



WELCOME TO CDP IRELAND NETWORK - Supply Chain Event

Addressing Scope 3 Emissions and Purchased Products

www.cdpirelandnetwork.net | @CDPIrelandnet

Agenda

- ❑ 2.00pm Welcome - Introductions, Housekeeping and CDP in Ireland, **Brian O’Kennedy, CDP Ireland Network**
- ❑ 2.05pm Scope 3 emissions explained, Gráinne McIvor, Clearstream Solutions
- ❑ 2.15pm Role of Scope 3 in your Net Zero journey, **Olwen Smith, CDP Europe**
- ❑ 2:25pm CDP Supply Chain Programme, **Hugo Ernest-Jones, CDP Europe**
- ❑ 2.35pm Panel discussion, **Des Ferris, Keelings & Joseph Tabet, Vice President Circular Economy, Flex**
- ❑ 2.50pm Q&A
- ❑ 3pm END

Housekeeping

- Housekeeping
 - Webinar –Muted
 - Questions via Zoom Chat
 - Slides will be shared
 - Session is being recorded
 - Further local help:
 - Brian@clearstreamsolutions.ie
 - Ché@clearstreamsolutions.ie
 - Grainne@clearstreamsolutions.ie
 - Gavin@clearstreamsolutions.ie



ABOUT CDP



CDP is a global environmental impact non-profit working to secure a thriving economy that works for people and planet.



CDP runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.



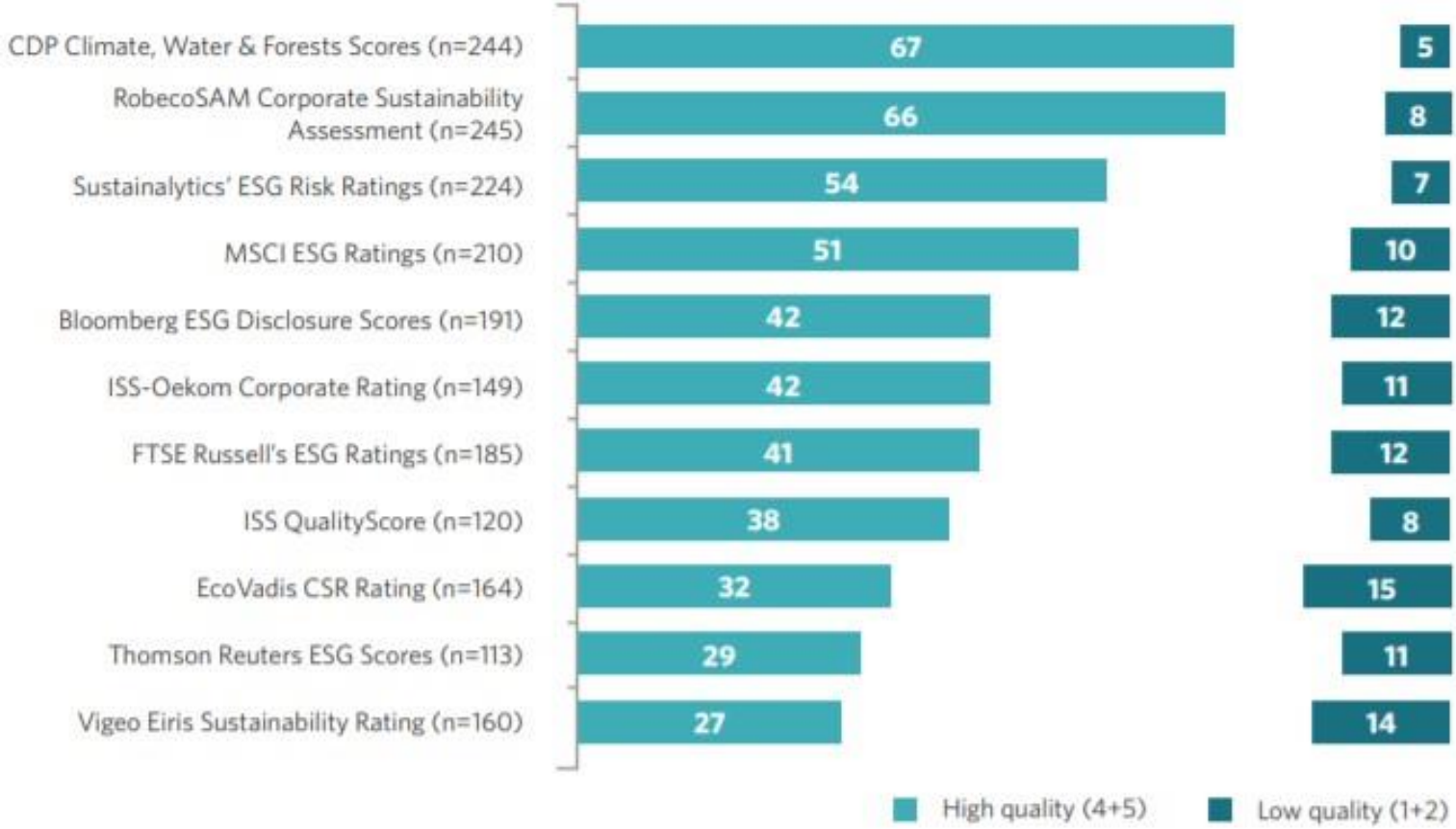
With the world's most comprehensive collection of self-reported data, the global economy looks to CDP as the gold standard of environmental reporting.



