

Understanding the Business of
CLIMATE CHANGE



The world is how we shape it

sopra  steria



The Urgency of Climate Change

The world is facing an unprecedented climate crisis that will affect nature, the economy and public health. Sir Richard Attenborough, the nation's beloved environmentalist, has warned,

“

Climate change is the biggest threat to security that modern humans have ever faced.

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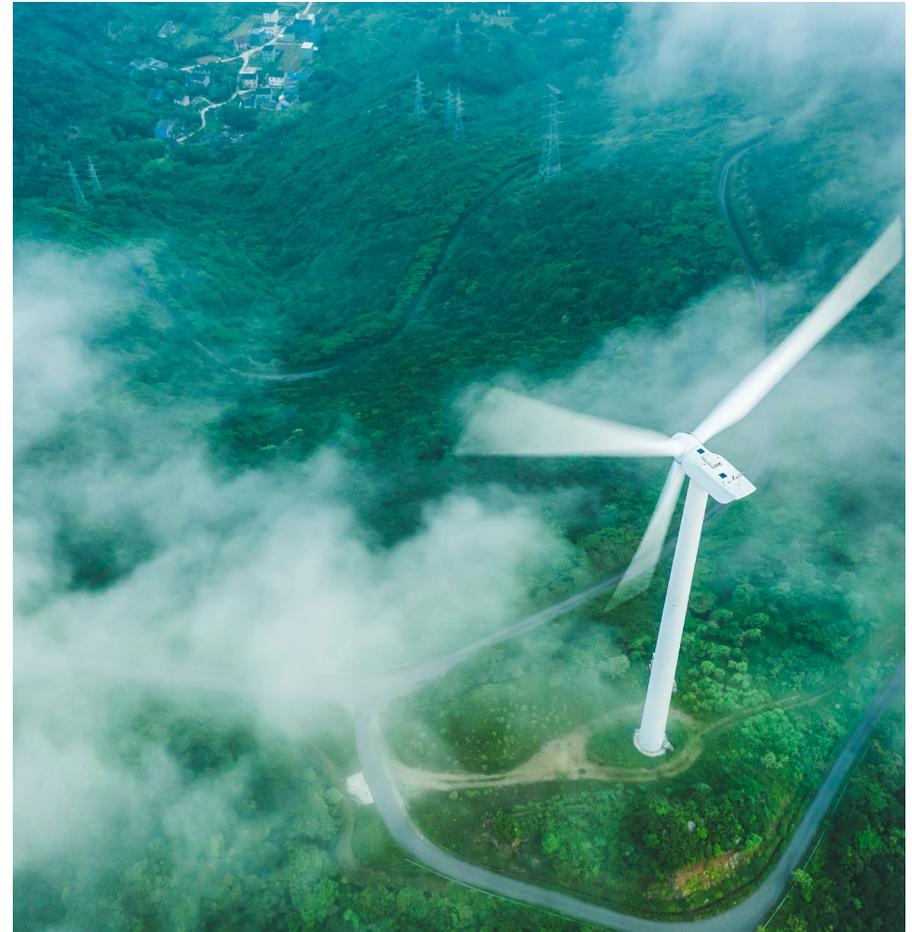
Organisations have a major part to play in addressing climate change, and it is important that every employee (not just the sustainability experts) feel empowered to be a part of the solution. However, the issue of tackling climate change in organisations can often be difficult to understand, with many unfamiliar technical terms, abbreviations, and acronyms used. So, if you have ever wondered what GHG stood for, or what Net Zero meant, this article will aim to answer the questions you might have.

Understanding Climate Change

The concept of anthropogenic climate change isn't new; the effects of human activity on the Earth's climate were first documented as far back as 1896 when the Swedish scientist Svante Arrhenius concluded that 'industrial-age coal burning will enhance the natural **'greenhouse effect'**. The greenhouse effect is the 'natural process that warms the Earth's surface by the reflection of the sun's energy which is re-radiated to the earth's surface by greenhouse gases'¹ and is one of the causes of **'global warming'**, the long-term heating of Earth's climate system.

Human activities - primarily the burning of fossil fuels - release **Greenhouse Gases (GHGs)** such as carbon dioxide, methane, water vapour and nitrous oxide that absorb infrared radiation, then trap and hold heat in the atmosphere, causing it to grow warmer.

Global warming permanently changes weather patterns and hence the climate. It causes the polar ice caps to melt and the sea levels to rise, as well as more extreme weather events such as storms and hurricanes.

