

## GEMI Scope 3 Work Group January 2022

### Vision

To bring together corporate sustainability leaders from across industry sectors to create a collaborative learning platform to prepare their companies for actions required to engage with and collect actionable data from their value chains to inform and drive reductions in CO<sub>2</sub>, improve sustainability, and promote collaborative environmental, social, and economic activities.

### Mission:

Create a cross-sector forum to candidly discuss and work together to address challenges in setting and achieving ambitious Scope 3 goals through identifying and promoting scalable processes and methodologies for leveraging best practice in driving CO<sub>2</sub> reduction and partner engagement along the value chain.

### Background:

There are strong indicators that stakeholders will expect, in some cases require, Scope 3 emissions reduction targets be established, and that meaningful progress be made in achieving reductions to meet commitments.

The capacity to measure, manage, and scale solutions enabling positive sustainability impacts across the value chain is increasingly critical for business sustainability leaders striving to proactively drive science-based emission reduction initiatives and transparently respond to growing stakeholder expectations related to Scope 3 emissions.

As companies respond to this challenge there is a significant opportunity and benefit to facilitate communication and collaboration across industries on common challenges and opportunities in scaling positive impacts across the value chain, while promoting consistency in approaches and minimizing duplication of effort.

In 2021, the Global Environmental Management Initiative (GEMI) facilitated a Scope 3 Work Group providing cross-industry sustainability leaders a platform to discuss and work together to address challenges and identify opportunities in setting and achieving ambitious Scope 3 goals. Member companies participated in three workshops to benchmark and work through strategies addressing key Scope 3 challenges and opportunities identified in facilitated discussions and baseline survey. Each workshop focused on key issues of interest for work group members. The workshops were delivered as detailed below:

- **Workshop #1 – Commit & Measure**
  - **Commit:**
    - Establish science-based Scope 3 targets aligned with stakeholder expectations.
    - Promote transparency and consistency relative to Scope 3 targets.
    - Identify engagement methodologies and protocols with key stakeholders.
  - **Measure:**
    - Identify and prioritize relevant data to establish a baseline for measurement of material Scope 3 categorical or total emissions.
    - Determine strategies to identify methodologies relative to promoting Scope 3 emission measurement and accountability.
    - Identify strategies to articulate materiality, create data uniformity and consistency, and drive collaboration toward Scope 3 targets.
- **Workshop #2 – Manage & Improve**
  - **Manage:**
    - Gain clear forward visibility of likely future emissions.
    - Identify largest emission sources to focus on collaboration and/or emission-reduction opportunities.
  - **Improve:**
    - Share methodologies to scale successful emission reduction opportunities and increase value chain capacity to reduce emissions.
    - Identify strategies to engage value chain around closing gaps relative to reduction targets, building action plans to support performance improvement, and identifying opportunities for collaboration to scale efficiencies and/or technology adoption.

- **Workshop #3 – Engage & Innovate**
  - **Engage:**
    - Value chain as partners and key contributors to overall business objectives.
    - New opportunities to accelerate sustainability and improve business value.
  - **Innovate:**
    - Identification and evaluation of potential decarbonization pathways.
    - Explore business models that support application at scale of new low-carbon technologies (e.g. renewable fuels, electrification, low-carbon materials, sequestration).

Several challenges were identified during the discussions generating an interest to continue the Scope 3 Work group. Through the continuation of this project group, GEMI will bring together sustainability leaders to prepare for Scope 3 data collection and management challenges, build processes and collaboration for increased engagement within the value chain that drives improvement, and respond to transparency demands by stakeholders.

### **Focus of the GEMI Scope 3 Work Group in 2022:**

GEMI will facilitate a mix of workshops and special forums that will include speakers with experience in implementing and managing Scope 3 program elements of interest to the work group as well as share best practices and learning opportunities. As Scope 3 initiatives often require collaboration with internal teams, GEMI will articulate if internal roles outside of the Sustainability role might benefit from the discussion so that others within the member organization may be invited to attend relevant topic discussions.

The following themes are planned for 2022 meeting/workshop topics:

- Scope 3 program development workshop:
  - Setting targets, prioritizing impacts, setting boundaries – evolution of program from targeted suppliers to broader value chain
  - Tools and resources to move along the maturity curve
  - Industry accepted methodologies / programs (e.g. Automotive SAQ)
- Advancing ESG and Sustainability culture across the full organization
  - Education, processes, tools to drive culture change
  - Opportunity to Connect "Advancing ESG Sustainability Culture" and "Empowering Value Chain"
- Balancing Procurement and Operational needs with Sustainability priorities
  - Internal alignment and corresponding to carbon reduction priorities
  - Creating shared ownership supported by incentivization strategies
  - Aligning data requirements with common reporting standards and mechanisms

### **GEMI Scope 3 Work Group Session Format and Cadence**

The GEMI Scope 3 Work Group will be led by GEMI members and supported by GEMI's staff under the guidance of Natalie Pryde, VP of Sustainability Solutions, Navista The Public Affairs Group. The next phase of the work group will begin in the first quarter of 2022 and will be led and supported through no less than four virtual 90-minute sessions throughout the year.

### **Participation in the GEMI Scope 3 Work Group**

GEMI members may participate in the Scope 3 Work Group as part of their membership contributions to GEMI. GEMI dues are \$12,500. Companies and organizations choosing not to become a member of GEMI may join as participants in this work group alone for a fee of \$4,500 for 2022.

To learn more about how to participate, contact Steve Hellem at [shellem@navista.net](mailto:shellem@navista.net)