

Carbon platform checklist

Your guide to purchasing
carbon accounting platforms

CITY@SWITCH

Who is this guide for?

- Organisations interested in selecting a carbon accounting platform to measure, monitor, and manage carbon emissions.
- Sustainability or environmental social and governance (ESG) managers looking for a carbon accounting platform to meet Australian and international mandatory regulatory requirements and voluntary reporting standards.

Overview

A carbon accounting platform is a digital tool or software system designed to help organisations streamline and automate carbon emissions measurement and reporting.

Each platform or tool on the market provides a slightly different service. The right fit for your organisation will depend on many factors including:

- how far along your business is in its emissions reduction journey
- business size, type, and complexity
- business operations and supply chain
- current understanding of carbon emissions and carbon accounting
- willingness, capacity, and resources including budget, time and people available to act on reducing emissions.

This guide will help you to:

- identify your business needs – what you need to know before working with a carbon platform provider
- select your carbon platform – questions to ask a provider before finalising your decision.

Checklist: The key questions to ask when choosing a carbon platform

Step	Key questions to ask	Why is this good to know?
1 Identify your business needs	Use <ul style="list-style-type: none"> What will your organisation use a platform for? For example, scope 1,2, and 3 emissions calculation and reporting, full scope of ESG reporting. What types of reports will this platform inform? For example, a specific reporting framework, or a company sustainability report. Does your organisation need specific data to align reporting to a framework? For example, NGERs, CDP, Science Based Target Initiative, Climate Active, TCFD, GRI, GHG Protocol. Does your organisation need a platform that can integrate with your existing ESG platforms? For example, modern slavery, governance, risk management, diversity and equity. Does your organisation have any data assurance requirements? For example, third-party auditing of emissions data. 	<p>Understanding why and how your organisation will use a carbon platform is the first step to identifying a suitable platform or whether you need additional support.</p>
	Resourcing <ul style="list-style-type: none"> Who in your organisation will need to use the platform or be involved in collecting data? For example, one versus multiple users across sustainability, finance, accounting. What support, training or resources will your users need to collect data or operate a platform? For example, data collection support, basic emissions, or carbon accounting training. How much will your organisation pay for a platform each year? For example, a user-based subscription, versus enterprise-level per month or per year. 	<p>Understanding the resource needs of your team can help inform the right level of support, ongoing package and pricing.</p>
	Data <ul style="list-style-type: none"> What data has your organisation already collected, if any? For example, previous footprints, spend categorisation, supplier or product data, physical data. What type of accounting do you follow? For example, Equity share approach or Control approach (financial/operational). What level of data visibility is needed for reporting? For example, by site, facility, office, project, product or just at an organisational level. Does your organisation use tailored emissions factors for calculating its carbon footprint? For example, industry-specific emissions factors and/or product or supplier emissions factors. How often will your organisation need to access the platform and data? For example, once a year for reporting versus tracking real time data across the year. 	<p>Knowing what data you already have, what you need and the data you're hoping to gather from a platform will help you prepare for the installation phase. It will also help you select a platform that provides the data relevant to your organisation.</p> <p>Identifying gaps in your data or things you don't know can inform the questions you ask of platforms regarding training and support.</p>

Checklist: The key questions to ask when choosing a carbon platform **continued**

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2 Platform selection criteria	Once you have narrowed down a shortlist of potential platforms that meet your business requirements as identified in Step 1, the following questions can help guide your final selection.	
	Data collection, input, and migration <ul style="list-style-type: none"> Does the platform require entering data in a certain format or categorisation? For example, formatted category mapping set by the platform, versus raw data upload. What are the options for entering data in the platform? For example, manual input, CSV upload, connection to financial and accounting systems, integration with utility bills. Is it possible to migrate data from an existing emissions footprint to the platform? That is, if your organisation has already calculated its carbon footprint on another platform, or through other means, such as a through a consultant. Does the platform have the capability to update data and reporting in real-time? That is, do your systems support Application Programming Interface (API) integration for ongoing data capture and calculations, versus at predetermined intervals. Does the platform require data to be only related to a unique reporting period? For creating a carbon inventory, all the data for each scope of emissions needs to be associated with a reporting period that the company is required to be aligned with. For example, FY23-24, CY23, and so on. 	<p>Some platforms require data input to follow specific formats in a CSV or similar file. Others take raw spend data or automate data collection through APIs and map spend for you. Most are a mix of both. Understanding the input requirements of the platform will help your organisation gauge the resourcing needed for the initial, and ongoing, data collection and input.</p>
	Data validation <ul style="list-style-type: none"> Does the platform check, verify, and identify gaps and anomalies in your data? That is, is your organisation responsible for verifying data, or is there automation involved? Who is held accountable for data validation and cleansing? That is, will the responsibility for any errors or inaccuracies in calculation lie with the platform or your organisations? Can the data be auditable? That is, the methodology, assumptions, and resources accessible to auditors to assess the footprint? 	<p>Companies often have gaps and errors in spend data, particularly for their first footprint, that require assumptions to be made in emissions calculations. It's important to understand who's accountable for data accuracy and what the methodology is for making assumptions in calculations.</p>