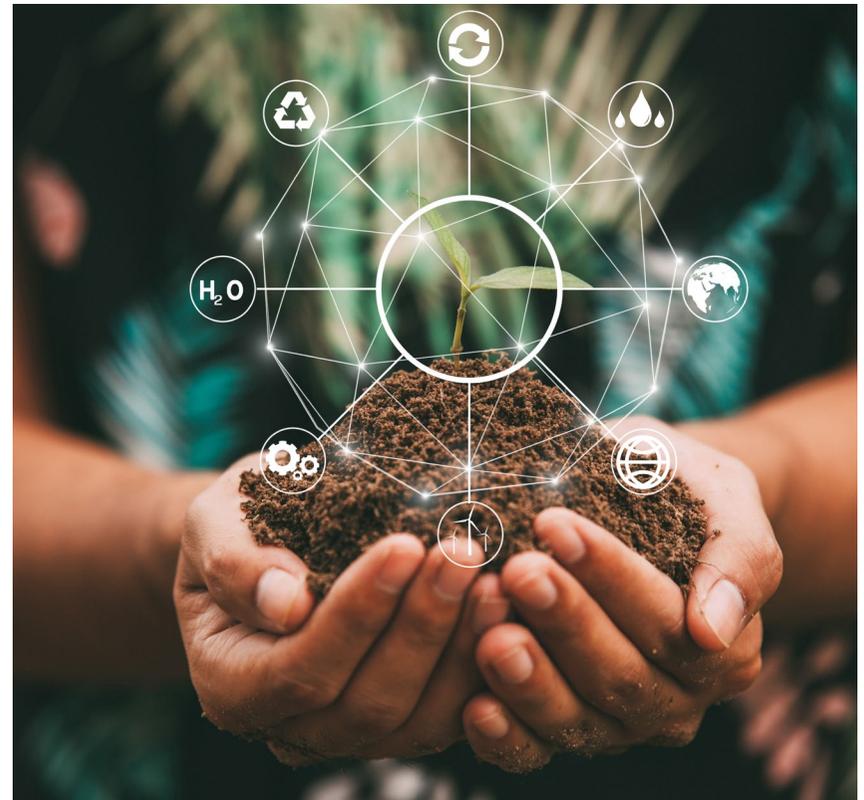


¹ <https://www.environment.gov.au/climate-change/climate-science-data/climate-science/greenhouse-effect>

Time to take action

The first meaningful attempt at tackling the problem began with the inception of the UN Intergovernmental Panel on Climate Change (IPCC) in 1988. However, it is only in recent years that climate change activism has gone mainstream, with increased public awareness helped in part by ground-breaking TV documentaries like **'Blue Planet'**; more frequent extreme weather events have given renewed urgency to the crisis of climate change. People have become more aware of how their actions – and those of the organisations that they patronise – contribute to climate change, but also of the solutions that those organisations could provide.

Organisations around the world, and their stakeholders, are becoming increasingly aware of the need for and benefits of socially responsible behaviour. Many organisations, especially large ones, have a Corporate Responsibility (CR) function, which implements an organisations commitment to carrying out business in an ethical way, including caring for the environment.



Environment Social Governance (ESG) practices are important as they let organisations display their ethical credentials, measure the impacts of their CR strategies, and be accountable for the way that they operate their organisations.

Leading the way in sustainability

As a company with **46,000 employees worldwide** and **a presence in 30 countries**, Sopra Steria can have a great impact on the environment; it is imperative that we understand what they are and have a clear strategy for mitigating them. Our climate and environment strategies define how we manage our organisation whilst looking after the environment.

Tackling climate change requires a radical approach, a cultural and financial shift that enables investors to make informed choices in investing in organisations that are seriously tackling climate change. As part of this, we report our climate risks, which include accounting for our GHG emissions (from our business travel, our offices, and data centres), our waste disposal methods, how we source our energy and to also keep track of our suppliers and the effect their services have on the environment and society around them.

The most tangible expression
of our impact on the climate is
our GHG emissions.



46,000
employees



30
countries



Different greenhouse gases have different greenhouse effects, but the effect is standardised by expressing it in terms of carbon dioxide equivalent (CO₂e). CO₂e expresses the **Global Warming Potential (GWP)** of a greenhouse gas. Simply put, the GWP tells us how much heat a GHG traps in the atmosphere compared to CO₂. CO₂ has a GWP of 1, methane has a GWP of about 25 (on a 100-year time horizon). In other words, a tonne of methane (CH₄) has the same effect as 25 tonnes of CO₂. As an organisation, we standardise the effects of our emissions by expressing them into CO₂e.

