



Deloitte.
Digital

It's time to make a bigger impact with your sustainability push

See how Salesforce and Deloitte can transform your net zero push and Scope 3 reporting



Contents

- 03** **Introduction**
- 04** **What are the new Scope 3 emissions regulations?**
The Scope 3 emissions disclosure coming into effect in 2023, has a key difference to Scope 1 and 2 – and it’s a big one.
- Why achieving net zero is important**
Net zero is one of the best and most effective ways we can tackle climate change and reduce global warming.
- 05** **Why you should care about net zero and Scope 3**
According to Georges Smine – VP of Sustainability Solutions at Salesforce, there are four big reasons why achieving net zero should be a top priority.
- 08** **How does Deloitte help clients with Scope 3 reporting?**
The path to Scope 3 reporting and greater sustainability isn’t an easy one – so it pays to seek out the right guidance.
- 10** **How Salesforce Net Zero Cloud supports Scope 3 reporting**
With the right strategy and the most impactful data to report on, you need the technological infrastructure to support it.
- 12** **Why are Salesforce and Deloitte the perfect match?**
Salesforce and Deloitte are the perfect combination of experience and technology to help companies around the world prepare for Scope 3.





Introduction

It can be easy for a company (of any size) to view the oncoming barrage of sustainability legislation as a tiny bit frightening.

Especially when only [7% of companies are currently on track to achieve Net Zero carbon emissions targets](#) – despite making sweeping commitments.

And because the goalposts keep moving – such as legislation from the EU Corporate Sustainability Reporting Directive (CSRD) and wider climate change actions – emissions reporting requirements like the **Scope 3 Standard** are prompting organizations like yours to sit up, get ready, and get going, fast.

But here's the thing: most companies don't have the experience, knowledge, or technology to collect the meaningful internal (your own emissions) and external (emissions from down your supply chain) data needed to make a real-life impact.

And even less so when it comes to reporting them accurately and transparently.

To succeed in reaching sustainability goals while also balancing costs, increasing the potential for growth and re-focusing on reducing supply chain risk, you need the right balance of experience, tech, ambition, and resilience.

But strike that balance successfully, and you'll find that beneath the terror of trying to increase sustainability, plan for net zero emissions, and hit new regulator standards – there's a huge opportunity to make a real impact.

In this guide, we'll show you why the Deloitte and Salesforce partnership is the smartest, most efficient, most impactful way to achieve this. Especially when it comes to tackling **Scope 3 emissions and the journey to net zero**.

We'll explore:

- What are the new regulations and what is the Scope 3 Standard?
- Why achieving net zero is important
- Why *you* should care about Scope 3 and net zero
- How Deloitte helps clients to achieve this
- How Salesforce Net Zero Cloud supports this
- Why Salesforce and Deloitte are the perfect partners for your sustainability goals



What are the new Scope 3 emissions regulations?

The Scope 3 emissions disclosure coming into effect in 2023 has a key difference to Scope 1 and 2 – and it's a *big* one.

Unlike Scope 1 and 2 emissions, where you report the emissions you're directly responsible for, Scope 3 includes the emissions you are indirectly responsible for up and down your value chain too. That covers emissions from your suppliers and emissions from customers using your products. And while some of the downstream Scope 3 categories are not part of your emissions accounting, you do have to report them so your customers can, in turn, account for them.

According to Arjan de Draajier, European Senior Partner at Deloitte, "scope 3 emissions are by far the biggest share of the actual impact when it comes to carbon emissions."

When you consider the complexity of most value chains, reporting on emissions under Scope 3 will be a gargantuan task – especially if done without the right tools.

But Scope 3 reporting isn't optional.

As Floor Soomers, Business Analyst at Deloitte Digital points out: "*companies have to comply with Scope 3 reporting regulations, no matter what their sustainability stance is. So there is no other choice than to take action now.*"

Why achieving net zero is important.

Net zero is one of the best and most effective ways we can tackle climate change and reduce global warming.

While net zero acknowledges that it may not be possible to eliminate all emissions, it leads the push to carbon neutrality, tipping the scales from their current carbon-heavy position towards balance.

For businesses, being net zero means that you add no more greenhouse gases to the earth's atmosphere than you're taking out. And, just like Scope 3, working towards net zero isn't something companies can ignore.

[Science Based Target's](#) (SBT's) Net Zero Standard requires companies to decarbonise by 90-95% by 2050, from a baseline year no earlier than 2015.

Hitting net zero doesn't just help the planet either – it also increases business resilience. The availability and price of fossil fuels are heavily impacted by market changes and geopolitical disruption. Not relying on these volatile materials makes your supply chain more robust.



Why you should care about net zero and Scope 3

Net zero

According to Georges Smine – VP of Sustainability Solutions at Salesforce, there are four big reasons why achieving net zero should be a top priority.

1. Adhere to global sustainability regulations

Put simply, reaching regulatory standards for carbon emissions internally and across your supply chain helps you avoid the costly fines of missing targets.

It'll also safeguard you against future regulations around sustainability, meaning you have a huge head start on competitors that aren't net zero.

