

How do you stay climate competitive?

B2B-companies should expect specific demands on climate action from large industry customers

Februar 4th, 2021

DI BUSINESS

Tæt på danske virksomheder - lokalt og globalt

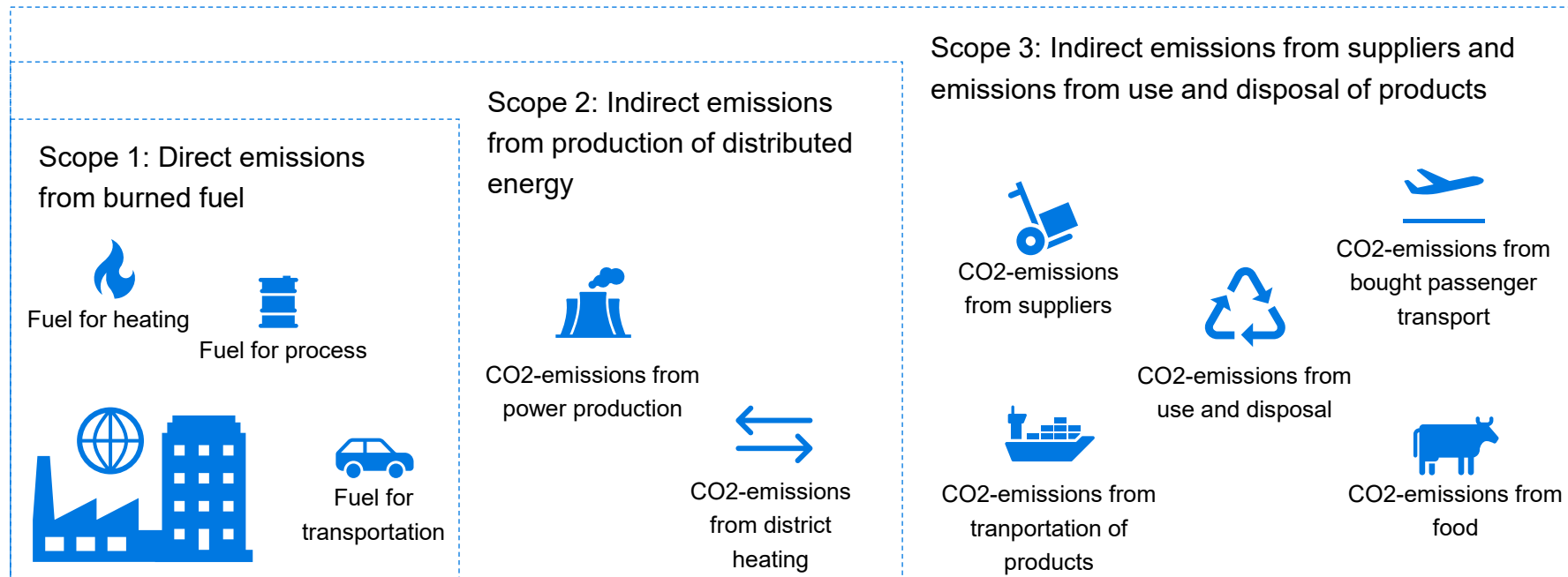


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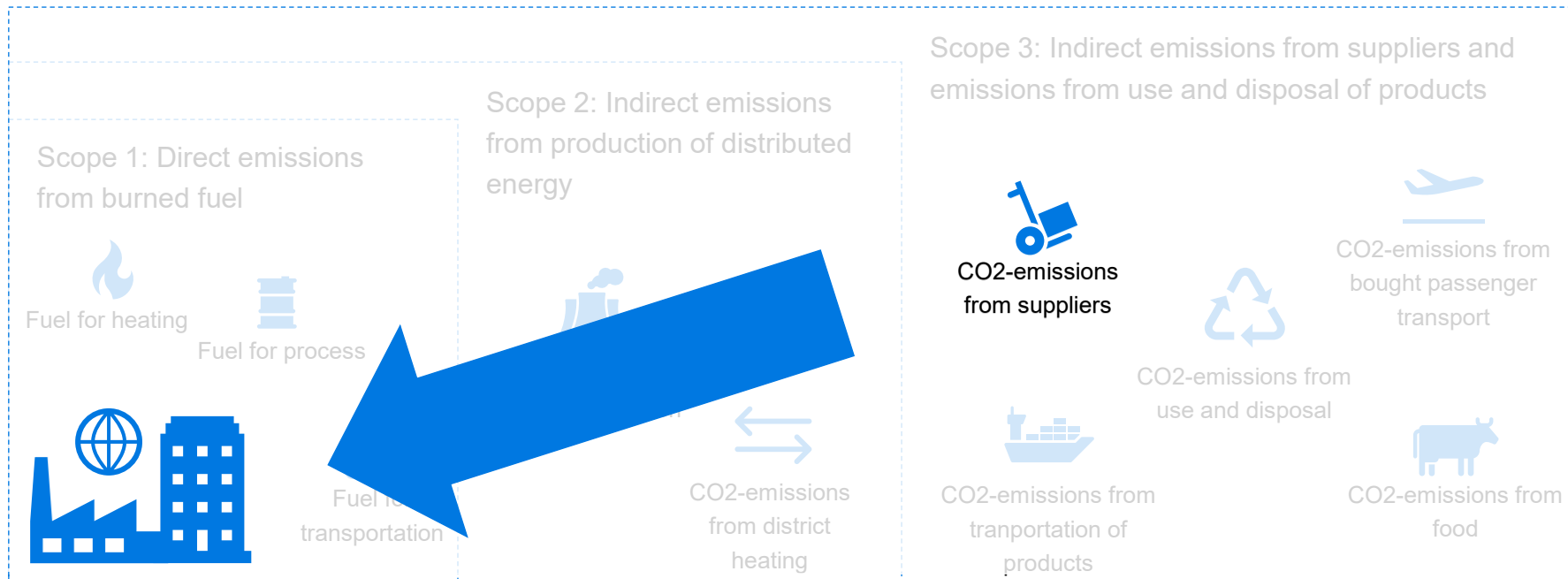