There is a consensus amongst scientists that we need to limit global warming significantly. The latest climate science research states that the increase in global average temperature needs to be limited to 1.5°C to avoid catastrophic climate change. As a result, over 700 companies², including Sopra Steria, have set themselves targets for reducing their emissions aligned with the limit of 1.5°C on global warming, validated by the Science-based Targets initiative (SBTi).

The ultimate aim must be Net Zero, which means achieving a balance between the amount of carbon (i.e., GHGs) emitted into the atmosphere, and the amount removed from it. This balance – Net Zero – will be reached when the amount of carbon we add to the atmosphere is no more than the amount that we remove.

² <https://sciencebasedtargets.org/companies-taking-action>

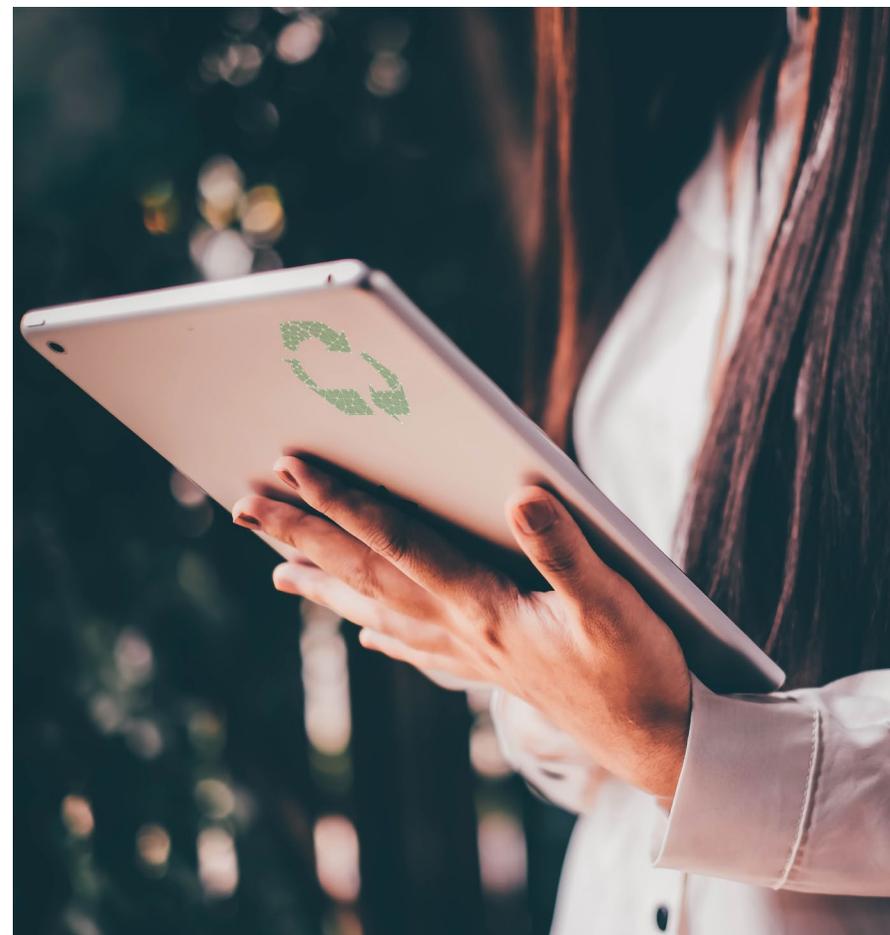


Our journey to Net Zero

Sopra Steria's goal is to reach Net Zero by 2028, 22 years earlier than the target of 2050 set by the UN, the UK Government, and the EU. The Group has launched the first phase of its Net Zero emissions programme by eliminating emissions from its direct activities (in offices, on-and off-site data centres and business travel) and is now entering the second phase, aimed at eliminating those from its indirect activities (supply chain, commuting and treatment of waste).

We've long been **carbon neutral** for our offices, data centres and business travel worldwide. Carbon neutrality is like Net Zero but less strict; it allows offsets that merely avoid future GHG emissions, whereas Net Zero requires offsets that remove GHGs from the atmosphere.

