Science-based sustainability needs reality-based reporting

Downer standardizes and centralizes its ESG-tracking efforts with automated reporting powered by the IBM Envizi ESG Suite

by Josh Young

6-minute read

There's a lot of talk these days around sustainability across industries. And let's say, for example, that the business where you work has launched—or is considering launching—a program to rein in its own carbon output. How can you be certain that such a plan will have an impact? Will your efforts be backed by rigorous scientific data? Or will they be powered by well-meaning wishes?

Considering questions like these while focusing on making a credible, demonstrable impact on the looming climate crisis, Downer Group—a provider of integrated services, specializing in transportation, utilities and facilities management—has made significant changes to how it runs its business.

"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, we needed to make sure that our sustainability strategy wasn't a secondary focus. It needed to be integrated with our overall business strategy."

In fact, over the next 15 years, Downer revolutionized how it conducted business. Back in 2008, the company held a strong presence in the mining industry, with roughly 50% of its revenue coming from coal mining in particular. But now, Downer

focuses on lower-capital, low-carbon-oriented service lines in transport, facilities and utilities.

And with this transition, Downer started capturing and tracking more data—particularly related to its production of greenhouse gas (GHG) emissions. However, these tracking efforts relied heavily on manual data collection and processing, which tied 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 up and report on relevant environmental data. But pulling together the right information from spreadsheets was clunky and required a lot of manipulation.”

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

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

Tracks the GHG emissions and overall energy consumption of

>300

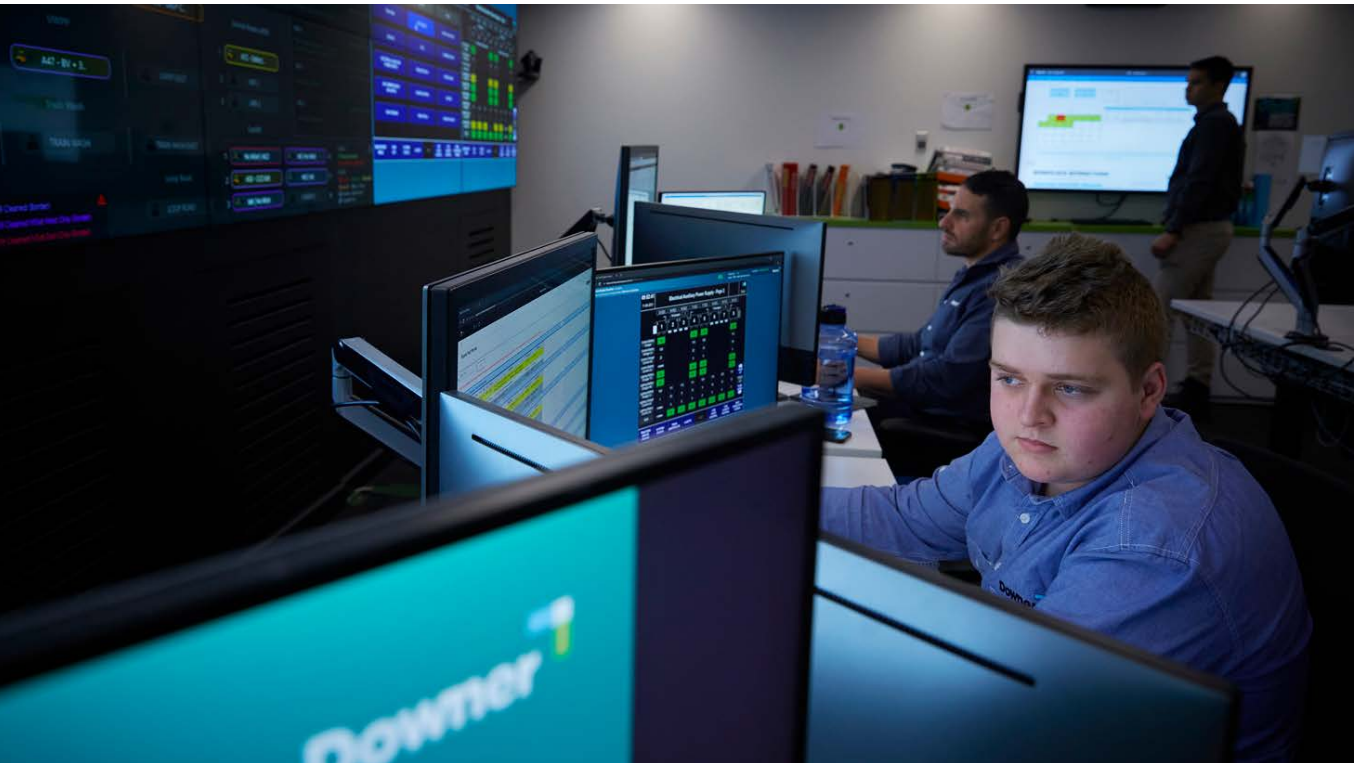
sites via a centralized dashboard

Tracks performance for decarbonization targets, like a

>50%

reduction by 2032 in operational (Scope 1 and 2) GHG emissions against a 2020 baseline