Its network of investors, purchasers and policymakers around the globe, use our data and insights to make better-informed decisions.

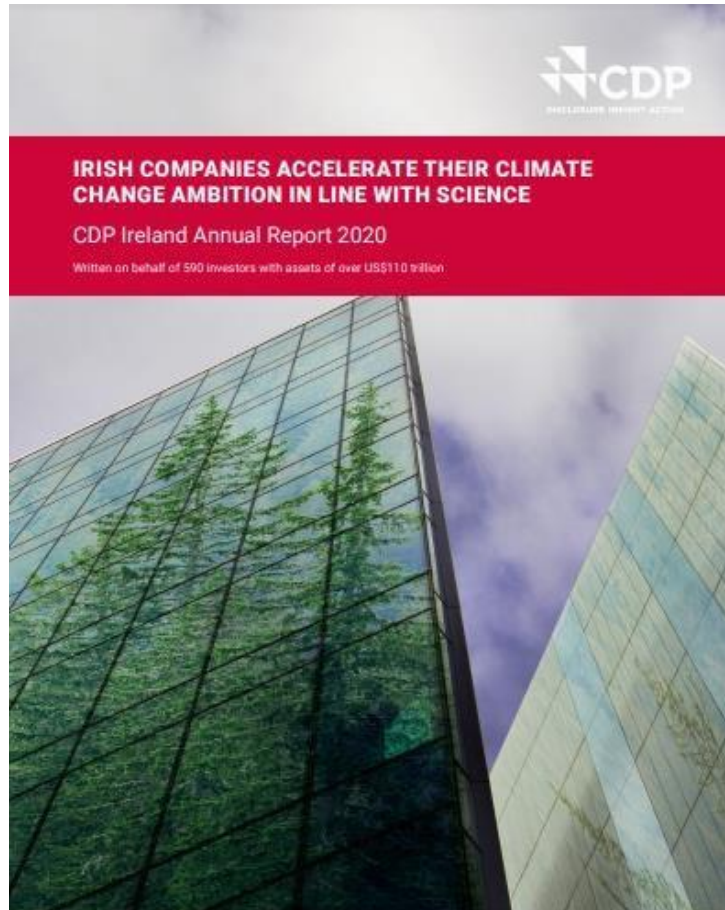
HOW CREDIBLE IS CDP?