Siemens Gamesa: Underleverandører skal med på grøn bølge

Siemens Gamesa har over 1500 danske underleverandører. 30 procent af indkøbsvolumen skal i 2025 være styret af om leverandører har en CO2-plan.

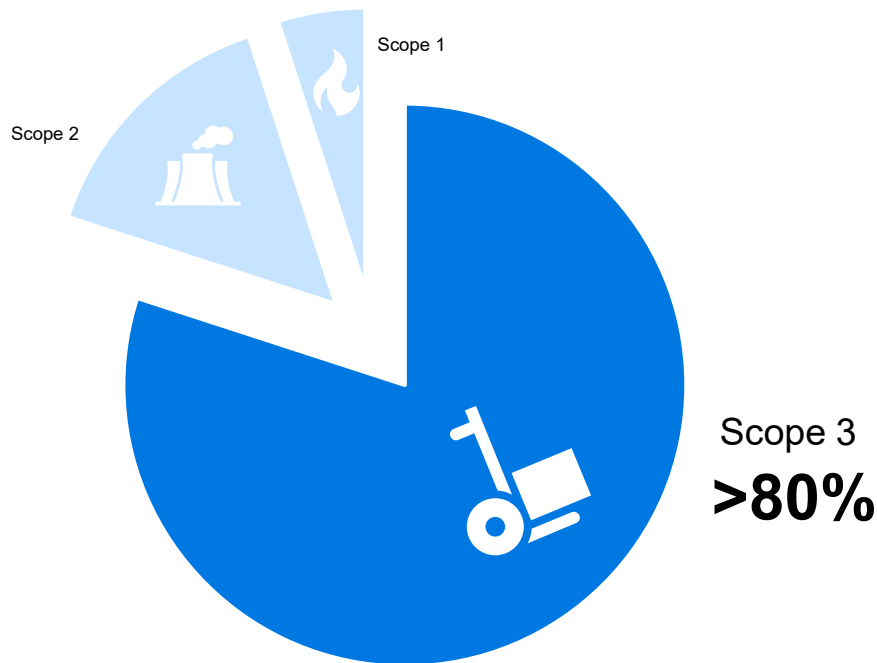
Demands are due to the CO₂ -emissions of suppliers being included in the large industry customers own CO₂ -accounting