Checklist: The key questions to ask when choosing a carbon platform **continued**

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2 Platform selection criteria	Alignment to reporting frameworks and standards <ul style="list-style-type: none"> Does the platform provide data outputs suitable for reporting against multiple recognised frameworks? For example, GRI, CDP, ISSB, SASB, TFCF, NGERs, GHG Protocol, and climate related financial disclosure standards such as proposed Australian Sustainability Reporting Standards. Are the data outputs of the platform considered audit ready? For example, verified and approved by a third-party for reporting purposes. Does the platform support a unique sector approach tailored to meet the needs of various organisations and provide accurate carbon reduction plans? 	<p>The platform should provide data outputs that can help your organisation meet any current or future emissions reporting or disclosure requirements.</p>
	Reporting capabilities <ul style="list-style-type: none"> What types of reporting templates and formats are offered by the platform? For example, customisable report formats to meet different stakeholder needs, such as board summary report, sustainability report. Does the platform provide a customisable dashboard view? For example, the ability to view, track, and compare emissions across sites, suppliers, categories, or projects. 	<p>Beyond calculating a carbon footprint, many platforms offer support for monitoring and reporting on emissions in multiple formats. Exploring the reporting capabilities offered will help ensure that the platform meets your organisation needs.</p>
	Training and continuing support <ul style="list-style-type: none"> What training and introductory support is offered by the platform? For example, online modules, allocated accounts manager and personalised systems integration, real-time support. What ongoing support is offered by the platform? For example, assistive feedback, continued check-ins with an account manager, advisory services and following up suppliers for data collection. Is support offered during Australian business hours? That is, where the platform's support office is based internationally, is support for you readily available and accessible? 	<p>Depending on your business needs, the level and training and support provided within the pricing of the platform may inform your selection decision.</p> <p>Organisations just starting out may need additional levels of support during initial data collection and ongoing use of the platform.</p>

Checklist: The key questions to ask when choosing a carbon platform **continued**

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2 Platform selection criteria	<p>Scope 3 data collection and supply chain engagement</p> <ul style="list-style-type: none"> How does the platform collect and use data for scope 3 emissions calculations? For example, <ul style="list-style-type: none"> Calculations are based on spend-data input by the organisation. That is, supplier spend data from procurement and accounting systems. The platform enables primary data collection from suppliers at an organisational level, such as the suppliers' scope 1 and 2 emissions. The platform uses a hybrid approach that combines spend and supplier specific data and applies spend based factors to fill gaps while working with suppliers to obtain better data over time. The platform enables primary data collection from suppliers at a category or product level. The platform allows users to input physical activity data such as L fuel, kWh electricity. Does the platform offer further supply chain engagement opportunities? For example, self-assessment questionnaires for extended ESG topic areas such as modern slavery or supplier training, upskilling and resources, in collecting emissions data? The platform may allow customisable corrective action plans, or general follow up in response to the information they provide, to support and improve supplier performance. Is there a process in place for verifying supplier data to ensure accuracy and quality? For example, platforms like Carbon Disclosure Project (CDP) offer structured, established ways to access public emissions data or gather data directly from suppliers. Suppliers using CDP must obtain third party verification of data they report. Platforms can flexibly collect supplier data – that is, Environmental Product Declarations, bill of materials, 3rd party lifecycle assessments, verify its quality and incorporate a structured process to ensure consistency in future reporting. Does the platform support your business to select which suppliers to gather data from? For example, prioritisation and segmentation support, based on factors such as category risk, emissions profile, and spend. Does the platform charge suppliers a fee for entering primary data, or are costs covered through the primary user's subscription fees? For example, the platform may allow suppliers to enter basic data for free but charge for premium features such as advanced reporting, integration with other systems, or customised support. For large organisations, enterprise agreements might include access for a certain number of suppliers without additional charges. This can incentivise supplier participation and ensure comprehensive data collection. 	<p>The Greenhouse Gas Protocol outlines four methods to calculate emissions for scope 3 category 1 (purchased goods and services) and category 2 (capital goods).</p> <p>The simplest method estimates emissions for goods and services by collecting procurement category spend data and multiplying it by relevant secondary (For example, industry average) emission factors. This is called spend based approach.</p> <p>The second method is referred to as the average data method, and multiplies the mass or quantity of units of purchased good and services by relevant emission factors. These may include volume, hours spent and so on.</p> <p>Organisations can collect primary activity data on the mass or quantity of purchased products from specific suppliers as well as primary product and supplier specific emission factors per unit.</p> <p>Users of supplier specific emissions data can obtain greater accuracy, and value, in tracking the success of their reduction efforts.</p> <p>A fourth hybrid approach is to use a combination of supplier-specific activity and emissions data and secondary data to fill gaps.</p>