Expert Survey: ESG Ratings Quality

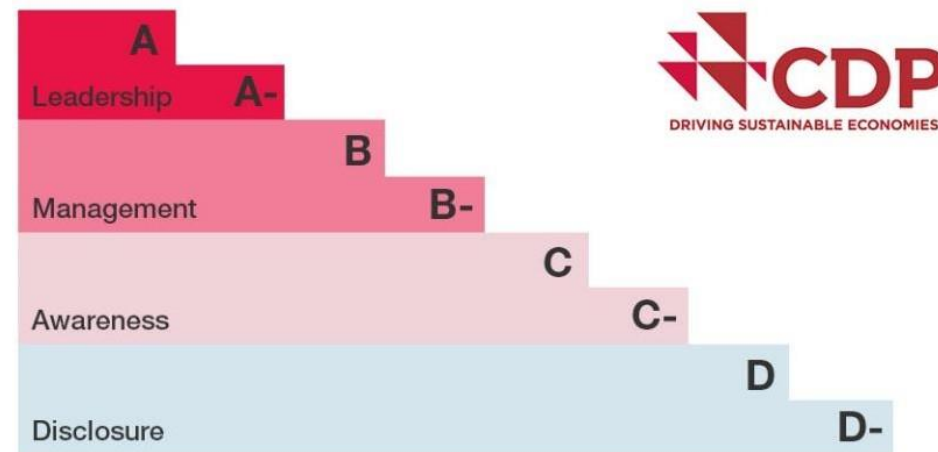


“Rate the Raters 2020: Expert views on ESG Ratings”, *SustainAbility* (2020), page 37-38.
<https://www.sustainability.com/globalassets/sustainability.com/thinking/pdfs/sustainability-ratetheraters2020-report.pdf>

CDP Ireland climate change report 2020



52% increase in Irish Corporate Climate Change Responses!



F= Failure to provide sufficient information to be evaluated

March 2021



www.cdp.net | @CDP





Thank You!

- ❑ **Panellists: Des Ferris and Joseph Tabet**
- ❑ **Olwen, Hugo and Muriel, CDP Europe**
- ❑ **Clearstream team & Gráinne**
- ❑ **ESG Reporting Climate Finance Week - Wed 13th Oct**

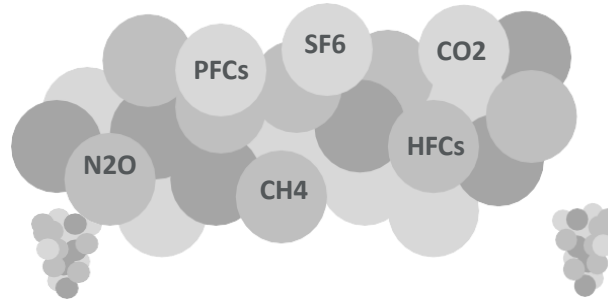
“With greater transparency, greater actions follows”

Scope 3

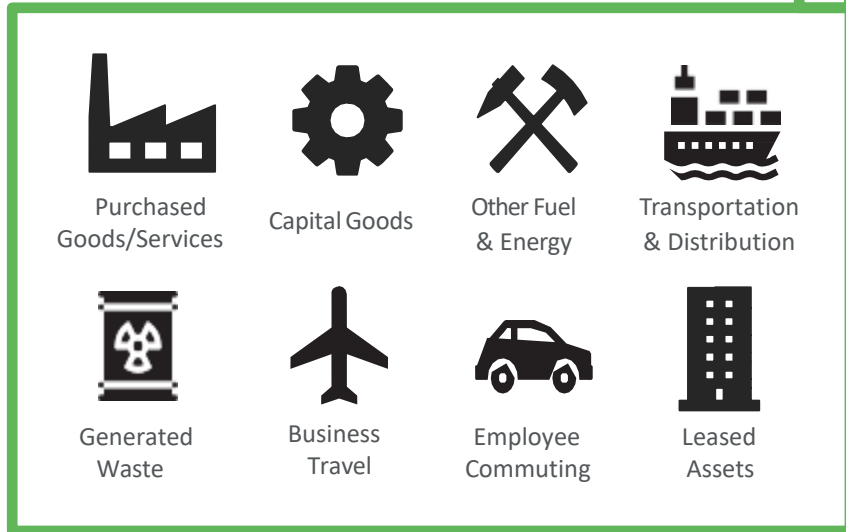
What is it, why is it important and how do we measure it?

