

How to start building an effective carbon reduction strategy

Learn more about how Centrica Business Solutions can help you to become more efficient, resilient and sustainable on your pathway to a low-carbon future.

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There's growing pressure from customers, shareholders and regulators for organizations to decarbonize their operations and value chain. It's the most important step that organizations can take to tackle climate change, and in our survey of 1,500 business leaders¹, 89% agreed that demonstrating a low carbon footprint will be essential for their brand by 2025.

When building a long-term carbon reduction strategy, it's critical to find the ideal balance between commercial success and environmental responsibility to become a sustainable business.

If you're just beginning on your decarbonization journey, the following steps will help you set the right foundations for an effective energy strategy that will enable you to reduce your carbon emissions and achieve your net zero goals. We help organizations to strike this balance by delivering integrated distributed energy solutions that help you realize your pathway to a low-carbon future.

Decarbonization Strategy Steps

- 01 Baseline your carbon emissions
- 02 Gain senior leadership support
- 03 Set long-term decarbonization targets
- 04 Establish accountability for near-term goals
- 05 Collaborate and engage
- 06 Future-proof your strategy

01

Baseline your carbon emissions

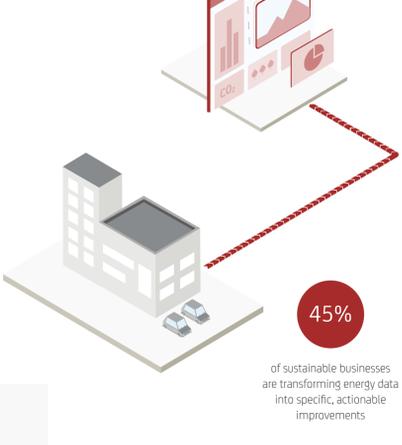
The importance of truly understanding your current carbon footprint cannot be overstated. If you aren't measuring it, you cannot expect to effectively manage it.

Aligning your carbon accounting with recognized standards allows you to make important decisions around your organizational boundaries – the parts of your business you need to include in your carbon reduction strategy. Remember – anything you descope means underestimating your carbon footprint, so wherever possible, encompass your entire organization.

There are numerous free-to-use carbon calculators to support this, particularly for far reaching Scope 3 carbon emissions.

“By being conscious of our energy usage and carbon footprint and being good environmental stewards, we are really supporting our mission and it's how we're ultimately held accountable.”

Dan Robison, Director of Facilities, Real Estate and Construction
Excelsa Health



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Gain senior leadership support

Behind any successful carbon reduction strategy is a c-suite executive who is fully on board.

To acquire this support, it's valuable to understand the organizational risk and opportunities presented by climate change, such as tightening regulations, changing customer attitudes, or climate degradation on the value chain. Combined with a solid understanding of your carbon footprint, you can build a business case for decarbonization that can be used to engage senior leadership and help them understand the importance of making this commitment.

It's also important to ensure there is harmony between carbon reduction goals and the wider commercial objectives of the organization. How can decarbonizing your operations help to achieve your strategic objectives? As part of this, you should also look to establish a framework for managing competing priorities, such as balancing both economic and environmental considerations, to prevent misalignment as your sustainability journey progresses.



“If you think about Generation X and all those other generations coming next, they will care about environmental issues and they will spend money on being sustainable. And they will opt out of companies that are not doing it.”

Fridrik Larsen,
Larsen Energy



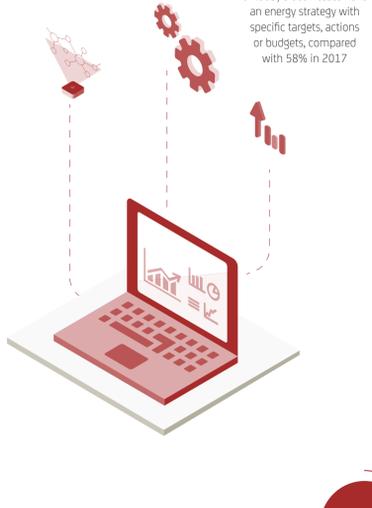
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Set long-term decarbonization targets

Many organizations set their carbon reduction targets by conducting bottom-up analysis. Their asset portfolio and available budget is reviewed, determining where cleaner choices can be made, and appropriate targets are set.

However, a top-down approach may help to accelerate your decarbonization journey by ensuring commitment for the longer term. This involves scientifically recommended target setting, without necessarily having full visibility on how they will be achieved. This enables organizations to build a more agile plan that can be continuously updated as new opportunities and technologies arise, which can also help to gain and maintain c-suite support.

A top-down approach may be an unrealistic starting point for an organization's net-zero journey. In these circumstances, there is still a place for a bottom-up approach that enables you to take immediate steps to abate carbon while you work to set the longer-term vision. It's important to be focused on the science, but it's better to start than be frozen by inaction.



04

Establish accountability for near-term goals

Long-term targets set the direction and pace of change. They're statements of intent that will need to be refined as time goes on.

However, it would be difficult to gain and maintain senior level support with targets that are 20 or 30 years away. Instead, near-term targets engage leadership and ensure current management are held accountable for their progression and achievement.



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Collaborate and engage

To turn your targets into action, it's important to have the strategic buy-in and input of different individuals, teams and functions across the business.

A carbon reduction strategy must be collaborative. Answers, plans and budgets will often sit across multiple business areas, and their support and ownership will be crucial. What's more, there's often a great deal of passion within the employee base for decarbonization, with an invaluable pool of actions and ideas.

Externally, the input of investors and customers can help build a compelling business case for decarbonization, ensuring a carbon reduction plan is economically and environmentally balanced. With a common goal in mind, 87% of sustainable businesses have indicated they would be open to allowing neighboring organization to jointly use their energy assets.



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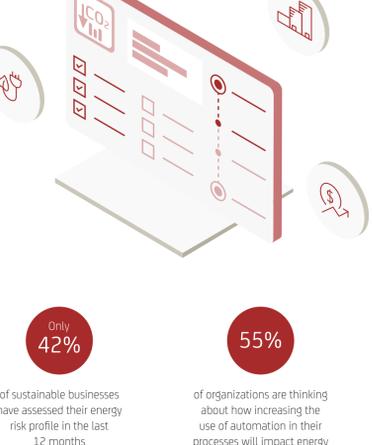
Future-proof your strategy

Consider developing carbon roadmaps in key areas of the business, layering into an organization-wide carbon reduction plan.

To do this, consider both structural changes and efficiency measures. Structurally, how will your organization evolve? By understanding future changes to your asset portfolio or geographic footprint, you can identify opportunities for cleaner energy choices. This can be done by building mid to long-term carbon emissions forecasts.

Further, explore the technological and behavioral changes that could improve efficiency and reduce carbon. Probe business activities and processes according to carbon intensity or emissions, seeking technology pathways that can achieve carbon reductions.

Make the right energy choices now, and you can make immediate, significant reductions to your carbon emissions.



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Centrica Business Solutions can support your organization to build and realize your sustainable energy strategy, tailoring a combination of energy technologies, solutions and services based on your individual business needs.

As well as unlocking immediate emission savings, we can help you to future-proof your sustainability strategy through our continuous investigation, evaluation and deployment of new energy technologies.

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