



Insurance case study



AXA UK & Ireland sets a new standard in CO2 accounting and reporting

A carbon accounting model and project delivery emissions calculator from Cognizant enable the UK-based insurer to monitor, optimize and report on IT carbon efficiency.

At a glance

Industry

Insurance

Location

United Kingdom

Challenge

Implement a standards-compliant model for measuring, monitoring and reporting on actual GHG emissions across a large and diverse IT estate.

Success Highlights

- Carbon accounting model supports progress towards 2050 net zero target
- 300 IT platforms, applications and tools monitored for GHG emissions
- 180 managed service work orders assessed to date for carbon footprint

The challenge

AXA UK & Ireland, a long-established financial services provider, is part of the global AXA Group and ranks among the UK's leading insurance companies. It offers millions of customers peace of mind across important aspects of their lives—from health to car, home and business insurance.

AXA is fully committed to the global effort of combating climate change with a focus on its own operations, the investments it makes and the broader insurance industry. It has set the goal of achieving net zero greenhouse gas (GHG) emissions by 2050 and is a member of the Net Zero Insurance Alliance (NZIA), which aims to decarbonize insurance and reinsurance underwriting portfolios.



Understanding GHG emissions from IT operations

AXA knew that a significant proportion of its GHG emissions was generated by its IT operations and was determined to minimize them. In addition to measuring Scope 1 and Scope 2 emissions from its own IT estate, the company wanted to be able to better measure and manage Scope 3 emissions generated by supply chain partners, including IT service providers and hosting companies.

While AXA was able to take a snapshot of Scope 1 and 2 emissions at a given moment, it could not measure them in sufficient detail for internal and external GHG reporting. It lacked a robust model that would allow it to monitor actual changes in emissions over time, or to measure emissions generated by external consultancies working on AXA projects.

That changed when AXA engaged Cognizant as its managed services partner for its legacy IT estate, which included 300 platforms, applications and tools. In addition to its managed services, Cognizant offered a proven solution for granular, continuous GHG emissions monitoring and carbon accounting across the managed IT portfolio.

Our approach

AXA wanted to implement a robust framework and method for baselining GHG emissions across its data centers, networks and end-user devices, which could be regularly updated to monitor actual GHG emissions over time. This was especially important as AXA aimed to measure carbon efficiency improvements from future projects such as a planned cloud migration. It was also looking for tools to accurately assess the carbon efficiency of third-party IT consultancies and solution providers as part of a sustainable procurement transformation.



Cognizant's solution combined a granular carbon accounting model tailored to AXA's IT estate with a detailed baseline of as-is emissions across the estate. We also implemented our proprietary and innovative Delivery Carbon Footprint Calculator (DCFC), which predicts the emissions on every work order issued under our managed services agreement with AXA, enabling the carbon footprint to be optimized ahead of delivery. These solutions have been developed by Cognizant and fully align with Greenhouse Gas Protocol accounting and reporting standards for corporate IT estates, creating a reporting-ready solution for AXA UK & Ireland.

Three key emissions reporting solutions

The solutions we provided break down as follows:

- **GHG emissions model and user manual:** We worked with AXA's UK Sustainability and Group Digital Sustainability teams to develop a granular, reusable model to record Scope 1, Scope 2 and applicable Scope 3 emissions across the IT estate managed by Cognizant. The three key areas addressed by the model were:
 - End-user compute:** This includes energy consumption by end-user devices used in AXA's own facilities, as well as energy consumption in employees' home offices.
 - Data centers:** This includes emissions generated by two AXA on-premises data centers as well as cloud service providers and colocation centers.
 - Networking:** This includes emissions generated by energy consumed through data transmission, network devices and voice traffic to and from the IT service desk
- **GHG emissions baseline:** We populated the model with accurate emissions data gathered from across the IT estate for the three categories outlined above. This formed the baseline from which actual emissions reductions can now be monitored and managed over time.
- **Delivery Carbon Footprint Calculator (DCFC):** A calculator developed by Cognizant allows the GHG footprint of any project or work order to be accurately predicted, enabling changes to be made to the project ahead of delivery. It also integrates with project resource timesheets to track emissions as the project or work order progresses. These emissions from managed services contribute to AXA's Scope 3 emissions for the procured services subcategory.

"Thanks to Cognizant's careful research and model development, AXA UK & Ireland have visibility, for the first time, on the greenhouse gas emissions emanating from the powering of the in-scope IT estate. The new model and learnings are now informing our IT sourcing and system design decisions as well as feeding into a broader emissions reduction strategy that will help AXA deliver against net zero targets."

Gwenaël Fourré, Chief Operating Officer, AXA UK

Business outcomes

The new model meant that for the first time, AXA UK & Ireland was able to estimate a baseline of GHG emissions for the target IT portfolio, discovering that emissions were in the order of 1,500 tCO₂e per year. With this model in place, it can now resample emissions at regular intervals to assess and report on the impact of IT sustainability initiatives—such as transformation projects or moving more of its workloads to the cloud—as it strives to achieve its 2050 net zero target.

Specific outcomes achieved to date include:

- **Standards-compliant carbon accounting:** The model has been developed using the GHG Protocol framework for ICT estates, giving AXA a head start in complying with statutory and regulatory Scope 1, 2 and 3 emissions reporting requirements as they roll out in the insurance sector.
- **Granular emissions data:** The granularity of the model enables AXA to pinpoint specific areas for improvement. It will inform effective decision-making on sustainable IT initiatives and enable AXA to measure and report on the impact of those initiatives.
- **Foundation for a net zero roadmap:** The baselining exercise and model have given AXA UK & Ireland a solid foundation from which to build an IT emissions reduction roadmap in pursuit of a 2050 net zero target date.
- **Actionable procurement insights:** Data from the emissions monitoring model and the work order Delivery Carbon Footprint Calculator will allow AXA UK & Ireland to make informed sustainable procurement decisions when sourcing IT suppliers. The GHG impact of 180 work orders has been already measured using the Delivery Carbon Footprint Calculator.
- **Reusable model:** The model has been designed for use with a large, complex IT portfolio with a mix of on-premises, cloud, co-located and remote compute resources. However, its reusable design means it can readily be adapted to other areas of AXA's business in the future.



Leading the way on the road to net zero

Prior to initiative, AXA UK & Ireland knew it wanted to optimize GHG emissions across a large and diverse IT estate, but had no quantitative model or a framework to support that ambition. Now, AXA can measure, predict, monitor and manage emissions to a high degree of granularity, with a model that reflects GHG Protocol standards and delivers accurate carbon accounting estimates. With a deep commitment to minimizing the impact of climate change, AXA UK & Ireland is setting a new standard for carbon accounting in the insurance industry as it works towards its net zero target.

2050
net zero target date

300
IT platforms, applications and tools monitored

180
work orders assessed for GHG impact

About AXA UK & Ireland

AXA UK is part of the AXA Group, a worldwide leader in insurance and asset management, with 147,000 employees serving 94 million clients in 50 countries. In the UK and Ireland, AXA operates through a number of business units including AXA Insurance, AXA Health and AXA Ireland. AXA UK & Ireland employs around 10,000 staff. For more information, visit <https://www.axa.co.uk>.

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