

SCOPE 3 ENGAGEMENT MATRIX



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GEMI Scope 3 Work Group

Introduction

How to use the Scope 3 Engagement Matrix.

The GEMI Scope 3 Engagement Matrix has been developed to assist ESG/Sustainability professionals, or those tasked with ESG leadership within their organization, to identify the critical sustainability needs and tasks associated with each internal stakeholder group creating a 30 second script as a lead in for having Scope 3 Carbon Emissions Reduction strategy and tactical discussions.

Scope 3 emissions are also referred to as value chain emissions often representing the majority of an organization's carbon footprint. Essentially Scope 3 emissions are those that are not owned by or controlled by the reporting organization but have indirect impact in the value chain. The Greenhouse Gas Protocol is the gold standard for learning more about the Scope 3 emission definitions, categories, measurement methods, and other important information. <https://ghgprotocol.org/standards/scope-3-standard>

The GEMI Scope 3 Engagement Matrix, although developed for internal teams, may also be used to guide external stakeholder conversations. This format is essentially a communication and engagement tool to promote alignment around specific goals and establish a guide to foster learning.

“Often the most difficult task in implementing a Scope 3 program is understanding how to educate and engage with other internal teams who will have a tremendous impact on acceptance and ultimately success. The GEMI Scope 3 Engagement Matrix allows our team to engage with each internal stakeholder in ways that are meaningful.”

The process for completing this matrix is designed to be very simple yet effective in creating Scope 3 scripts to be used for the engagement of internal stakeholders. This matrix is designed to identify key internal stakeholders within an organization, capture the relevancy of Scope 3 objectives, and what is needed for success.

Steps to complete the Scope 3 Engagement Matrix:

Step 1: In row 3, insert the organization's overall (3b) Scope 3 target statement, (3c) identify what is needed for organizational success, and (3c) what the sustainability team is asking of the organization as a whole. See examples below.

1. **Company Scope 3 Target Statement** - *Our 2030 2 degC reduction target is a big step toward our net zero goal. We include Scope 3 because we think there is a long-term opportunity to help our customers decarbonize their operations, while reducing our own footprint.*
2. **What is needed for success** - *Achieving our goal will help to sustain revenue during the energy transition. Success is linked to our continued ability to innovate, to share value with our customers and to collaborate with suppliers.*
3. **The ask** - *All management teams should update their awareness of our goals, performance to date and measurement techniques. Each function has a specific role to play.*

	Company Scope 3 Target Statement	What is needed for success	The ask
Company Global Vision	Our 2030 2 degC reduction target is a big step toward our net zero goal. We include Scope 3 because we think there is a long term opportunity to help our customers decarbonize their operations, while reducing our own footprint.	Achieving our goal will help to sustain revenue during the energy transition. Success is linked to our continued ability to innovate, to share value with our customers and to collaborate with suppliers.	All management teams should update their awareness of our goals, performance to date and measurement techniques. Each function has a specific role to play.

Step 2: In column A identify the organization's internal stakeholders at the executive leadership level and at the business partner level. The matrix has been prepopulated with common stakeholders; however, stakeholders should be changed to reflect the framework of the organization.

Example internal stakeholders include:

- C-Suite
- Board of Directors
- Investor Relations
- Legal
- Internal Audit
- Government Affairs
- Communications/PR
- Supply Chain/Procurement/Logistics
- Human Resources
- Finance
- Operations
- Sales & Marketing
- Environmental, Health & Safety
- Enterprise Risk

It may be helpful to understand some of the risks and opportunities for each stakeholder. Examples of risk and opportunities commonly shared include:

- Investor pressure
- Customer pressure
- Supply chain risk
- Reputational risk
- Positive differentiator
- Reporting/Disclosure requirements
- Employee attraction & retention
- Operational cost reduction
- Reduced environmental impact

Step 3: In the row for each internal stakeholder, answer the questions in row 4. Individual stakeholder groups will have different priorities as well as differing levels of understanding. The intent is to capture the connection each has with Scope 3 objectives and determine how to engage in a manner that will help them to understand their role for a successful program.

See example answers below.

Executive Leadership			
Board	Our Scope 3 reduction target for 2030 is science based and aligns with a 2 degC carbon budget. Quantifying product lifecycle emissions and increased sales of impact reducing technologies are focus areas to meet the challenge.	We have the opportunity to sustain financial performance by helping customers decarbonize their operations. There will be a cost; we must invest to decarbonize our vehicle and facility footprint, and to increase the share of R&D spend associated with product use-phase emissions.	We'll propose tactics and discuss investment needed to achieve our goals. We are asking for your guidance and support to implement the changes required.
Executive Team	Our Scope 3 reduction target for 2030 is science based and aligns with a 2 degC carbon budget. We can gain credibility among stakeholders and customers by decarbonizing our operations and offering impact reducing technologies to our customers.	We have the opportunity to sustain financial performance by helping customers decarbonize their operations. There will be a cost; we must invest to decarbonize our vehicle and facility footprint, and to increase the share of R&D spend associated with product use-phase emissions.	Orient your teams toward our goals, and gather insight to help design effective tactics. Procurement, Operations and Sales are important partners in meeting our Scope 3 objectives.
Business Partners			
Procurement	Achieving our decarbonization goals demands a step change in materials and services that we purchase.	Material and service inputs are 80% of our Scope 3 footprint, which we have committed to reducing 40% by 2030. Sourcing verifiable low-carbon inputs at a reasonable cost will be difficult, but should pay for itself as we secure new revenue streams.	Identify high-impact commodities and services, survey the supplier landscape for innovation and cost impact.
HR	Awareness of our position in the GHG landscape, and transparent demonstration of progress will help employee engagement and make our team attractive.	This effort is mostly upside for the HR team. Credible GHG reduction performance should improve employee engagement and enhance recruiting.	Understand our reduction goals, performance metrics and measurement technique so that they may be readily shared with employees and recruits.

The Scope 3 Internal Engagement Matrix is intended as a living document that may change with the evolution of the Scope 3 strategy over time. The primary purpose is to encourage engagement that drives tactical action at executive and business levels.

An Excel formatted version is available on the GEMI website at www.gemi.org.

Scope 3: Starting the Conversation with Internal Stakeholders

Company Global Vision	Company Scope 3 Target Statement	What is needed for success?	The ask:
Executive Leadership: Board Executive Team	Why are these Scope 3 strategies, targets and measurements relevant to these stakeholders?	What are the challenges, risks, and opportunities?	What is wanted from them or what is needed?
Business Partners			
Procurement			
HR			
Finance			
Operations			
Sales & Marketing			
EHS			
Enterprise Risk			
Example Internal Stakeholders: C-Suite Board of Directors Investor Relations Legal Internal Audit Government Affairs Communications/PR Supply Chain/Procurement/Logistics HR Finance Operations Sales & Marketing EHS Enterprise Risk	Example External Stakeholders: Suppliers Investors Shareholders Local community Insurance Providers Customers	Example Risks and Opportunities: Investor pressure Customer pressure Supply chain risk Reputational risk Positive differentiator Reporting/Disclosure requirements Employee attraction & retention Operational cost reduction Reduced environmental impact	