A data-driven approach



With the IBM Envizi ESG Suite in place, Downer began setting ambitious decarbonization targets—such as achieving net zero emissions by 2050 and lowering its operational GHG emissions by 2032 to less than 50% of its 2020 usage. The business relies on the IBM solution, in turn, to capture and manage the corresponding sustainability data—energy consumption, waste, GHG generated—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 organizational changes happen 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 more 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 more of an agile fashion, linking different data sources from different business areas and supporting more ad hoc requests. And we can then funnel that information from our central data warehouse to different dashboards throughout the business."

"Calculating greenhouse gas emissions is actually really complicated," he continues. "Because you must consider a series of outside factors and apply them to the gathered consumption data. But Envizi helps us track and measure our carbon output rather easily. We can compile all the needed 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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Nathan Brogden, Group Sustainability Manager, Downer Group

Operationalized sustainability

“Climate change is the number one, greatest threat to humanity,” notes Brogden. “And Downer takes this threat—and our part in preventing it—very seriously.” In fact, the business employs over 60 staff dedicated to its environmental efforts, with many of these workers entrenched in Downer’s various business units and project sites.

“Our company is very decentralized,” adds Brogden. “And each of our business areas have their own unique environment and sustainability touchpoints. So we allow the business units to chart their own paths as long as they’re meeting our broader organizational goals in terms of financial KPIs or emissions KPIs.”

This independence has guided the implementation of Downer’s decarbonization plan. Under which,

the group has provided key themes that permeate across the business—for each business unit to identify and pursue the decarbonization strategies that align best with their unique business goals. And to help facilitate the creation and pursuit of these localized initiatives, Downer set up a group decarbonization 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 budgetary cycle. So they need group-level intervention to ensure that the organization's decarbonization goals remain on track and the fund can provide the needed capital."

To identify which areas will most likely yield significant emissions savings, the 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 actually achievable from a technical perspective? What fuels are we using and how does that factor in?'"

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

"Robust data means other parts of the organization rely on our department to know what's going on," clarifies Bridge. "It gives us crediblity with senior leadership and other stakeholders across the group as key decisions are being made. And it 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."

Real tracking. Real results.

The IBM Envizi ESG Suite is helping Downer to reach its sustainability goals, one report at a time.

“The streamlined accrual and reporting systems save us a lot of effort,” notes Brogden. “It probably takes around half the time to complete the necessary site and data collection for our monthly reporting than it would with Excel. Before, we would need a couple of days for data entry, as well as another couple to pull the records together, standardize the data and customize the reporting for different business areas. With Envizi, it’s just the push of a button.”

And this streamlined reporting translates directly into more efficient and more productive sustainability efforts. “It really helps with understanding the anomalies in our data,” adds Brogden. “It provides us with a diagnostic of overall data health and if there are any gaps or oddities that might have arisen from a reporting error. We can compare current figures against

the audit history and more easily figure out what's going on. Altogether, we've seen an increase in the credibility of our sustainability data."

The more accurate records also help with regulatory compliance surrounding annual reporting efforts and corresponding audits—particularly during periods of transition. "If an auditor asks us why there was an increase in GHG at one of our sites," explains Brogden, "we can look through our records in the system and quickly and transparently isolate the root cause of that change."

He continues, adding: "Our next frontier is Scope 3 emissions reporting. This will open up interesting opportunities to connect the data we have in Envizi with the data we are collecting at the operational level from divisions delivering decarbonization outcomes—such as our rail division."

Even better, all of these efforts don't go unnoticed. As Bridge adds: "It helps us win work. We now find that if you don't have the ESG credentials and aren't focused on decarbonization, it's growing more difficult to engage with customers. I think sustainability is a top three win theme for us at Downer—it gets us a seat at the table, particularly with our government customers that we frequently work with."

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Nathan Brogden, Group Sustainability Manager, Downer Group

Downer
Relationships creating success

About Downer Group

Founded over 150 years ago, Downer (link resides outside of ibm.com) is a provider of integrated services, specializing in transportation, utilities and facilities management. Altogether, the company employs approximately 33,000 people and maintains hundreds of projects and permanent sites, predominately in Australia and New Zealand.

Solution component

- IBM® Envizi ESG Suite

To learn more, contact your IBM Business Partner:

RSC

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