green project
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From Measurement to Momentum

Building Supplier Engagement Programs That Deliver Results

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Scope 3 Management Enables Resilience

Example: Conflict in Iran escalates, oil surges over 50%, European gas doubles, and two companies in the same industry meet the same shock.

Company A

Measured, but not acting

- Has a Scope 3 inventory (spend-based estimates)
- No visibility into supplier energy sources
- Low levels of renewable energy in the supply chain
- Highly exposed to fossil fuel price volatility

Billions in cost pressure absorbed overnight.
No levers to pull. No data to act on. Just exposure.

Company B

Measuring and managing

- Engages suppliers, collects primary energy data
- Knows which facilities run on which energy sources
- 30% of supplier energy transitioned to renewables
- Long-term PPAs shielding price spikes
- Visibility into exactly where risk concentrates

Significant cost pressure avoided. More renewables = more shielded.
Same shock. Fundamentally different outcome.

And this is not new. Three shocks in five years with the same pattern.

2021 Post-COVID Supply Crunch

Shipping costs surged 5-10x. Factory shutdowns across Asia. Raw material shortages for months. Diversified and local supply chains recovered faster.

2022 Russia-Ukraine War

European gas prices rose over 400%. Coal tripled. EU spent over EUR 700B on energy crisis subsidies. Companies with renewable PPAs held stable.

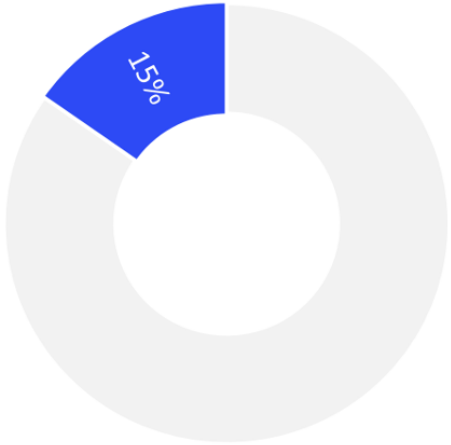
2024 Red Sea Shipping Crisis

Houthi attacks rerouted 90% of container traffic around Africa. 10-14 day delays. Freight rates doubled. Near-shored supply chains less exposed.

The Majority Of Companies Are *OFF Track* To Net Zero

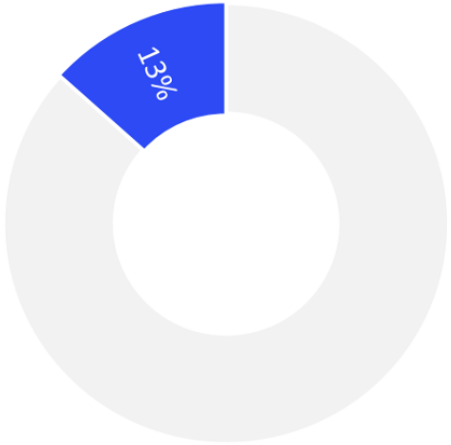
...only 15% of G2000 companies are on track for net zero in operations by 2050...

Share on track for 2050 net zero in operations
G2000, 2025; based on CAGR since 2016 [2]