Gráinne Mclvor
21st September 2021

Scopes 1, 2 and 3



Scope 3 Indirect



Scope 2 Indirect



Scope 1 Direct



Scope 3 Indirect

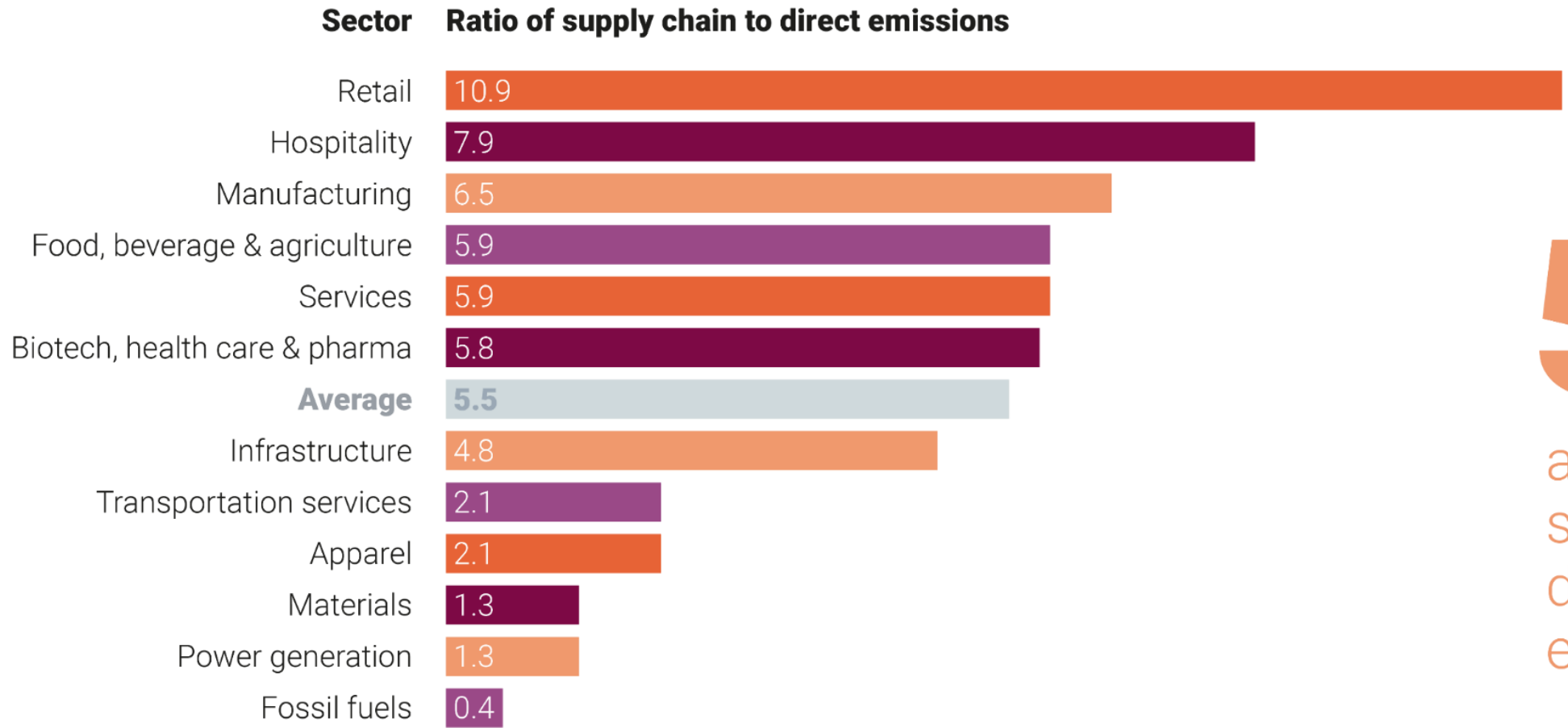


Upstream Activities

Reporting Company

Downstream Activities

Why Scope 3?



5.5:1

average ratio of supply chain to direct carbon emissions

Apple



Recover

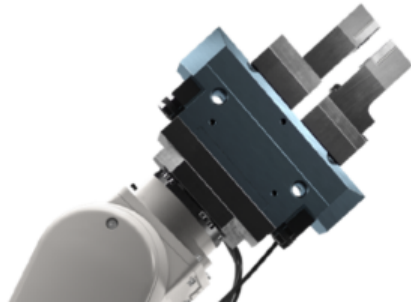
Return your product with Apple Trade In and we'll ensure it has a long life, or we'll recycle it for free.

