

Corporate Carbon Footprint



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MANAGEMENT SUMMARY

As part of the preparations for mandatory CSRD reporting in 2025, Ingdilligenz carried out a corporate carbon footprint screening (CCF screening) at one of the world's leading suppliers of innovative technical solutions in the fields of temperature control units and heating technology. Since the family-owned business thinks long-term and takes the challenge of achieving climate neutrality by 2050 very seriously, it made sense to start taking first steps of setting good and realistic climate targets now. The company is currently already offsetting some of its direct emissions and consistently using green electricity. By determining the organisation's activity data and converting this into CO₂ equivalents, the basis for the final footprint calculation could be established without affecting any business operations. Due to the excellent level of cooperation with our customer, we were able to carry out the screening in less than 20 PT, thus creating an excellent basis for setting climate targets.

CCF-Screening

The so-called CCF screening is recommended in the GHG Protocol as the starting point for any carbon footprint calculation. The aim of this first step is to obtain an overview of the company's most important emission sources and activities.

Therefore, the relevant greenhouse gas emissions are identified and recorded first. In this phase, it is possible to use the somewhat less accurate spend-based method as

an approach for the calculation. With this method, emissions are calculated based on the monetary value spent per category.



Our approach

We calculated our client's Scope 1 (combustion emissions of the fuel and gas used), Scope 2 (market-based and location-based calculation of electricity emissions) and the majority of Scope 3 emissions. Of the 15 Scope 3 categories, 12 were identified and determined to be material.

As the sustainability reporting was essentially started from scratch, the necessary activity data had to be gathered manually within the company. As is typical for screening processes, many calculations were conducted using the spend-based method. This this allowed for most of the data to be sourced directly from the finance department. Additionally, data of quality and environmental management (e.g. data from the certified UM system in accordance with ISO 14001), research and development (e.g. electricity and refrigerant consumption during the period of use), logistics (e.g. quantity, type and distance of all transport) and many others provided valuable insights. After collecting the activity data, it was categorized, assigned the corresponding emission factors and the appropriate calculation method was applied.

The customer's very specific activity data required thorough analysis and careful consideration, as selecting emission factors for these activities required a rather deep understanding. At times, extracting and structuring this data posed challenges as well, but comprehensive cooperation with the customer's enthusiastic and curious employees led to synergies and a swift and efficient completion of the CCF screening.



Results

By determining the preliminary corporate carbon footprint, it became possible to identify first areas of improvement. We were, for instance, able to determine that 80% of emissions could be attributed to Scope 3 category 11 "Use of products sold", due to at the current state of technology and business model unavoidable energy consumption of product sold. There is considerable potential for enhancing energy efficiency and reducing energy consumption in future product offerings. We are therefore delighted, to be able to conduct a design thinking workshop throughout the year to incentivise new product innovations and implement innovation processes to pave the way for lower-emission business models and processes.

Furthermore, the analysis uncovered optimisation possibilities in normal day-to-day operations, such as improving the previous grouping of purchased goods in the ERP system, which was implemented during the screening process. This demonstrates that screening can yield additional benefits beyond recording sustainability data, by taking a holistic view of almost all business processes and therefore identifying data quality gaps and optimisation opportunities for further analysis.



Next Steps

Of course, this is not the end of our work. Moving forward, we plan to determine product carbon footprints (PCFs), finalise the corporate carbon footprint (CCF) with more comprehensive data and more specific calculation methods, and define climate targets (in accordance with the science-based targets methodology). A climate plan will be developed by the end of 2024 and sustainability issues will be implemented step by step in the management processes, thus ensuring the client is well-prepared for the upcoming reporting obligation in 2025.



About Ingdilligenz – we create fair winners!

We believe that the future belongs to companies that succeed with a clear conscience and an sense of responsibility. Sustainable, data-driven, and transparent organisations are the businesses of tomorrow. They are learning continuously, improving, and becoming more successful each day: fairer in their dealings with customers, employees, and suppliers; cleaner in production and supply chains; and more efficient and economical in their use of resources. We assist you in transforming your organisation and mindset, supporting the sustainable development of your processes and products using a range of proven and innovative methods and digital solutions, backed by decades of experience.

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