2. Gain greater access to capital

Global investors are now looking closely at your emission records when deciding on who to invest their capital in.

Boasting a net zero carbon footprint makes investment for the future more likely. And a net zero record is becoming more and more important for larger companies to attract shareholders.

There are also cheaper interest rates on commercial loans and insurance through sustainability linked loans, giving your company access to capital and license to operate. This isn't just the realm of large companies, but small and mid-size companies as well.



3. Customer growth and satisfaction

Customers worldwide are increasingly demanding proof of sustainability when buying products.

This year, over [40% of consumers](#) have deliberately and consistently purchased sustainable brands. It's a similar story in B2B; large companies are asking their suppliers to be net zero, creating a trickle-down effect.

It's also influencing governmental decisions. President Biden wants all suppliers of the US federal government to become net zero (a law that Canada already imposes with the 'Canadian Net Zero Accountability Act').

If businesses want to meet customers' increasing demand for sustainable products, increase loyalty, and improve revenue, they'll need to adopt net zero policies.

4. Employee satisfaction

As Marieke Commandeur, Director at Deloitte explains, people increasingly want to work for companies that share their values on sustainability.

"The youth of our generation want to work in companies that are sustainable, so this is a huge driver for many companies to start moving. Gen Z for example is highly motivated by contributing to a more sustainable world."

This isn't purely a future concern. By 2025, [Millennials will make up the vast majority of the global workforce](#) and 64% of them say they wouldn't take a job if the company didn't have strong social and corporate responsibility stances. A whopping 83% also say they'd be more loyal to companies that worked towards environmental goals.

The decision is pretty clear: make meaningful strides towards net zero and get access to the top talent you need to stay competitive, or hold off and risk giving your competitors a big old headstart.



40%
of consumers
have deliberately
and consistently
purchased
sustainable brands.



Scope 3

Reporting accurately on Scope 3 emissions shows the world you're a company that takes sustainability seriously.

Eustache Bountzoukos, Sales Transformation Director at Deloitte Digital, echos this statement:

"It's important to show the world that you are indeed ready and that you take it seriously. It's about showing you care for the next generations to come, but also for your own generation. More importantly, it shows professionalism, not only that you know your place within your supply chain or in your industry, but you understand what an important role you play in the world or in your geography."

Once you enable meaningful and accurate Scope 3 reporting, you will be able to easily identify areas throughout your supply chain that you can make more sustainable, and push towards net zero.

So, Scope 3 and net zero are intrinsically linked.

It's about showing you care for the next generations to come, but also for your own generation.

Eustache Bountzoukos
Sales Transformation Director,
Deloitte Digital





How does Deloitte help clients with Scope 3 reporting?

The path to Scope 3 reporting and greater sustainability isn't an easy one – so it pays to seek out the right guidance.

“Improvements on Scope 3 performance cannot be made by individual companies. It often takes collaboration across the value chain and access to C-level stakeholders to get to the next level. This is where Deloitte plays a big role.” – Arjan De Draajier, European Senior Partner, Deloitte.

Deloitte is experienced in the field of sustainability reporting and consulting with unparalleled industry knowledge. This makes them the perfect partner to assess your needs and help you make an impact on sustainability through Scope 3 reporting.

Deloitte helps your business in four key areas:

Strategy

Step one is to identify how best to approach Scope 3 reporting – which means getting familiar with your business.

This includes:

- Your business's specific climate change challenges
- The kind of decarbonising efforts needed
- The kinds of solutions needed
- Combining your business requirements with Deloitte's expert insight into the wider industry lays the foundations for your strategy.

But there's no one-size-fits-all approach. For some businesses, a very high-level strategy that covers a lot of bases is best. Others need a focused strategy that deals with specific fields (such as hydropower or wind) – for which Deloitte has dedicated specialists. This stage is all about defining the best path forward – together.

Transformation

Stage two is about helping you (and your wider value chain) reach the objectives of your strategy.

Transforming your sustainability reporting has implications for every part of the organisation – including your supply chain, risk management, and finance.

Finance and risk

Deloitte works with CFOs on reporting transparency in sustainability performance. It covers 'climate risk', which measures the impact of climate change on the financial performance of your organisation. It also assesses 'transition risk' – the technological, legal, regulatory and reputational results when moving away from fossil fuels.

For example, imagine that within ten years, all your products need to be low carbon and run off electricity – that's going to impact your business model and product offering.



That's why Deloitte models future scenarios with its clients – helping them identify the challenges they'll need to overcome in future.

Reporting

There's a huge wave of legislation incoming on transparency and reporting (such as the SEC, ISS, and the IFRS). The European Commission is also working on setting new standards to disclose sustainability information.

Deloitte can help you identify the most valuable and impactful data for Scope 3 reporting and has the scale and experience to help you find it across your entire supply chain.

They also have dedicated teams on hand to decode the data from customer use emissions.