When products are used longer, fewer resources are extracted from the earth. That's why we launched Apple Trade In—it offers customers a seamless way to return their old devices to Apple. Customers can trade in eligible devices for an Apple Store Gift Card.¹⁴ If a device is not eligible for credit, we'll recycle it for free. For more information on how to recycle your products at end of life, visit apple.com/shop/trade-in. We also offer and participate in [product take-back and recycling programs](#) for 99 percent of the countries where we sell products—and we hold our recyclers to high standards. Our efforts to keep harmful substances out of our products also mean our materials are safer to recover and reuse.

iPhone recycling

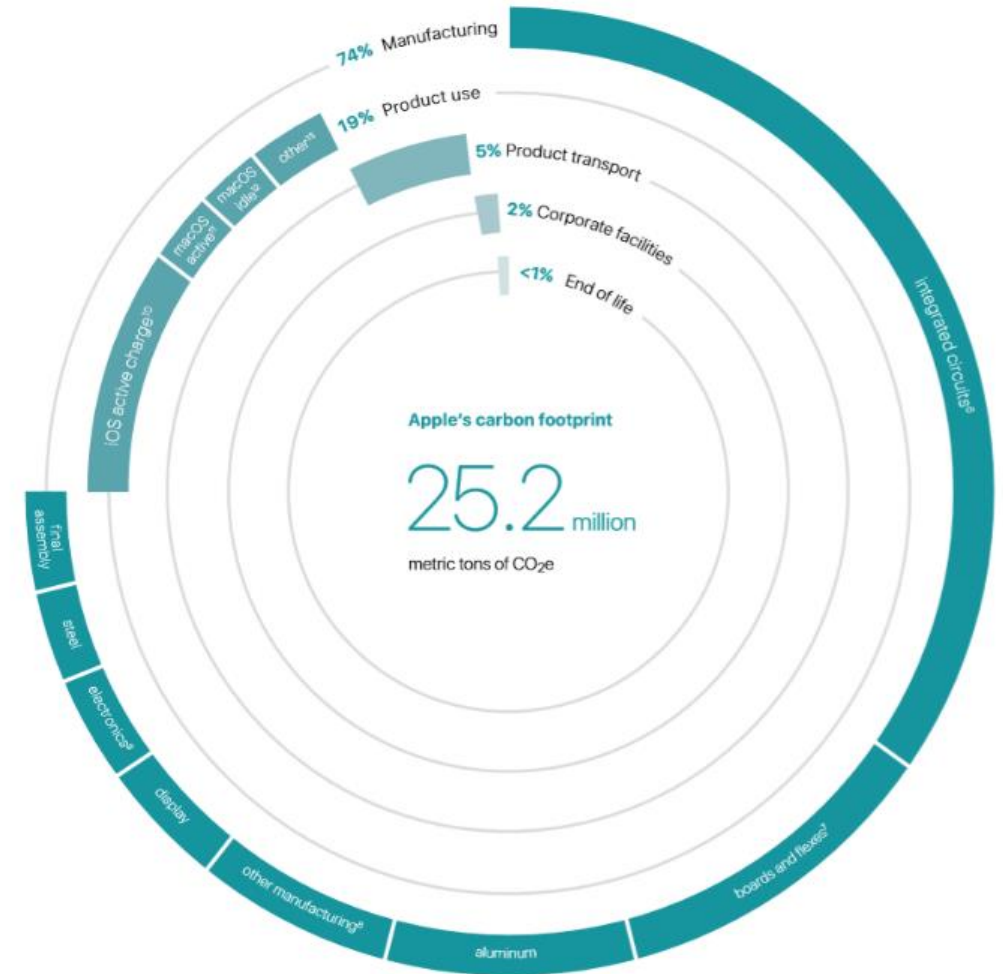
Daisy, Apple's line of disassembly robots, can disassemble 15 different models of iPhone, recovering more of the important materials stored inside.