We report our GHG emissions, our energy consumption and sources, and our climate-related risks and opportunities to CDP. **The CDP is a non-profit organisation that helps companies, cities, states, and regions to measure and manage their risks and opportunities on climate change, water security and deforestation. It is regarded as the 'gold standard' of environmental reporting, with the richest and most comprehensive dataset on corporate and city action.**



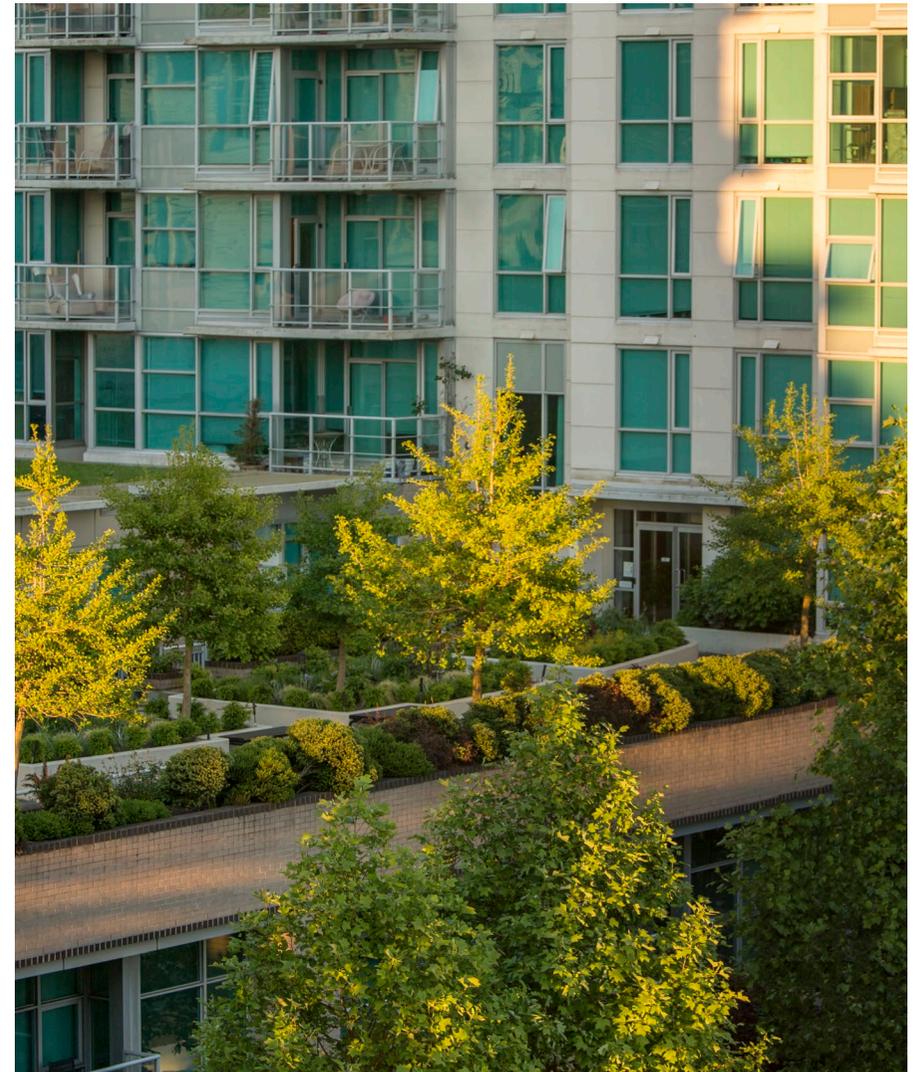
Disclosing our climate risks helps protect our reputation and helps investors and other stakeholders to assess our exposure to climate-related risks in our business model and value chains, and our response to them.

CDP has recognised our achievements in managing our emissions by putting Sopra Steria on its 'A-list' since 2017, the top 2.8% of the 9,600 companies that CDP assesses. Our success is due to our active employee engagement, collaboration with academia and innovative specialist partners.

We are very cognizant of the responsibility we have, and, as Siva Niranjana the Group Head of Climate and Environmental Sustainability' says, we take a 'business as usual' approach to sustainability. This means that we treat sustainability as a matter of fact and ensure that it runs through every aspect of the organisation; from purchasing to disposal.

