

Interview with Frédéric Mathot, founder of CO2 Strategy and one of the pioneers of carbon auditing in Belgium. CO2 Strategy supports companies and communities in building a strategy to reduce greenhouse gas emissions.

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The role of Small and Medium-sized Enterprises (SMEs) in the transition to a carbon neutral economy.

And how the green transition can be accompanied by economical growth.

innoveas: What is carbon accounting and what is its relationship to CO2 emissions?

F. Mathot: Carbon accounting measures the impact of human activities based on CO2 emissions. Not just those linked to energy but to all of our activities. By measuring the CO2 emissions related to everything it's done in a company, you really get to understand which are the activities having the biggest impact, which in turn allows start considering what to do to reduce this impact.

innoveas: This seems like a complex process, can SMEs also implement carbon accounting or is it restricted to big companies with a lot of resources?

F. Mathot: Everyone can do this. It does not require as many resources as some might suspect. For example, I have put in place carbon strategies in hair salons, or in a Music Festival, for organisations that do not have revenues on the scale of big companies. One can easily carry out a carbon audit for a few thousand euros, which may seem like a considerable investment, but this will quickly be recovered by future savings. It is important to remember that everything you do to reduce your CO2 footprint not only has a positive impact on the planet, but as a general rule, if you consume less, you spend less. So, there is an economic advantage to carbon accounting which can be very interesting for small businesses.

innoveas: You referred to the financial aspects of implementing CO2 audits, but are there other advantages for SMEs?

F. Mathot: I always explain that the benefits for a company are of three different kinds: First and foremost, there are the environmental benefits.

Then, there's a second axis, the economic one I just mentioned: the less you consume the more you save, but also, in the future there might be a tax on CO2 emissions, so by implementing these changes now, SMES might be saving money in the future.

The third dimension, and for me the most important one, is the strategic one. On the one hand, there's a demand from the market/society for companies to be environmentally conscious. Further, if the company introduces a company project focused on reducing CO2 emissions and gets their staff positively involved and motivated with it, it will also improve the company's image and its business potential.

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innoveas: Could you share a representative example of successful CO2 audit and subsequent emission reduction in an SME?

F. Mathot: One stands out because it is fairly recent and is fairly representative of what can be achieved. This relatively big SME –250-300 employees— produces window frames and operates from three sites in Belgium and Luxembourg. They wanted to develop a CO2 audit, so to increase the chances of success, our first step was to create awareness at all levels in the company about why this was needed. The second step included measuring the CO2 emissions associated with all of the company's activities. From what they purchased, to the delivery processes, their waste generation, employee travel...And at last came the implementation of the carbon strategy, which was a joint effort with all stakeholders in the company, and which lead to over a hundred different ideas on how to reach an emission reduction.

As a result, in over two years, this company reduced their overall emissions by 20% along with a 15% increase in turnover.

innoveas: So, building from this example, would you say it is possible to grow as a company while decreasing its environmental impact?

F. Mathot: Absolutely. SMEs in particular are wary of acting on the environment because they associate a reduction in CO2 with a reduction in turnover. However, these two issues are unrelated. And in some cases, like the example above, the green transition can even be accompanied by a considerable growth.

innoveas: What about complex industries like construction?

F. Mathot: Actually, I have an example where we helped develop a carbon strategy for one of the biggest producers of concrete blocks and liquid concrete in Belgium. Working together with the employees, we were successful in reducing their emissions and even their raw material consumption. We could even apply principles from the circular economy.

Typically, this company's trucks deliver concrete to a building site, drop it off and go back. What could the company do to avoid going back empty? Because an empty truck is a waste. So, we helped them develop a system whereby when they send out a truck to deliver concrete to one site, they go to demolition sites nearby and pick-up waste material that they bring back to their factory where using a crushing machine, they can produce a kind of gravel they can immediately re-use in the making of concrete.

This is both an example of circular economy thinking, and business model transformation, because we could show the relevance of the emissions of the empty trucks returning to the factory, making trips that served no useful purpose.

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innoveas: You mentioned working together with the company's employees to achieve your goals. How important is it getting everyone really involved in this energy transition?

F. Mathot: In this same company I was referring to, before the carbon audit, the boss told me how he had been asking the drivers for over 30 years to stop the motor while waiting. Often, while delivering a truck load of liquid concrete to a site, they have to wait 20 minutes or half an hour before off-loading the concrete. He wanted to save on his fuel costs. But the drivers were not open to this idea coming from their boss.

In the initial awareness meetings everyone in the company was involved and when we presented the CO2 emissions associated to the truck's fuel consumption, having an informal discussion with the drivers led to one of them actually suggesting stopping the motor while waiting! Just because the idea came from them, they were more open to its implementation, and together with other measures, the outcome was a net reduction of a 20% in CO2 emissions. Which is very remarkable.

innoveas: What is the actual role of an energy auditor and how difficult is it to reduce CO2 emissions?

F. Mathot: Involving an auditor is useful because one can then observe the numbers and see the impact an action will have on emissions. You must rely on the numbers. In the end, it is a relatively simple equation: how many trips do you make every day with a truck? How long do you wait on average? How much does your truck consume? And I can tell you straight away how much you emit. Obviously, from here you can think about the steps that will lead to a reduction in this number, and effectively, sometimes simple things like stopping the motor can go a long way.

And that is an important point. There are many things one can do, which are not hard to implement, but no one appreciated their impact and here is where the auditor comes in.

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