Thereby, many B2B -companies will have reduction plans imposed for them to be suppliers of the large companies



The reason this is important to companies, is that more than 80% of the companies CO₂ -emissions often is in Scope 3



*Viegand Maagøe has worked with more than 80 companies and public institutions and for the largest part **Scope 3** has represented 80% or more of the emissions!*

Large Danish companies have committed to CO₂ -reductions in accordance to the Paris Agreement and Science Based Targets

And they thereby commit to work with CO₂-emissions in their supply chain

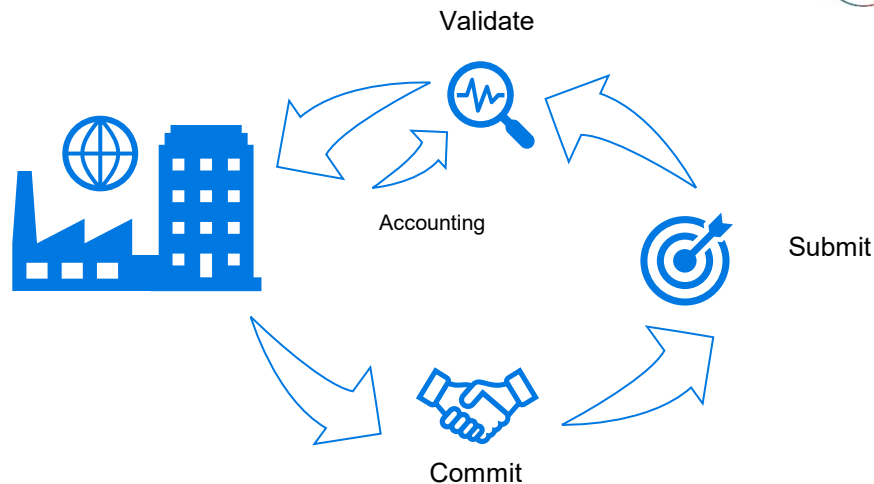


The companies validate reduction plans according to the Paris Agreement through Science Based Targets initiative (SBTi)

Partners:



Process:



Because of this, the large industry companies choose to have specific targets of supplier requirements

Vestas

Vestas Wind Systems commits to reduce absolute scope 1 and 2 GHG emissions 100% by 2030 from a 2019 base year.* Vestas Wind Systems commits to **reduce scope 3 GHG emissions 45% per MWh** delivered to the market by 2030 from a 2019 base year.* The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

The targets covering greenhouse gas emissions from company operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C.

SIEMENS Gamesa

RENEWABLE ENERGY

Siemens Gamesa Renewable Energy S.A. commits to reduce scope 1 and scope 2 GHG emissions 70% per MW installed by 2025 from a 2017 base year. Siemens Gamesa Renewable Energy S.A. commits that **30% of its suppliers** by spend covering purchased goods and services, and transportation and distribution, **will have science-based targets by 2025**. Siemens Gamesa Renewable Energy S.A. commits to increase annual sourcing of renewable electricity from 58% in 2017 to 100% by 2025.

The targets covering greenhouse gas emissions from company operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C. The renewable energy procurement target covering scope 2 emissions is consistent with reductions required to keep warming to 1.5°C.