[See Daisy in action](#)



Apple's overall carbon footprint (fiscal year 2018)

Apple calculates its life cycle carbon footprint to understand where to focus reduction efforts.



Pukka Tea

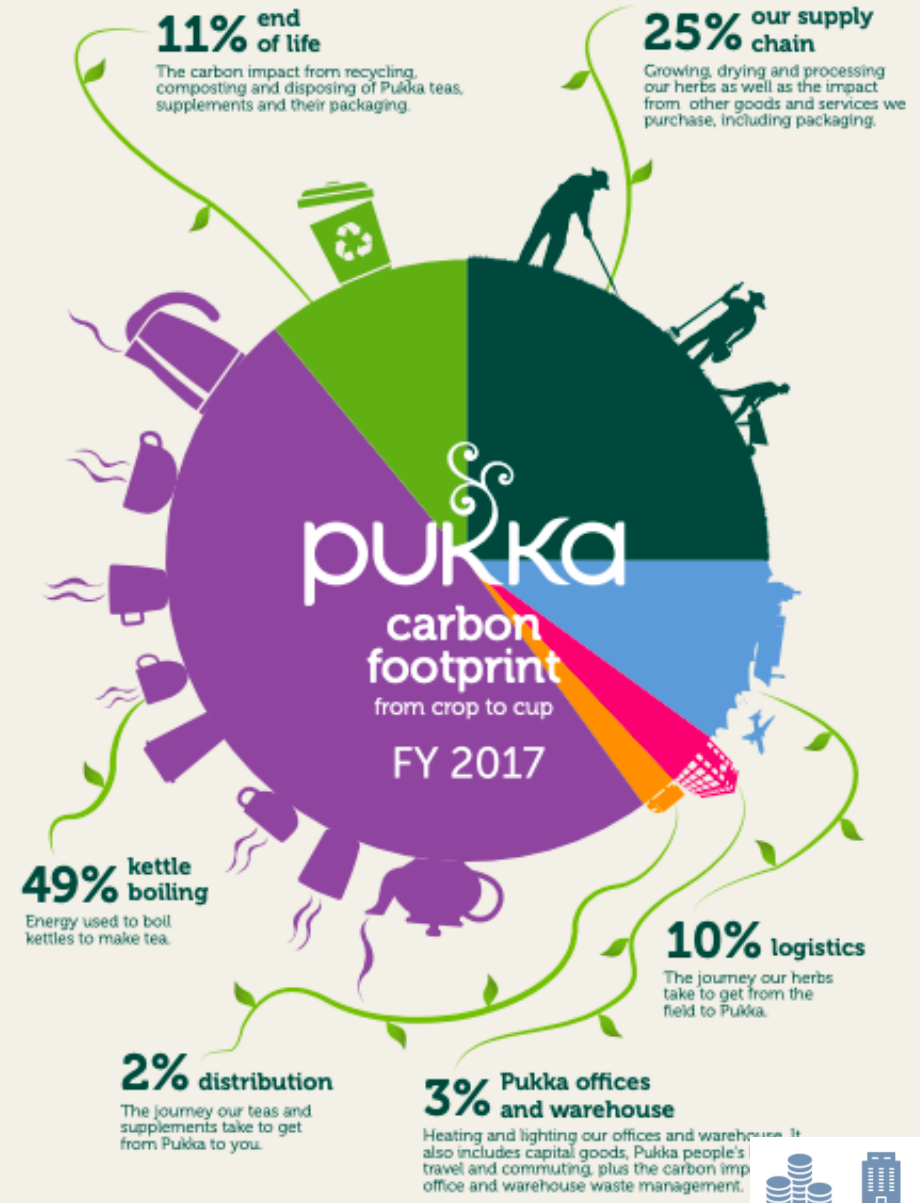
DATA SNAPSHOT - CARBON FOOTPRINT

	FY16	FY17	FY 2018	% Change
PUKKA'S OPERATIONAL CARBON FOOTPRINT (tCO2e)				
**Scope 1: natural gas and refrigerant loss	22.95	21.28	8.99	-58%
**Scope 2: purchased electricity *market based	17.20	36.55	7.52	-79%
Scope 3: Crop to Cup (calculated every two years)	-	15,184	-	

