

Net Zero & Climate Risk

ADEC Innovations Targets Complex Supply Chain Management Needs

By Gus Brewer
With Ryan Skinner

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This report forms part of the Verdantix coverage of the carbon management solutions market. It helps sustainability leaders understand how end-to-end solutions can support their emissions management, reporting and reduction activities, and meet the requirements of disclosure regulations and decarbonization targets. With over 25 years of experience in data management, ADEC Innovations offers a carbon management suite to clients with three components: onshore and offshore resources, enterprise technology, and a professional services group. These three provide emissions data-gathering, management, and analysis, giving organizations the means to meet disclosure requirements and make informed decarbonization decisions.

Table of contents

New requirements mean firms must engage with their supply chains	3
Data management roots support the ADEC Innovations end-to-end carbon management offering	
ADEC Innovations offers a customizable carbon management solution for complex issues	
ADEC Innovations is a strong fit for firms tackling complex supply chain emissions	

Organizations mentioned

ADEC Innovations, Cameron-Cole, CDP, FirstCarbon Solutions, Global Reporting Initiative (GRI), International Organization for Standardization (ISO), International Sustainability Standards Board (ISSB), Nike, Nissan, Open Supply Hub, Southern California Association of Governments, Target, Task Force on Climate-related Financial Disclosures (TCFD), UN, Zero Discharge of Hazardous Chemicals (ZDHC).

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New requirements mean firms must engage with their supply chains

Firms are being put under increasing pressure to account for GHG emissions from across their operations, including their value chain. Regulations such as the EU's Corporate Sustainability Reporting Directive (CSRD) and others fashioned on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) mean that organizations must accurately report on their Scope 3 emissions. This is especially complex due to a lack of primary data, poor supply chain visibility, and complexities with supplier engagement (see [Verdantix Strategic Focus: Carbon Management Innovation Takes Aim At Scope 3 Emissions Challenges](#)). In this context, Verdantix spoke with the team at ADEC Innovations to better understand how they are helping firms accurately collect, compile and understand their value chains' GHG emissions data.

Data management roots support the ADEC Innovations end-to-end carbon management offering

ADEC Innovations was founded in 1996 to deliver data management, business processes and software services. To achieve this, the firm uses a three-pronged value proposition of professional services (that is, technical consulting), business process outsourcing (subcontracting various business-related operations) and enterprise technology (custom software development). In 2008 the firm launched its first ESG service, FirstCarbon Solutions, and has since developed a wide range of offerings, encompassing ESG technology solutions, ESG reporting and ESG corporate strategy. To better understand the ADEC Innovations offering, we spoke with Ben Wilde, Group Head of Innovation; Brooke Barton, VP for Product Strategy and Development; Mike Stopka, Vice President, Impact; Silke Delpuch, Head of Marketing for Technology Services; and a sustainability and resourcing manager at a major US retailer that uses the ADEC Innovations solution. We heard that the firm has:

- **A focus on compliance, risk and impact management.**

The ADEC Innovations portfolio of services largely focuses on compliance and the streamlining of information management processes in the following key areas: ESG and sustainability (ESG assessment and disclosure and ESG strategy and implementation); environmental risk, compliance and assurance (site and resource assessment and remediation and optimization); and outsourcing and impact sourcing (such as healthcare and education and learning solutions). The ADEC Innovations product EnviroSite, for example, provides compilations of environmental data for organizations to conduct due diligence and compliance and reduce environmental risk, while its ADEC SiteRisk product offers a software-as-a-service (SaaS) tool to forecast property risks.

- **Ties to regulatory bodies.**

ADEC Innovations has a historical focus on impact management solutions for the public and third sectors. The ADEC Foundation, for instance, works with the UN to help achieve its Sustainable Development Goals. Work with rule-setting bodies such as this provides ADEC with up-to-date information on regulatory changes and sustainability trends.

- **Global coverage.**

ADEC Innovations has more than 4,000 employees working from 24 offices across 23 countries, with approximately 240 staff in North America, 800 in Europe, the Middle East and Africa (EMEA), and 2,800 in Asia-Pacific (APAC). Among its 4,000 employees, the firm has 35 dedicated ESG specialists, as well as 120 scientists who help customers understand their emissions and ESG strategies.



- **A wide range of clients across different sectors.**

ADEC Innovations services three main client groups: large organizations; governments and cities; and multi-stakeholder groups and associations. Corporate clients – such as Nike, Nissan and Target – stem from a wide range of industries, such as food and beverages, consumer goods, and manufacturing. Government and city organization clients feature city councils, utilities and other government organizations – witness ADEC’s work with the Southern California Association of Governments, managing the implementation of a new sustainability programme. Multi-stakeholder groups and associations work with ADEC Innovations to help streamline operations; in addition to its work with the UN, ADEC partners with organizations such as CDP and the Zero Discharge of Hazardous Chemicals (ZDHC) initiative. In total, ADEC Innovations has 10,000 clients, covering 8,000 projects and engagements, with 50,000 active users of its data solutions.