The climate agenda has become a global Mega Trend and is being supported by consumers and politicians

Mega Trend:

Climate and sustainability



SBTi

Science Based
Targets initiative



EU

EU Taxonomy for
green investments



70%

Denmark 70%
reduction target



NFRD

Non-Financial
Reporting Directive



SDG

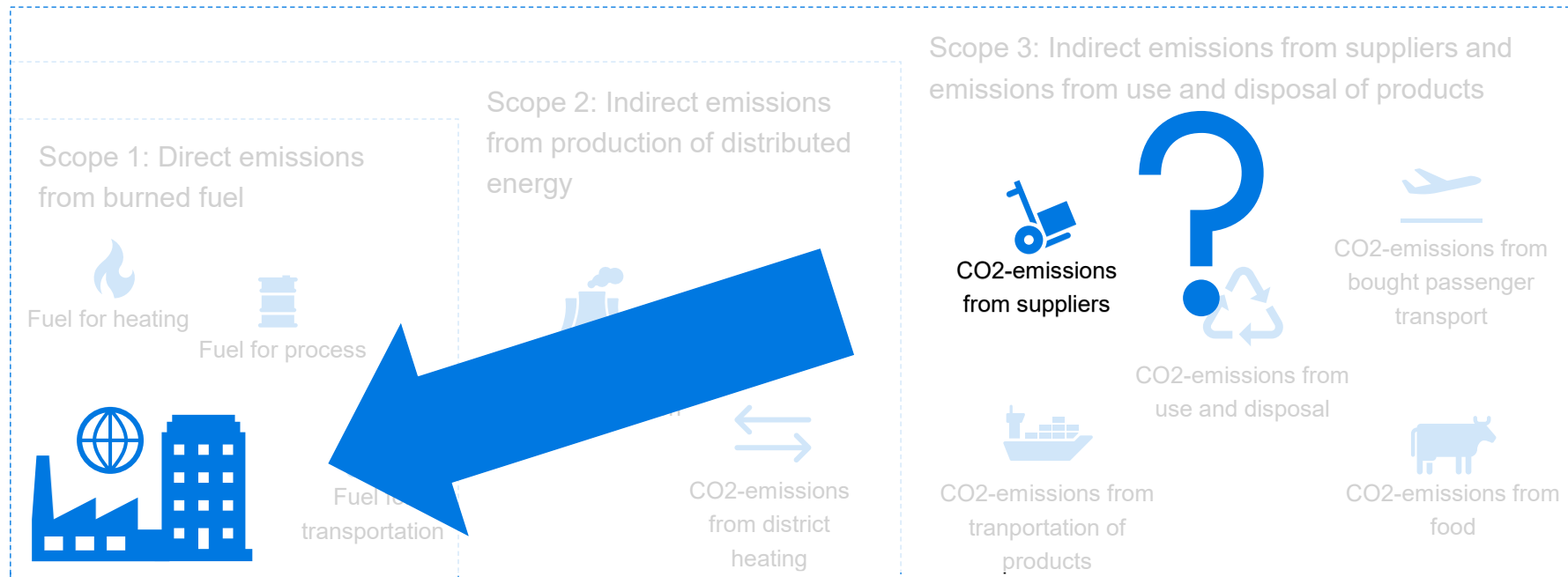
UNs 17 sustainable
development goals



DGBN

Green Building
Council Denmark

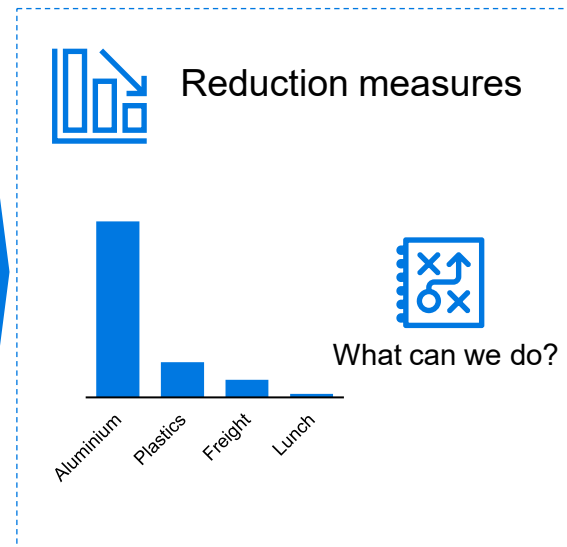