...and even fewer will reach net zero if we include scope 3

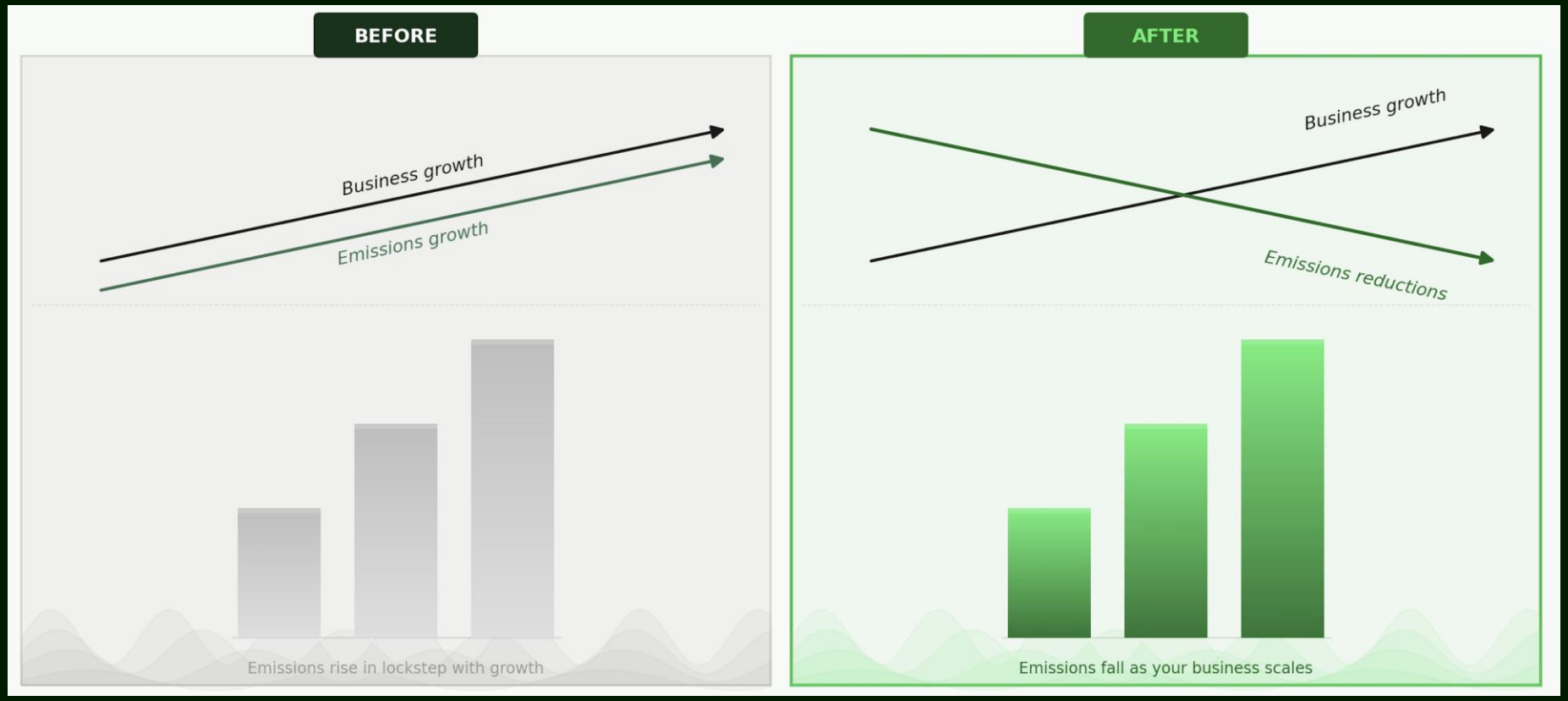
Distribution of companies "on track by 2050" for full value chain emissions
G2000, based on CAGR since 2017, % [3]



Notes: G2000 shown on this slide as results are one-year snapshots. 1) The proportion shown here is based on analysis of company emissions (Scope 1 and 2) trends between 2016 and the latest available year, drawn from S&P Trucost 2025. 2) "On track by 2050" refers to whether the company is projected to reach net zero in Scope 1 and 2 (defined here as achieving 5% of 2022 emissions by 2050). The proportions of those on track to hit net zero are calculated based on emissions CAGRs from 2016 to the latest available year. The sample comprises those with sufficient emissions data (n=1406). 3) "On track by 2050" refers to whether the company is projected to reach net zero (defined here as achieving 5% of 2022 emissions by 2050) across aggregate emissions in Scope 1, 2, and 3. The proportions of those on track to hit net zero are calculated based on emissions CAGRs from 2017 to the latest available year.

Source: Accenture's "Destination Net Zero" report series

Supply Chain Data Is Required In Order To Decouple Business Growth From Emissions Growth



What Suppliers Are Telling Us

More than 60% of the challenges shared by the Scope 3 Peer Group are on ***Supplier Engagement.****

Examples: *What to do with low maturity / SMEs? How to drive actual decarbonisation? How to collaborate?*

The most common challenge:

"How to help low maturity suppliers measure & decarbonize"

The supplier panel says they need:

1 Aligned Asks

Consistent requirements across buyers so suppliers aren't answering different questions for every customer

2 Proof Procurement Is Engaged

Suppliers need to see that buyers are serious, and that procurement (not just sustainability) is at the table

3 Low / No-Cost Tools & Support to Act

Consistent, accessible tools that make measurement and reduction achievable without budget barriers

4 Business Cases

Clear evidence that decarbonisation creates value: win contracts, reduce costs, retain preferred status

