

Most Companies are Still Trying to Figure out Emissions Reporting



A new report reveals a business landscape that hasn't quite wrapped its arms around CO2 emissions reporting yet.

As the urgency for carbon emissions reporting builds, and with the new reporting requirements coming into effect in 2024, supply chain operators must gather the data and ensure its accuracy in order to remain compliant. With supply chains being a major contributor to global carbon dioxide (CO2) emissions—from raw material to the transport of finished goods—these professionals are well positioned to reduce their organizations' carbon footprints.

Supply chains are the key to fighting against climate change because they generate around 60% of all carbon emissions globally," [Accenture](#) points out. "Addressing supply chain sustainability is therefore an essential step in achieving net zero." Accenture says nearly half (47%) of CEOs see their supply chains as critical aspects of their companies' sustainability strategies and that 49% are transitioning to circular business models.

Circular business models articulate the logic of how an organization creates, delivers and captures value to its broader range of stakeholders while minimizing ecological and social costs. This is vastly different from more traditional, linear business models where organizations take natural resources and use them to make products for consumers that eventually become waste.

Emissions Reporting 101

One way supply chain managers can help whittle down their organizations' carbon footprints and pivot to more circular business models is through good CO2 emissions reporting. The problem is that many organizations lack a systemic strategy for emissions reporting despite looming regulatory deadlines.

To learn more about these carbon emissions reporting gaps, Chain.io interviewed a broad range of companies, many of which are facing significant challenges in this area. "The primary challenge we observed is moving beyond regulatory requirements to how organizations approach emissions reporting at a fundamental level," CEO Brian Glick said in a [press release](#). "Many are still trying to navigate this complex landscape without a clear strategy. Our research aims to provide the insights and tools needed to address this gap."

In its new [CO2 Data & Reporting Best Practices](#) report, Chain.io says that while there is a general awareness of the importance of CO2 emission regulations there's significant variability in how companies prepare for and approach the subject. "We also heard that regulatory compliance guidelines and customer demand are the primary drivers for companies to start tracking CO2 data," the company says.

Revealing Report Findings

Overall, Chain.io says there's a substantial opportunity for improvement in data management and technological investment to enhance compliance and sustainability initiatives. Here are some of the key findings from the report:

- **Awareness and priority level.** Most companies are very or somewhat familiar with the latest reporting requirements for CO2 emissions. The priority given to technology investments for reducing carbon footprints varies, indicating a gap between awareness and actionable steps.
- **Emissions calculating and reporting.** Responses varied widely regarding emissions calculation and reporting practices, which indicates a gap in current practices or a lack of standardization in how companies approach this.
- **Preparedness for regulations.** A significant number of respondents are not prepared or only somewhat prepared, highlighting the need for better resources and strategies to comply with these regulations.
- **Departmental focus.** The focus on transportation emissions is primarily in sustainability departments, but also in legal and compliance, indicating a cross-departmental approach to this issue.
- **Carbon reduction initiatives.** The main drivers for compliance are regulatory requirements and customer demand, emphasizing the role of external pressures in shaping company policies.

With very few exceptions, most of the companies that Chain.io surveyed felt that they were “still figuring it out” when it came to emissions reporting. “The general consensus was that we’re in early days and that the competing regulatory environments used to clear regulations and high-compliance activities are confusing and concerning to logistics professionals,” the company says.