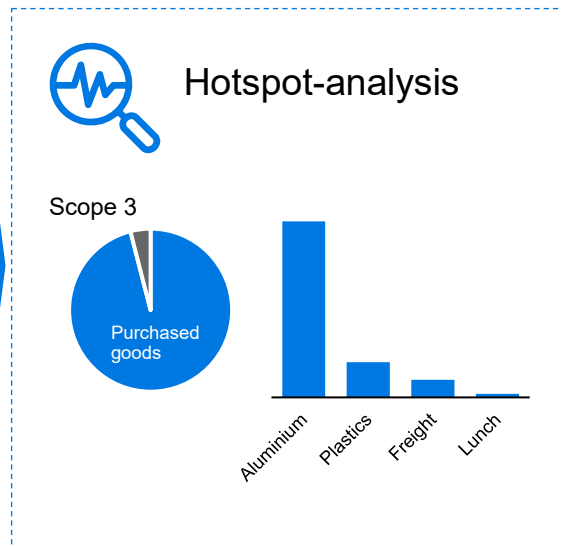
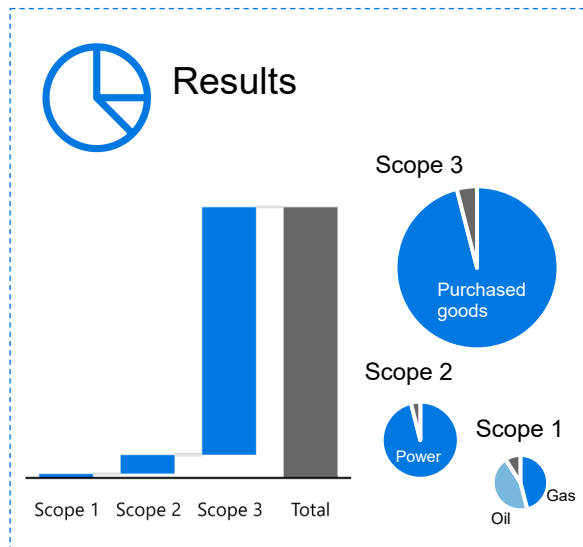
Suppliers should also look into their own CO2 -footprint to stay competitive – but how?



Climate accounting is based on the GHG protocol and will provide an overview of the company's emissions



Results are used in a hotspot - analysis to reach specific reduction measurements



Reduction measures can focus on efficiency, electrification, conversion, procurement and re - design of products