*Scope 3 Tools Intelligence Report - Scope 3 Peer Group

Two Key Problems: 1) Supplier Maturity

Up to 80% of our customers' tier-1 supplier base

Supplier Maturity	Definition of Maturity	Valuable tools to offer suppliers
Best in class	Supplier is capable of providing full verified Scope 1, 2 & 3 emissions, PCFs and engaging their own supply chain	• Support to run their own engagement • Target tracking tool • Product Carbon Footprint calculator
High Maturity	Supplier has verified Scope 1, 2 & 3 emissions plus have set scientifically-aligned decarbonization targets	• Product Carbon Footprint calculator • Target tracking tool • Reduction initiatives ideas
Medium Maturity	Supplier has verified Scope 1, 2 & 3 emissions and likely reports their carbon footprint publicly, maybe even committing to set a Science Based Target.	• Product Carbon Footprint calculator • Target setting tool • Roadmap planning and initiatives
	Supplier has limited data on policies, actions, and partial reporting on GHG emissions, i.e. Scopes 1 and 2	• Corporate Carbon Footprint calculator • Target setting tool • Training and Education
Low Maturity	No emissions accounting in place, with very limited, if any, decarbonization policies	• Corporate Carbon Footprint calculator • Training and Education

Two Key Problems: 2) Supplier Fatigue

> *AstraZeneca, MARS, the NHS, and many other customers all want PCF data, and the requests are getting more specific: gate-to-gate, packaging steps, logistics for individual trial shipments.*
>
> *Last year we handled around 20 or 30 of these. This year we are expecting over 100.*
>
> ***We cannot keep responding ad hoc - We need a system that scales.***
>
> **— Current Customer, Supplier of a Global Pharmaceutical Company**

Why Programs Stall

01	**No segmentation**	All 10,000 suppliers treated the same
02	**Estimates mistaken for insight**	Spend-based numbers cannot drive action
03	**No business case**	Sustainability sits outside commercial conversations
04	**Survey fatigue & maturity**	Suppliers get asked, not helped
05	**Unclear ownership**	Sustainability and procurement run parallel tracks

The Data Gap Is Closing Fast

The momentum is clear; the landscape is moving from measurement to action

In 2025, the peers were mostly still building Scope 3 programs:

“How do we measure, organize and engage?”

In 2026, we are trying to deliver outcomes:

“How do we get suppliers to reduce emissions, prove it happened, and scale it across the value chain?”

The strongest signal is a transition from ***measurement maturity*** to ***execution maturity***

— Oliver Hurrey, Founder & Chair, Scope 3 Peer Group

Four Decarbonisation Pathways

1 Renewable Energy

Supplier electricity transition. Work with your suppliers to help them purchase renewable energy, often a quick win.

2 Heat Decarbonization

Industrial process and building heat. More capital and time intensive, but large-emitting suppliers will need to get there.

3 AI-Powered Action Guidance

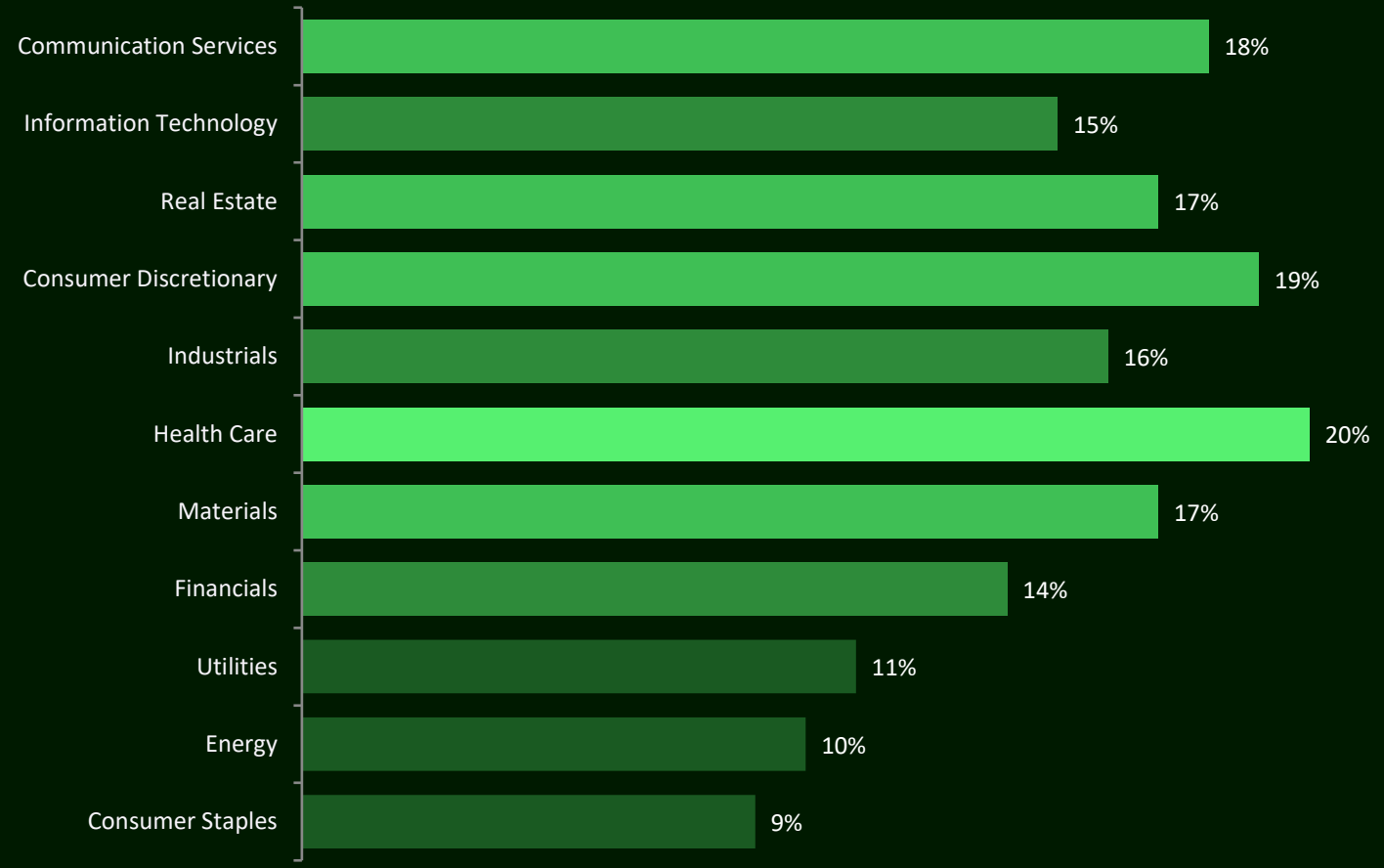
From “here is your data” to “here is your next step.” Look to provide specific recommendations to suppliers.

