



Johnson Matthey builds internal expertise in scope 2 reporting

Client's objectives

Johnson Matthey is a global speciality chemicals company and a leader in sustainable technology. It reports its global greenhouse gas (GHG) emissions on an annual basis and is constantly seeking new ways to reduce its impact on the environment through both the way it works and the technologies it develops. As such, across its global estate, the company is investing in both on-site renewable technologies, and where markets allow, procuring renewable electricity tariffs.

In order to accurately report the overall reduction in GHGs achieved, Johnson Matthey has been following the World Resources Institute (WRI) scope 2 standard. In their first year of reporting, in line with the new 'market-based' approach, it found gathering the right evidence to back up its renewable energy purchases challenging, and found it hard to communicate the need for this data across its diverse global portfolio.

The project

Ahead of the second year of 'market-based' reporting, Carbon Smart designed and facilitated an interactive workshop for the global reporting leads in Johnson Matthey, guiding them through the technicalities of scope 2 reporting; including:

- The differences between the 'location-based' and 'market-based' approach to reporting
- The benefits of accurate scope 2 reporting to the businesses; and the risk of getting it wrong
- How to use the conversion factors hierarchy for the purchase of 'green-tariff' electricity
- Evaluation of the markets in which electricity backed by contractual instruments can be purchased (i.e. renewable energy certificates (RECs), renewable energy guarantees of origin (REGOs); or via power purchase agreements (PPAs))
- What makes a good quality 'market-based' conversion factor.

Project's impact

Johnson Matthey's global reporting team gained the knowledge to revisit the topic of 'market-based' conversion factors with their local GHG data gatherers. With the information and materials provided by Carbon Smart, they are now able to communicate the need to accurately report 'market-based' emissions and the benefits of doing so. In addition; the reporting leads are now equipped to appraise the quality of 'market-based' evidence, and are working hard to ensure this improves year on year, through both the procurement and data collection processes.

Testimonial

"Carbon Smart delivered exactly the workshop we needed to get our sustainability team and regional leads on the same page when it comes to 'market-based' reporting. It's a challenging area to tackle for a global business - particularly when we operate in a number of markets where there is little or no choice in terms of energy purchasing. Carbon Smart has given us the knowledge and tools to ensure we get our disclosures right – they really exceeded my expectations for what we could achieve in one afternoon!"

Dr Julia Rowe, Group Sustainability Advisor



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