“Collecting information about the customer use of your products and converting that into footprint is a new area that doesn't fit into traditional models of collecting data. You have sales figures so you know how many products are being sold, but you don't necessarily know the exact associated footprint from product use. Like the supply chain, it's about understanding the data and adding enough extra layers to obtain the right quality data.” – Arjan de Draajier

Beyond reporting

Deloitte has been helping companies improve their sustainability for over ten years, not only across the whole organisation, but across the whole value chain.

“Sustainability is only effective if it's in the DNA of your whole company. It's knowing where you steer the strategy, how you motivate your people and what your product offering is. We work in all the domains of a company, in all elements of sustainability. We make the picture complete from IT to business, to operating models, to products, to regulatory reporting.”

– Marieke Commandeur

Ultimately, Deloitte is the one-stop shop you need to embed sustainable practices across your entire value chain.





How Salesforce Net Zero Cloud supports Scope 3 reporting

With the right strategy and the most impactful data to report on, you need the technological infrastructure to support it.

Sure, we all love a spreadsheet, but when it comes to reporting on over 70% of your carbon emissions Excel just won't cut it. And our experience is that many companies don't fully grasp the scale of the shift needed.

When it comes to reporting on suppliers' emissions, most businesses focus on the top 20% of suppliers that generate 80% of their emissions and calculate figures using estimation factors. And most companies rely on homegrown reporting methods for the job.

But with the right tech solution in place, this process becomes a lot more efficient – a vital concern in competitive markets spurred by the heel of sustainability legislation.

The good news? Salesforce has the technology to facilitate accuracy in reporting across all suppliers, collaborate down the value chain, capture actuals, and drive down emissions across the board.

Net Zero Cloud

Net Zero Cloud is helping companies overcome the challenges of measuring, managing, and monitoring their supply chain to be more sustainable. It all starts by informing the best actions to achieve your SBT initiative's targets.

How? In short, Net Zero Cloud acts as your single system of record for all your carbon emissions data. If Salesforce is typically seen as a Customer Relationship Management Platform, think of Net Zero Cloud as your Carbon Relationship Management Platform by facilitating collaboration with your suppliers, partners, and customers.

While traditional supply chain management software focuses only on the financial perspective: inventory, quantity orders, managing vendors etc, Salesforce Net Zero Cloud helps manage and collaborate with suppliers. This allows you to accurately measure net zero and Scope 3 emissions.



There are 6 Pillars of Net Zero Cloud:



Data integration

This involves accessing all of your data and integrating it with our platform. The result? All your carbon emissions data in one, easy-to-access and transparent place.



Carbon accounting

The next step is to organize the carbon data into a coherent system that is auditable – allowing you to easily build a clear view of everything down your supply chain.



Reporting, insights, and compliance

This is the actionability section of the platform that lets you capture, measure, analyse, and act on your data. Its robust controls produce accurate and auditable reports and forecast future emissions and possible areas of improvement, allowing you to devise a clear plan.



Supplier management

Integrated with the platform is a space where you can effectively manage all of your suppliers and stakeholders. This allows you to build trusting and collaborative relationships with parties you supply and those who supply you, and work together to find new ways to reduce emissions across the board.



ESG Reporting

Extend carbon accounting reporting to include broader environmental, social, and governance data. This lets you easily generate framework-specific reports, streamlining the ESG reporting and compliance process while saving time and costs.



Net Zero Marketplace

This is a climate action hub for everyone and a site where organizations can find and purchase carbon credits from ecopreneurs. It's a great way to incentivise companies to emit less carbon.

Even better, Salesforce Net Zero Cloud integrates straight into your tech stack, as it's built from the same special sauce as the Salesforce 360 family (like Sales Cloud and Service Cloud).

Why are Salesforce and Deloitte the perfect match?

Salesforce and Deloitte are the perfect combination of experience and technology to help companies around the world prepare for Scope 3, improve their sustainability, comply with regulations, accurately produce investor-grade reports, and drive towards net zero.

Deloitte's ability to identify impactful data across your entire value chain to advise on the best KPIs to use (and apply them) allows you to feed your Salesforce solution with the data it needs to be most effective.

And by pairing Deloitte's strategic advice with the right architecture from Salesforce, you can effectively track how your carbon emissions are evolving. This allows you to accurately and efficiently communicate the steps you're making to lower your carbon footprint to the market.

Ultimately, the combination of these two industry powerhouses shows you where you can find better sustainability performance, so you can help customers lower their emissions too.

"What Salesforce offers as a platform is the infrastructure, but what is needed is another party who can work with the different supply chain partners in identifying what good quality data actually means, what are the right KPIs, what are the criteria? And then to apply them. It's a strategic approach. Our partnership offers a combination of what Salesforce has to offer from a technology perspective, and what Deloitte has to offer from an implementation and sustainability knowledge perspective; those two things together will help customers." – Arjan De Draajier

Eustache Bountzoukos

Director, Consulting
NL Sales Transformation Lead
ebountzoukos@deloitte.nl

Siobhan Jones

Senior Director, Alliances
Net Zero Cloud Partner Strategy & GTM
siobhan.jones@salesforce.com



Deloitte.
Digital

Thank You