4 Product Value Chain Mapping

PCF-level insight that drives category buying decisions. Requires supplier data exchange and procurement integration.

Supplier Scope 2 Reduction Can Be A *Quick Win*

Tier-1 supplier RE100 programs reduce upstream Scope 3 emissions *by 9-20%*



Sources: BEIS Use Tables 2022 (75 Industries), Exiobase et al. 2022, IEA 2024 Emission Factors (2022 data, World), MSCI ESG Research; CDP 2024.

Five Principles: What Separates The Programs That Deliver

1. **Enablement beats exclusion**

   Helping suppliers improve delivers more than threatening to delist them.

2. **Collaboration multiplies impact**

   Joint targets, shared roadmaps, and co-investment compound results.

3. **Procurement must co-own the outcome**

   If sustainability runs the program, it will always sit outside the commercial conversation.

4. **Decarbonization creates value. Find it.**

   Name the commercial benefit: energy cost savings, supply security, contract terms.

5. **Imperfect action beats perfect data**

   Waiting for complete primary data is a reason to delay, not a reason to pause.

A 1-3 Year Arc, Key Actions From Each Phase.

THE ROADMAP

Months 0 to 12

Map & Segment

- Identify top 80% of suppliers by emissions impact
- Segment by readiness and strategic importance
- Engage suppliers differently depending on which segment they belong to

Key Actions

- **U**se procurement data to measure S3
- **S**creen your most material suppliers
- **D**iscovery conversations with key suppliers
- **D**esign tiered engagement model + build business case.

Months 6 to 24

Activate No-Regret Levers

- Renewable energy transition for top emitters
- Set joint SBTi-aligned targets with strategic suppliers
- Build supplier enablement infrastructure, not just reporting

Key Actions

- **A**udit survey cycle response and action rates, pick one category.
- **A**ssign procurement owners.
- Run supplier roadmap conversation: co-develop and pick one lever for key suppliers

Months 18 to 36

Deepen & Embed

- Integrate Scope 3 into supplier scorecards and sourcing decisions
- Expand to Tier 2
- Move from project to programme, owned by procurement

Key Actions

- Map which of the 4 decarbonization pathways you are not yet pulling.
- Find 2 commercial levers where Scope 3 creates supplier value.
- Embed one Scope 3 metric into a sourcing scorecard.

The Organizations That Act In 2026 Will Be Harder To Catch In 2028.

THREE THINGS TO LEAVE WITH

1. **You know your challenges**
   You might have many things stopping you, pick one to work on.

2. **You have a 90-day arc**
   Calibrated to where you are on the maturity ladder.

3. **Resilience starts now**
   Your supply chain's exposure to the next price shock depends on work that begins this month.