



SCIENCE-BASED SUSTAINABILITY NEEDS REALITY-BASED REPORTING

Case Study

Downer standardises and centralises its ESG tracking efforts with automated reporting, utilising the IBM Envizi ESG Suite.

There's a lot of discussion about sustainability across industries today. Suppose your business has launched or is considering launching a program to reduce its carbon footprint. How can you be sure this plan will make a significant impact? Will your efforts be supported by rigorous scientific data, or will they be driven by good intentions alone?

Facing questions about how to make a credible and demonstrable impact on the climate crisis, Downer Group—a provider of integrated services specializing in transportation, utilities, and facilities management—has significantly changed how it operates.

"It was around 2008 that we really started to focus on our environmental sustainability," recalls Ricky Bridge, Group General Manager of Environment, Sustainability, and Reporting at Downer. "We realized that if we were going to be serious about our impact, our sustainability strategy couldn't be a secondary focus. It needed to be integrated with our overall business strategy."

Over the next 15 years, Downer revolutionized its business. In 2008, the company derived roughly 50% of its revenue from coal mining. Today, Downer focuses on lower-capital, low-carbon service lines in transport, facilities, and utilities.

As part of this transition, Downer began capturing and tracking more data, particularly related to greenhouse gas (GHG) emissions. However, these efforts relied heavily on manual data collection and processing, tying up staff and resources. "We used to say that we had the world's largest Excel pivot table to manage our GHG emissions data," adds Bridge. "That level of effort wasn't sustainable, and we knew it."

"There was a compliance piece as well that we had to consider," notes Nathan Brogden, Group Sustainability Manager at Downer. "We have a regulatory requirement here in Australia—the National Greenhouse Energy Reporting Act—that directs us to gather and report on relevant environmental data. But pulling together the right information from spreadsheets was clunky and required a lot of manipulation."

In 2017, Downer deployed a new platform to track its environmental, social, and governance (ESG) efforts, now known as the IBM® Envizi ESG Suite.

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Ricky Bridge, Group General Manager Environment, Sustainability and Reporting, Downer Group

A data-driven approach

With the IBM Envizi ESG Suite in place, Downer began setting ambitious decarbonisation targets—such as achieving net zero emissions by 2050 and reducing its operational GHG emissions by 2032 to less than 50% of its 2020 levels. The business relies on the IBM solution to capture and manage the corresponding sustainability data—energy consumption, waste, and GHG emissions—needed to drive the global group towards these goals.

“With Envizi, we’re able to set a science-based target and actually track our performance against it,” notes Brogden. “We often see large organisational changes within Downer, and now we can account for those shifts in our tracking. We can reflect on the actual data—our baselines and our targets—and despite the changes, we can track our emissions reduction trajectory and get timely access to our current GHG emissions performance.”

With this simplified, automated reporting structure, Downer also began accelerating the frequency of its reporting and tracking efforts, shifting to a live database approach. As Brogden explains: “We can design our reports in a more agile fashion, linking different data sources from various business areas and supporting more ad hoc requests. We can then funnel that information from our central data warehouse to different dashboards throughout the business.”

“Calculating greenhouse gas emissions is actually quite complicated,” he continues. “You must consider a series of external factors and apply them to the gathered consumption data. But Envizi helps us track and measure our carbon output quite easily. We can compile all the necessary information into a sustainability report and clearly show the market—and any auditors—not only our output but also the emissions accounting that supports these disclosures.”

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Tracks the GHG emissions and overall energy consumption of

>300

sites via a centralized dashboard

Tracks performance for decarbonization targets, like a

>50%

reduction by 2032 in operational (Scope 1 and 2)

GHG emissions against a 2020 baseline

Operationalised Sustainability

"Climate change is the number one greatest threat to humanity," notes Brogden. "At Downer, we take this threat—and our role in addressing it—very seriously." In fact, the company employs over 60 staff members dedicated to environmental efforts, many of whom are embedded within Downer's various business units and project sites.

"Our company is highly decentralised," adds Brogden. "Each of our business areas has its own unique environmental and sustainability touchpoints. We allow the business units to chart their own paths, as long as they are meeting our broader organisational goals in terms of financial KPIs or emissions KPIs."

This autonomy has guided the implementation of Downer's decarbonisation plan. The group has provided key themes that permeate across the business, enabling each business unit to identify and pursue the decarbonisation strategies that align best with their unique objectives. To support the creation and pursuit of these localised initiatives, Downer established a group decarbonisation fund in June 2022.

"Sometimes these reduction efforts might require relatively high upfront costs," explains Brogden. "At least, compared to what was already allocated in the traditional budget cycle. Therefore, they need group-level intervention to ensure that the organisation's decarbonisation goals remain on track, and the fund can provide the necessary capital."

To identify which areas will yield significant emissions savings, individual business units can use the IBM Envizi ESG Suite to isolate and identify consumption trends. As Brogden notes: "They can ask themselves, 'What's driving our emissions? What's technically

achievable? What fuels are we using, and how does that impact our emissions?'"

Conversely, sustainability staff at the corporate level can use the IBM technology to evaluate funding requests, determining which programmes are most likely to help drive the group towards its long-term emissions reduction goals. Furthermore, for those programmes that are pursued, the shift to real-time tracking offered by the IBM Envizi ESG Suite helps to maintain pressure on these reduction efforts to produce results.

"Robust data means other parts of the organisation rely on our department to know what's happening," clarifies Bridge. "It gives us credibility with senior leadership and other stakeholders across the group as key decisions are being made. It also helps beyond our internal efforts, as being able to convincingly prove our sustainability credentials is critical—particularly in Australia and New Zealand—when pursuing financing options."

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Nathan Brogden, Group Sustainability Manager, Downer Group

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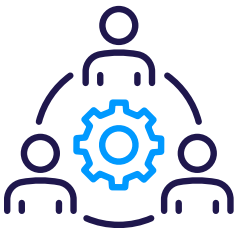


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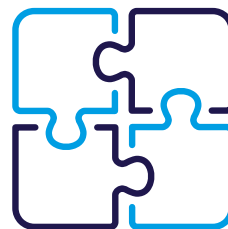


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