- Source: Pukka Sustainability Report 2018

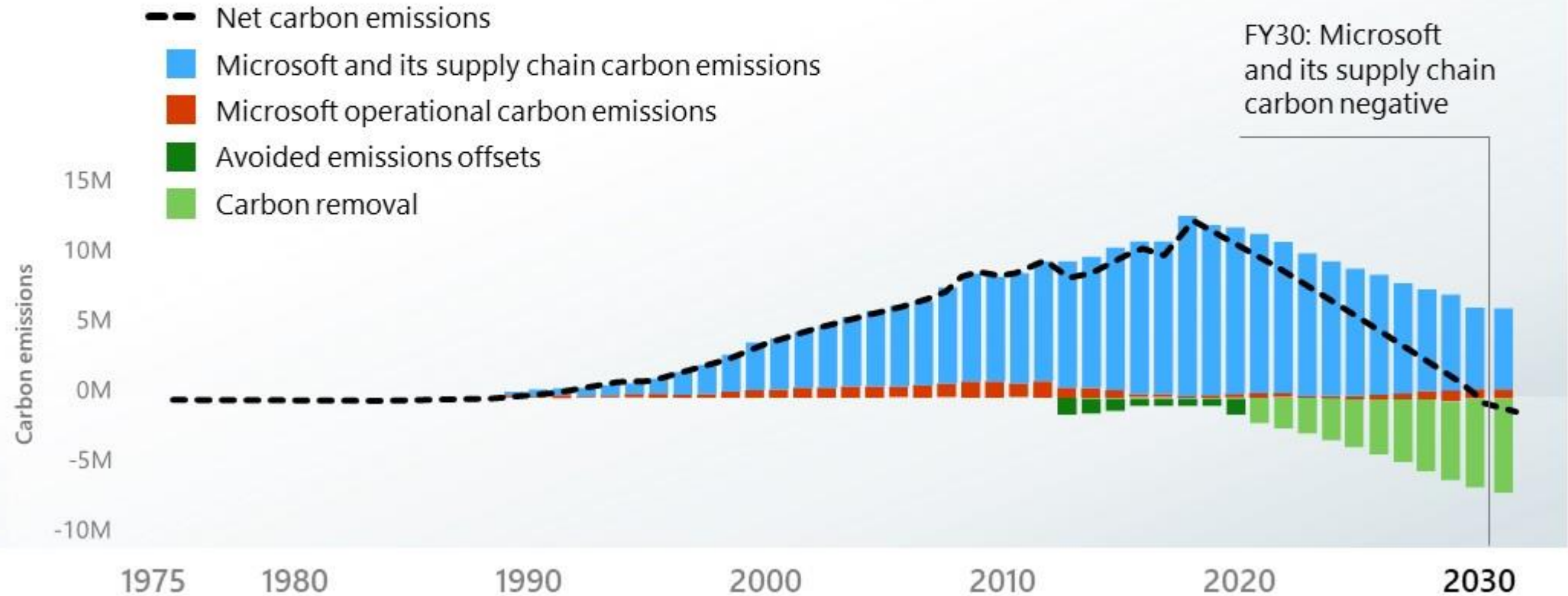
MEASURING OUR CARBON FROM CROP TO CUP

We measured our full Scope 3 emissions in FY17, from Crop to Cup. This gave us our baseline for our 2030 science-based carbon target (see table). We will recalculate it every two years. This graphic shows a breakdown.