Efficiency

Processes
Buildings
Lighting

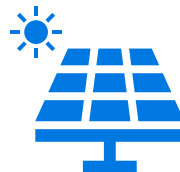
Scope 1+2



Electrification

Processes
Transport
Heating

Scope 1+2



Convert

District heating
PV/wind/Biogas
PPAs

Scope 1+2



Procurement

Raw materials
Freight
Travel

Scope 3



Re-design

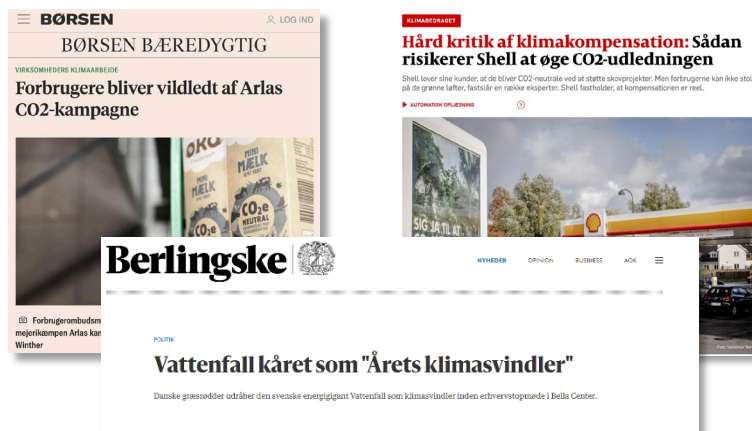
Less material
Substitute materiale

Scope 3

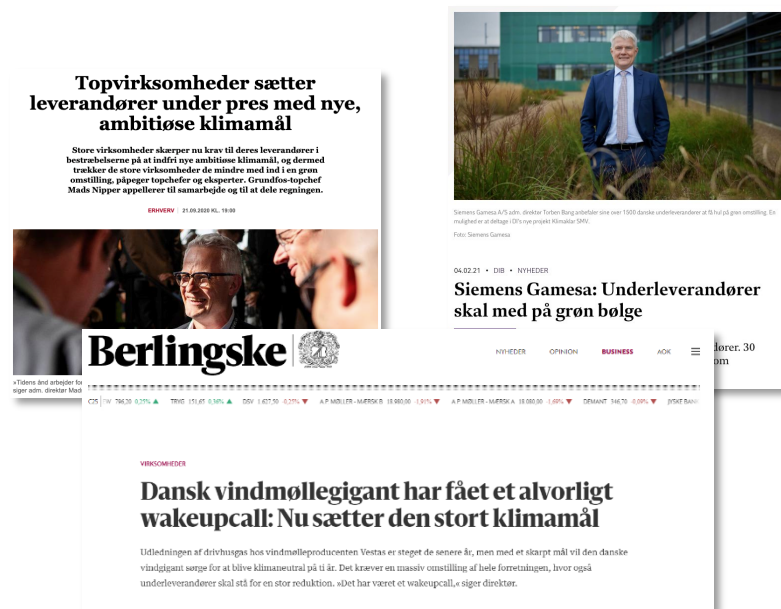
Here the starting point in cradle-to-gate - there are of course also measures that can work on downstream (use of sold products).

Consumers want to know, which leads to more climate requirements to the suppliers

Increasing risk of negative publicity and complaints to the Danish Consumer Ombudsman



Increasing requirements of ability to document CO2 insights and more competition in the field



Communication of the 'process' is often a better story than the 'exact result'



Tell the story of CO₂-mapping and the distribution between the 3 scopes. Be objective and know your data. Do not exaggerate.



Be honest about the company's CO₂-footprint and what you do to reduce it. Be humble about the difficulties.



Show what's going on behind the scenes – give insight into the technical reality. Tell about the process. Be transparent.



The project Klimaklar SMV (Climate Ready SME) have produced both Podcasts and Webinars on the subject

