

Best Practices in Carbon Accounting

Pressure for defensible carbon metrics is coming from investors and policy makers to comply with global environmental goals and protect against greenwashing.

POLICY REQUIREMENTS

CSRD: European Reporting Mandates

- Businesses with \$150 million+ per year revenue in the EU are required to comply
- Detailed Scope 1, 2, & 3 GHG emissions data
- Documented 1.5°C reduction strategy
- Metrics beyond carbon: double materiality, ESG progress, and more
- Staggered start for companies based on revenue amount

SEC: Proposed US Reporting Mandates

- Applies to all publicly-traded US companies and non-US companies with US-traded shares
- Detailed Scope 1 & 2 GHG emissions data (Scope 3 may not be included)
- Framework modeled off the Taskforce for Climate-related Financial Disclosures (TCFD)
- First filings scheduled for 2024 financial reports, including 2023 data

STEPS TO CARBON ACCOUNTING SUCCESS



Strategize

Understanding who you're reporting to helps drive your process, framework choices, and data collection approach.



Determine Organizational Boundaries

Boundaries are broken into three scopes based on control. You can evaluate these boundaries based on equity, operational, or financial control.



Collect & Consolidate Data

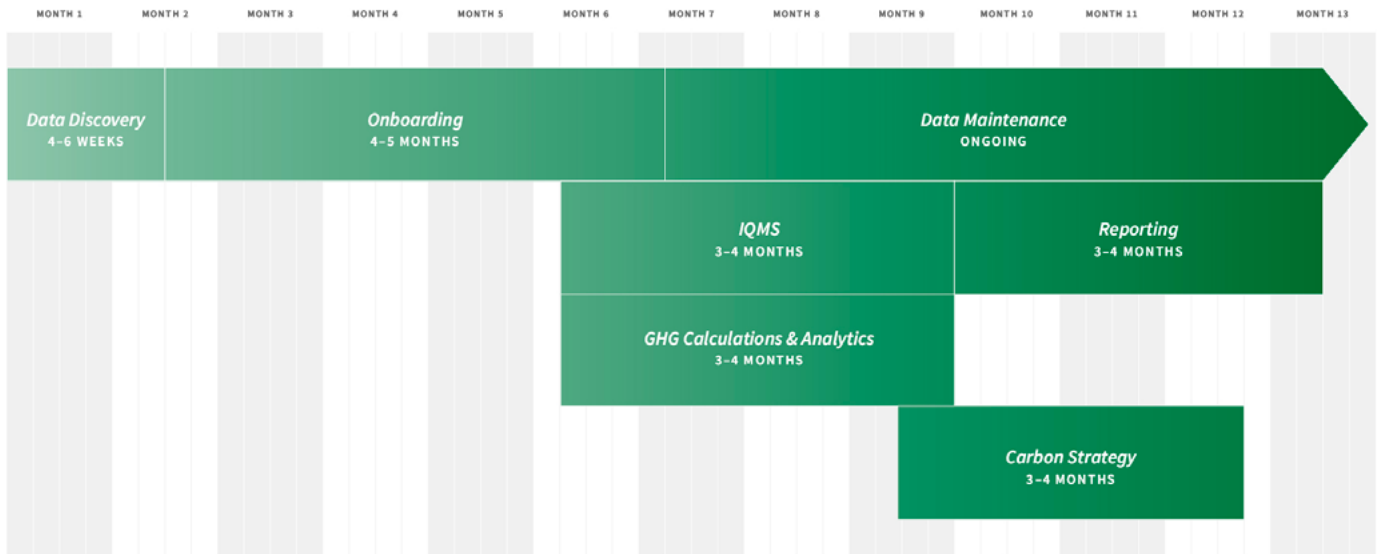
Data may be disparate or incomplete, so it's important you use an IQMS to organize and track data sources, quality, and gaps.



Organize & Report

Carbon data can be reported publicly to CDP, M2030, EcoVadis, etc., and used to set baselines for reduction.

Data Collection Reporting Process



TIPS FOR SUCCESS

Be defensible.

- Pursue quality data
- Account for your methodology
- Seek to improve year over year

Be organized.

- Invest in energy management software
- Use an IQMS
- Track data sources

Be proactive.

- Understand the required effort
- Give yourself sufficient time
- Strategize and realign along the way



We're here to help!

Chat with Mike about how we can help build a sustainability roadmap for your company.

Explore our resource library to learn more about carbon accounting:

ARTICLES

- > [Do I have to report my carbon emissions?](#)
- > [Responding to the CDP: Why & How](#)

CASE STUDIES & SERVICES

- > [Carbon Data Collection](#)
- > [Carbon Management](#)
- > [CDP](#)

VIDEOS

- > [How to collect data for Scope 1 & 2](#)
- > [Complex Sustainability Data](#)
- > [Reporting Frameworks for Publicly Traded Companies](#)
- > [Best Practices for Carbon Accounting](#)