

THE GLOBAL STOCKTAKE

CLIMATE DATATHON

PROMPT OWNER

SDG Assessment

PROMPT TOPIC

Sustainability assurance framework for SME greenhouse gas emissions data

PROMPT DATASET

Linked in the GST Climate Datathon Open Datasets Google Folder:
<https://drive.google.com/file/d/1CleFtNTQzPghwRcneHV20rCcZp3iSNm3/viiew?usp=sharing>

TOPIC BACKGROUND:

Sustainability assurance is the evaluation of the effectiveness of actions taken by an organization to achieve its goals and objectives within its operational context, acknowledging planetary constraints and the needs of future generations (James, 2018).

The use of performance indicators such as carbon footprint, water footprint, ecological footprint and the emerging concept of social footprints to evaluate the present non-financial consequences and future risk implications of strategic decisions are not yet mainstream amongst small to medium-sized enterprises. The focus being on the implementation of these tools within listed companies and large non-governmental organizations albeit with limited emphasis on the pursuit of sustainable innovation in terms of products and services (James, 2015).

Generally, greenhouse gas reporting is a voluntary initiative of which its implementation costs are considered prohibitive except for those firms with near monopolistic profits (Hicks, 2010). Studies also reveal that footprints by nature record historical impact and do not incorporate the views of future generations (Holland, 2003).

Within this post Paris Climate Accord context, there have emerged tangible displays of political willingness to tackle global warming signaled by the Government of the United States, the world's largest economy recommitting to these international accords and tabling climate change as a threat multiplier of critical importance to national security (FT, 2021). Expressed commitments by India, China and Russia to comply with COP 26 commitments to reduce methane gas emissions and arrest deforestation are yet to be realized (FT, 2022) (India Express, 2018).

Simultaneously economic instruments such as carbon taxation, carbon pricing and mandatory carbon reporting for listed companies are perceived as potential tools towards achieving net zero targets.

Although there is no common definition for net zero it can be defined as the achievement of a balance between the amount of greenhouse gas (GHG) emitted into the atmosphere from GHG emissions.

In addition to the aforementioned contextual issues;

- ⅔ of businesses have no plan for sustainability
- 1 in 5 businesses with no understanding of net zero emissions
- Greenhouse gas reporting is a mystery to 9 out of 10 small businesses (British Chamber 2021) (Independent 2021)

MAIN PROMPT QUESTION/CHALLENGE

How could the GST provide a sustainability assurance framework to assure the quality of SME greenhouse gas emissions data?

SUPPLEMENTARY QUESTIONS

- What sort of data collection framework, protocols or criteria could be used for SME data?
- Are SMEs required to report Scope 1 and 2 emissions only, or Scope 3 as well?
- What boundaries should be set, and what terms should be used in SME GHG reporting criteria?
- SMEs are a heterogeneous group - how can we set common frameworks and expectations?
- How can SMEs participate in the GST, since they are currently largely left out of this conversation?

Additionally, the ability to draw from and combine publicly available data across multiple sources will also be judged favorably.

OPPORTUNITIES AND CHALLENGES WITH THE CURRENT DATA

A total of 64 organizations originating from North America, Europe, Africa, Asia, Latin America and the Caribbean operating in most economic sectors participated in the survey. Survey respondents completed a 26 question survey. Despite the sample size not being statistically significant, respondents provide insights into the current state of the application of quality management methodology to achieve sustainable development outcomes.

The survey was distributed to respondents electronically using survey software. The survey questions were reviewed by members of the American Society for Quality Energy & Environment Division Council prior to issuing the survey. Each survey question was derived from research literature. Datathon participants should note any missing data occurs when respondents omitted to submit an answer.

REFERENCES

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