems. Offers opportunities to identify strategies to manage and reduce Scope 3 GHG emissions over time.	progresses tracking towards net-zero targets.			high impact reductions.	leading the pack, and what climate action it should take to stay on track.
Reporting beyond carbon		Tracks key water management KPIs and waste management.				

The table highlights the difference in information shared about each company's solution, and the difficulty this can introduce in trying to compare across solutions. Despite the challenges, we feel that there is great value to be found through adopting a carbon reporting solution, so the process of exploring or trialling a few different solutions to properly understand which one offers the right fit for your company is worthwhile and will bring significant benefits to understanding and reducing environmental impact.

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