Checklist: The key questions to ask when choosing a carbon platform **continued**

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2 Platform selection criteria	Additional strategic capabilities <ul style="list-style-type: none"> Does the platform offer strategic capabilities? For example, <ul style="list-style-type: none"> Target setting and validation, such as science-based targets Scenario modelling and emissions forecasting capabilities Carbon accounting and offsetting Decarbonisation strategies and/or recommended actions Supporting achievement of organisational certifications such as Climate Active or B-Corp. 	<p>As your organisation's approach to emission reduction matures, strategic support such as target setting and validation, carbon offsets, certifications, decarbonisation strategies and benchmarking may become important features of your strategy and disclosure.</p>
	Target audience and growth capabilities <ul style="list-style-type: none"> Is the platform designed to be used by organisations of your size and maturity For example, small to medium-sized entities with no dedicated ESG function, versus large enterprises? Can the platform support your organisation as it grows and matures? That is, as your organisation wants to add new categories to measure, or gains additional sites, projects or investments and matures its approach to emission reduction. 	<p>Verifying that the platform can support your organisation in its current maturity, as well as in future growth.</p>

Other factors to consider

Going beyond basic needs and selection criteria, organisations should consider the following factors.



Time needed for onboarding

Often, your first carbon footprint or migrating your data to a new platform can take a long time, ranging from 4 to 12 weeks, depending on the data format required. When looking for a platform, it's good to consider the time it will take to train new users and ask the platform to provide an estimate on how long this process will take.

Key questions to ask:

- Is the platform user friendly and intuitive, with built in guidance as needed?
- What types of data sources can the platform integrate with? For example, energy meters, ERP systems, and IoT devices.
- How long does the platform need for data migration and/or input depending on automatic or manual data import?

Integration with existing ESG platforms

Your organisation may already use a platform(s) for managing other ESG topics, such as modern slavery risk, diversity and equity, supplier due diligence and procurement, and risk management. Some carbon platforms may offer integration with these platforms, which can help your organisation to streamline data management and reporting year on year.

Key questions to ask:

- How does the platform support company sustainability goals?
- Does the platform integrate with other ESG systems used by the business?



Data security and privacy

The level of privacy and security of the data entered into the platform, and protection of sensitive information can vary from platform to platform. Ideally, look for a security management system, certified to ISO/IEC or other relevant standards, hosting on secure network and retain ownership of data or control its use.

Key questions to ask:

- Is the platform hosted in a secure system that is certified ISO/IEC 27001?
- Does the platform ensure the organisation's ownership and control of its data?
- Does the platform have a robust data privacy policy specifying conditions for use and access of information assets and systems, as well as sharing of information and data.

Keys to success:

3 helpful insights from a CitySwitch member organisation

1 Get the right people onboard, from the beginning.

Using a carbon platform requires input from multiple stakeholders across the business. It's important to incorporate their different perspectives when selecting a platform.

2 Enter the process informed and aware.

Having a baseline understanding of the Greenhouse Gas Protocol and the data needed for calculating your emissions makes it easier to not get side tracked by jargon and ensure a platform does everything you need.

3 Make sure pricing isn't generic.

Many platforms offer tiered pricing and even pricing packages that can be tailored to your organisation. Contact the platform providers to find out more about their pricing options.



Thanks for caring about our environment, climate
action and our community.

If you have any questions, get in touch with
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The content of this guide was prepared by Edge Impact for CitySwitch