



Is ESG a Distraction or an Unavoidable Requirement ?

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Many organizations have a workable Corporate Social Responsibility (CSR) plan in place. However, Environmental, Social Governance (ESG) will be the new benchmark going forward to ensure that both your organization and brand stay relevant and socially acceptable.

Many components make up the ESG reporting for an organization: the tasks to identify what is required can be daunting. Starting small will ensure your team can provide business intelligence that really meets the reporting requirements outlined by your management team.

Environmental requirements involve in part the energy, gas, air, waste, and water consumption of each location of your organization. At a minimum, the latter will need the monthly meter consumption for each type of service for the entire year. Because the reporting needs more than just consumption values from the invoice, the data gathering aspect usually involves hours of invoice review and data compilation.

How does a company identify what is needed from each vendor? This is a complex question because each utility vendor is different, and the unit of measurement does not always remain the same for each service type. In the case of gas services for instance, the unit of measurement for meter consumption is often therms; however, some vendors use CCF. If the organization has locations in Canada or in the EU, those measurements will be different, and the calculation of the appropriate values requires conversion steps.

Consumption measurement is affected by other factors that prevent a calculation as simple as "consumption*unit cost= usage cost". The meter multiplier must be brought into the equation, along with any meter readings that are billed beyond the normal read ("such as off/on peak, or winter/summer usage"). Demand readings also impact usage calculations.

RadiusPoint gathered from our client's invoices the additional data required, including:

- Consumption by meter
- Meter ID/number by physical address
- Vendor unit of measurement (therms, CCF, kWh, gallons, etc.)
- Meter ID by usage type, general, lighting, etc.
- Consumption by type – off/on peak, summer/winter usage
- Distribution consumption details
- Meter multiplier
- Service dates

Many organizations with multiple locations across the nation have taken advantage of deregulated pricing in certain states. This brings another vendor into the equation, thus doubling the consumption cost of the meter for the distribution costs. The Distribution vendor will most often use the same meter number, and provide consumption data that should be equal to the same consumption as the Supplier vendor. Having this second vendor doubles the work of gathering consumption data. It is essential however to avoid using this consumption data when totaling actual usage for the purpose of calculating CO2 or Greenhouse Gas emissions (GHG) as it will double the consumption totals.

One of our clients started their ESG journey recently, and RadiusPoint was tasked with reviewing electric, gas and water invoices for data gathering. Though they were at the beginning of this journey, their management team already knew they had to provide not only specific data points, but also projections of where they would reduce future costs. Most ESG programs make provision for reducing the cost of those services, but the "how" to achieve these cost reductions can hard to predict. If the management team switches priority from reducing cost to reducing consumption, rate increases will not be a factor in their ESG program.

The reporting capabilities of our ExpenseLogic SaaS platform include business intelligence that identifies carbon emissions (CO2) and basic usage data provided by vendors on their invoice. However, ESG reporting required more data than available on the invoices. Our own team of BPO specialists can quickly and efficiently incorporate the data required into ESG reporting.

The scope of our mission for this client included an additional review of 1,200 locations with 3,950+ individual meters. We met the reporting requirements within a 2-week period; this quick turnaround enabled our client to complete their ESG energy, gas and water consumption calculations and projections in the first month of the new fiscal year.

Our client has since opted to participate in RadiusPoint's ESG services: we will cover the additional reporting requirements monthly, instead of waiting until the end of the year.

Our ESG services are tailored to meet each organization's specific monthly reporting requirements. Our data collection and validation processes eliminate the need for multiple spreadsheets; the ExpenseLogic SaaS platform automates complex calculations. The reporting functions of ExpenseLogic enables our clients to analyze data using key metrics for electricity, gas, water, waste, and more.

Reporting the tonnage of waste being picked up at each of their locations is another ESG requirement that many companies are not prepared to provide. One of our clients only had the invoices issued by the waste management companies, and no real way to measure their monthly tonnage.

Since most haulers do not report the weight of the trash they pick up, the only other way to figure out the weight was to approximate it based on the size of the container and the number of pick-ups. RadiusPoint already provided this basic information monthly, so it was a quick operation to calculate the tonnage per location.

Creating an environment of billing visibility is the first step on the journey to meeting ESG reporting requirements. Before goals can be set to reduce consumption for CO2 or GHG, all stakeholders must have access to robust business intelligence data.

Utility Expense Management enables organizations to reduce costs by providing full visibility into their entire energy environment and the lifecycle of vendor invoices and expenses.

RadiusPoint's proprietary SAAS platform, ExpenseLogic, enables our clients to capture invoice and data for the full lifecycle of any invoice, and ensures the implementation and integrity of the full Utility Expense Management process.

Everything utility or energy is stored in a centralized repository, while reporting tools:

- **Provide accurate assessments of consumption**
- **Track the energy data points required for ESG reporting**
- **Help discover opportunities for consumption reduction.**

What types of smart strategies can you put into place now to provide the best possible outcome for your organization's ESG reporting?

It starts with digitally transforming your expenses, whether energy, air, water, waste, GHG, or anything else. Share the responsibility for ESG across your organization by creating attainable goals and targets, and receive updates with tracking data for all stakeholders.

RadiusPoint invites you to explore actions you can take to automate manual processes to achieve the best, most advanced data meeting your ESG reporting needs.