ADEC Innovations offers a customizable carbon management solution for complex issues

Based on client demands, ADEC Innovations has developed a carbon management suite that combines its three strengths: ESG professional services that establish the technical requirements for the client; workforce solutions that offer the manpower to collect emissions data from thousands of disparate sources; and custom software development that automates aspects of the emissions data collection and management process. The result is a customizable carbon management solution that can be adapted to meet individual clients’ needs. ADEC’s capabilities encompass:

- **In-depth data collection.**

One of the most significant challenges for firms with complex supply chains is collecting data from suppliers to accurately report on Scope 3 emissions. Even when businesses can get these data, they often come in a variety of formats, lack organization, and are difficult to aggregate. To solve this, ADEC Innovations combines business process outsourcing solutions – a staff of data specialists hired and managed as a third party for its clients, who collect, clean and process ESG data – with software and technology to streamline activities. Its data solution, DataAssured, compiles supply chain data through automated systems and manual data collection.

- **Analysis and compliance reporting of carbon emissions data.**

ADEC Innovations has a team of 120 scientists with which clients can work, to help them meet regulations and reporting requirements. These specialists address a wide range of topics, such as corporate environmental risk management, GHG verification and carbon management, and ESG metrics management. They also prepare reports that align with key frameworks such as CDP, the Global Reporting Initiative (GRI), the International Sustainability Standards Board (ISSB) and the TCFD. Using the firm’s dedicated environmental auditing consultants, Cameron-Cole, ADEC Innovations also offers third-party GHG verification, and ESG data audit and verification, to ensure that the data gathered and utilized are accurate and reliable, according to ISO 14064.

- **Identification of carbon hotspots, data gaps and deviations.**

The ADEC Innovations data visualization platform allows organizations to gather insights into their supply chain emissions and identify potential hotspots or irregularities. A centralized hub enables users to track and manage their individual supplier requests and progress, as well as visualize their Scope 3 inventories. With high levels of flexibility, they can integrate this tool into existing technology stacks, preventing emissions data from being siloed and underutilized.



- **Custom carbon management software development.**

Carbon management software products often take a 'one size fits all' approach to user needs, which can leave organizations that do not fit the standard profile unable to derive the intended value from the software. ADEC Innovations takes a different approach, combining its own proprietary point solutions with bespoke development work and customized and configured third-party technologies, to provide capabilities that match each customer's specific carbon management needs. ADEC Innovations recently built out a custom platform for a major US retailer to gather data from partners in that firm's supply chain. It was able to model the retailer's value chain emissions for disclosure to CDP, accessing data from over 700 partners.

- **Value-added supply chain capabilities.**

Poor supply chain visibility is an obstacle to supply chain sustainability management, and is exacerbated by low engagement and logistical burdens. The ADEC Innovations carbon management solution offers comprehensive modelling of supply chains, and mapping to help organizations understand emissions, as well as other aspects of compliance. Utilizing ADEC's proprietary CleanChain software product, customers can dig deeper into their supply chains to understand the chemicals used by suppliers. With the ADEC Innovations product library, in addition to complementary data and methodologies from third parties such as CDP and Open Supply Hub, CleanChain produces reports of product and supplier conformance. This helps firms assess their supply chains and determine whether suppliers are using safe substances.

ADEC Innovations is a strong fit for firms tackling complex supply chain emissions

The ADEC Innovations carbon management solution positions the firm as a supply chain specialist, with particular strengths and flexibility in emissions data acquisition and management. Verdantix research shows that firms' IT leaders are eager to partner with sustainability leaders, but lack the time and resources to deliver; for these kinds of organizations, ADEC's combination of custom software and manpower is particularly compelling. Prospective clients who could benefit from the firm's value chain propositions are:

- **Businesses with complex supply chains.**

ADEC Innovations occupies a position where it can complete supply chain mapping and data collection through business process outsourcing, the use of technology, and the leveraging of science-based expertise. This is especially useful for large firms with very complex supply chains, such as food and beverage businesses that source from thousands of primary producers, and retailers that carry thousands – or hundreds of thousands – of products. By leveraging ADEC Innovations services, organizations can gain a holistic view of their emissions, even if they do not have the resources to map these themselves. The ADEC carbon management solution would particularly benefit firms in industries where supply chain emissions are most prominent, such as consumer goods and retail, textiles, manufacturing and transport.

- **Organizations looking to alleviate resourcing pressure.**

Verdantix research shows that many sustainability teams are small, while the data collection and management challenges they face are vast. As a result, many leaders are looking not just for more people, but for systems that allow those additional hands and heads to be more productive. Verdantix spoke with a Sustainability and Resourcing Manager at a major US retailer who said: "the value is in systematizing things we were previously pursuing in a manual sense... [ADEC Innovations] automates and finds a technical solution to address our needs".



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