KLIMAKLAR SMV

INDUSTRIENS
FOND
The Danish Industry Foundation



FREMSTILLINGS
INDUSTRIEN
SYMBOL OF DTI

Viegand Maagøe



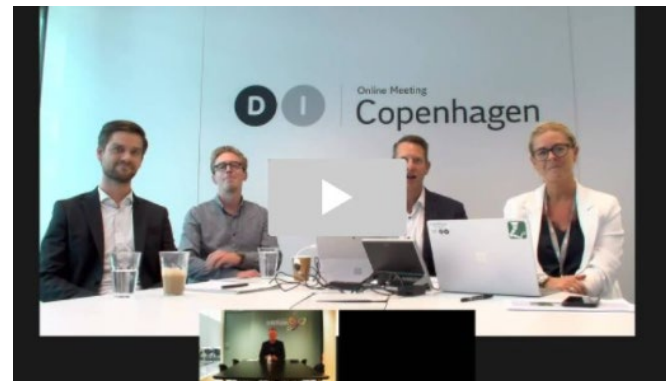
Global Compact
Network Denmark



AXCEL FUTURE
ERHVERVSLIVETS TÆNKETANK



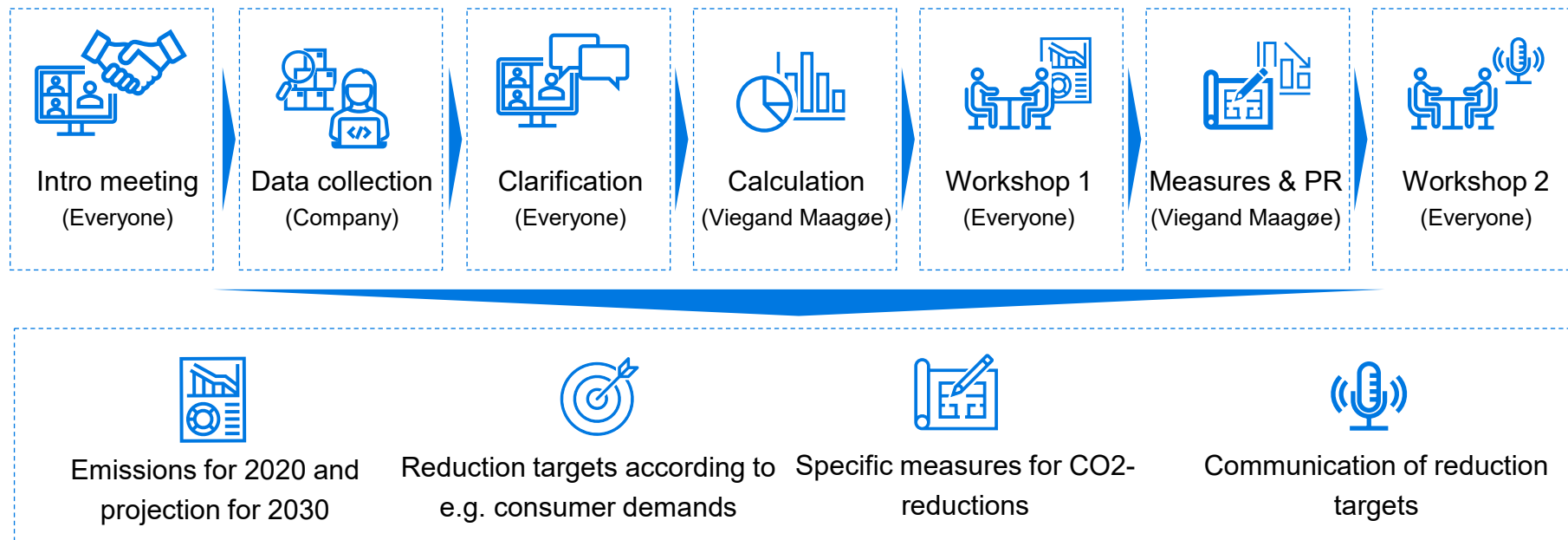
Podcast



Webinar

<https://www.danskindustri.dk/klimaklarSMV/inspiration/>

KlimaklarSMV is a larger project focusing on the CO₂-footprint of Danish companies – and preparing them for the future



There are several national and regional support schemes for companies that want support for green business transformations



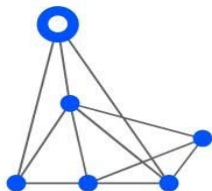
Grøn Cirkulær Omstilling

National scheme.
Read more [here](#).



Clean Green Plan

Companies in Region
Sjælland.
Read more [here](#).



Vilje til Vækst

Companies in Region
Nordjylland.
Read more [here](#).



Rethink Business

Companies in Region
Midtjylland.
Read more [here](#).

Bæredygtig vækst gennem energi-
og ressourceeffektive SMV'er



Bæredygtig vækst

Companies in Region
Nordjylland.
Read more [here](#).



ECSMV

Companies in Region
Midtjylland.
Read more [here](#).

Thank you for your time!