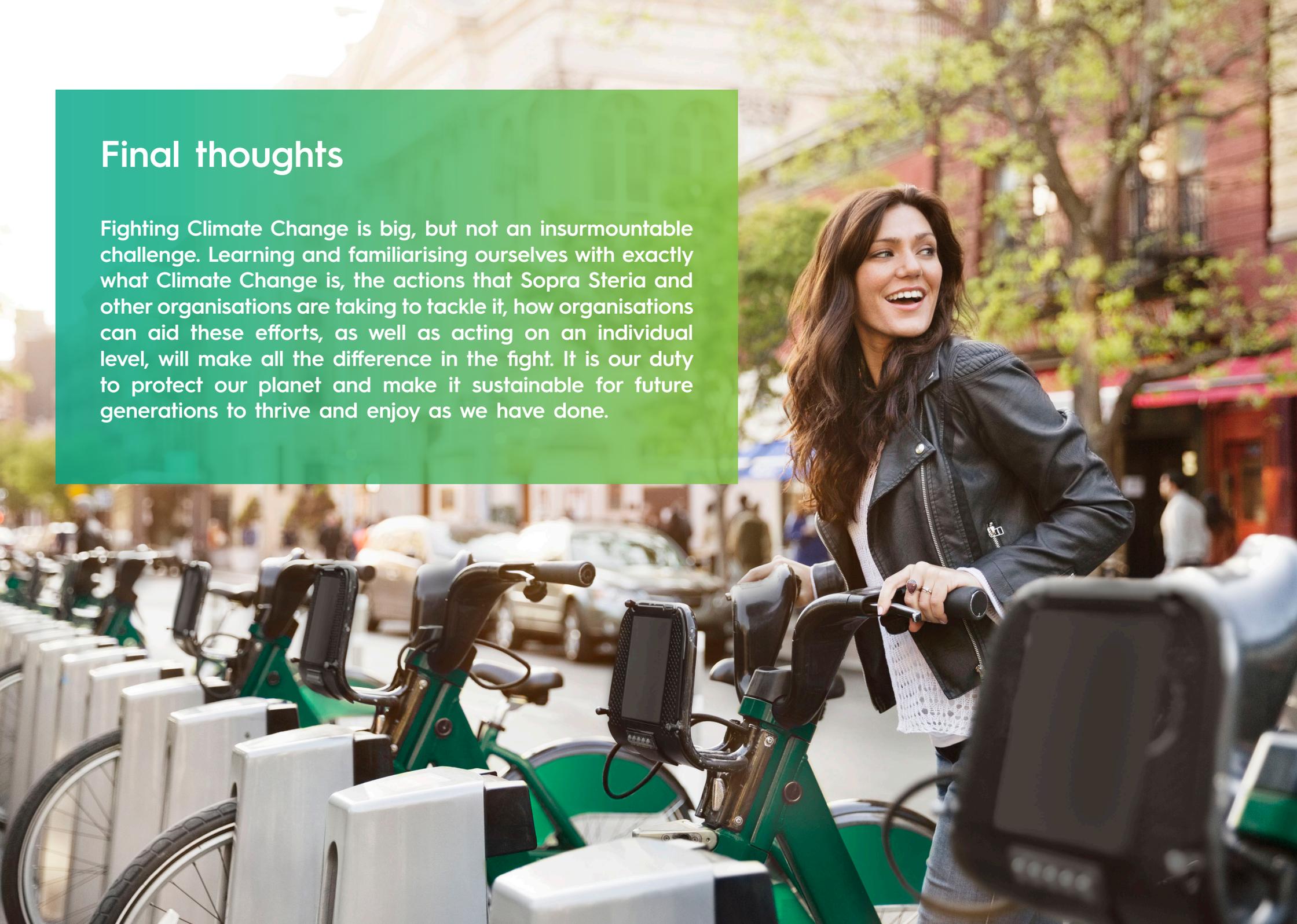
One of the ways we embed sustainability in our operations is by purchasing closed loop paper. Our used paper is recycled and remanufactured as a paper product with no deforestation to provide the fibre in the paper that we subsequently purchase.

We also ask our suppliers to sign a Code of Conduct that requires them to commit themselves to reduce the environmental impact of their operations, products, and services and to contribute to targets for reducing associated greenhouse gas emissions.



Final thoughts

Fighting Climate Change is big, but not an insurmountable challenge. Learning and familiarising ourselves with exactly what Climate Change is, the actions that Sopra Steria and other organisations are taking to tackle it, how organisations can aid these efforts, as well as acting on an individual level, will make all the difference in the fight. It is our duty to protect our planet and make it sustainable for future generations to thrive and enjoy as we have done.



More Information

At Sopra Steria, we have a dedicated team of specialist sustainability consultants ready to accompany you on your organisations journey to a sustainable future. We are committed to leading the way in sustainability and our achievements and awards are what set us apart.

We understand that there is no all-purpose route to Net Zero, which is why we will work closely with you to truly understand your organisation to help navigate your challenges and tailor a solution to suit.

Sopra Steria has over a decade of practical experience in measuring, understanding and managing our GHG (carbon) emissions, and are preparing to make our own transition to Net Zero by 2028. This experience combined with our business process transformation credentials means we are well equipped to guide and support your organisation on its journey to Net Zero.



For more information about our Net Zero and Sustainability consultancy services, please contact Siva or Muinat at the details below:

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We look forward to working with you.



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