Microsoft's pathway to carbon negative by 2030

Annual carbon emissions



Source: Microsoft internal

Quantification Methodologies

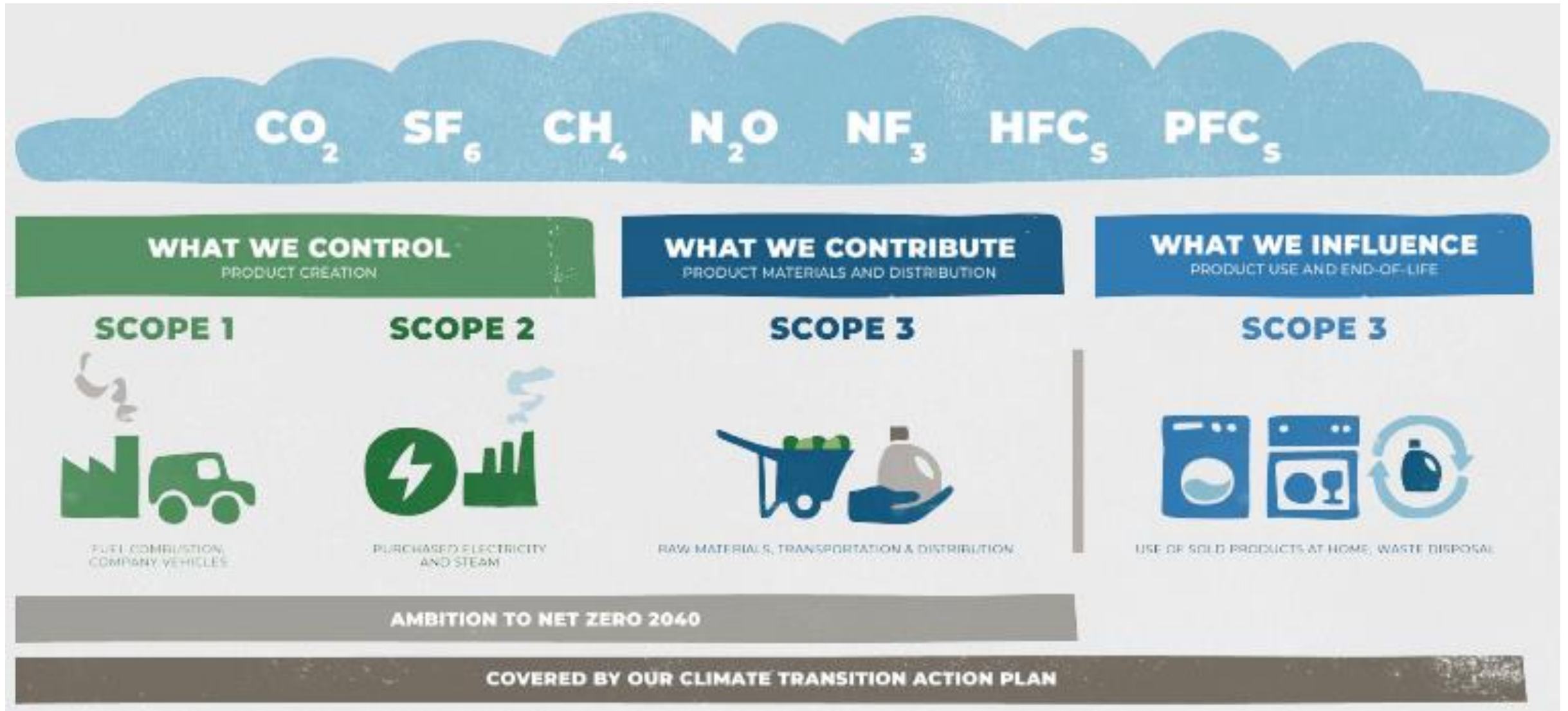
Emission
Factors

Environmentally
Extended Input-
Output Model

Supplier
Specific

Life Cycle
Analysis

P&G Scope 3 Strategy



Source: P&G *It's Our Home* Net Zero 2040 Report

Useful Sources

- [The Greenhouse Gas Protocol Corporate Value Chain Standard](#)
- [CDP Supply Chain program](#)
- [CDP Supply Chain Webinar Series](#)
- [Clearstream Solutions](#)
- Enterprise Ireland [GreenStart](#)
- Life Cycle Assessment Databases: [Ecoinvent](#), [GaBi](#)

Thank You!



Role of Scope 3 in the Journey to Net Zero

CDP Ireland Network event
21st September 2021

Olwen Smith, UK & WW Regional Lead, Net Zero Campaigns



THE SCIENCE BASED TARGETS INITIATIVE (SBTi)

Overview



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Founding Partners:



United Nations
Global Compact



WORLD
RESOURCES
INSTITUTE



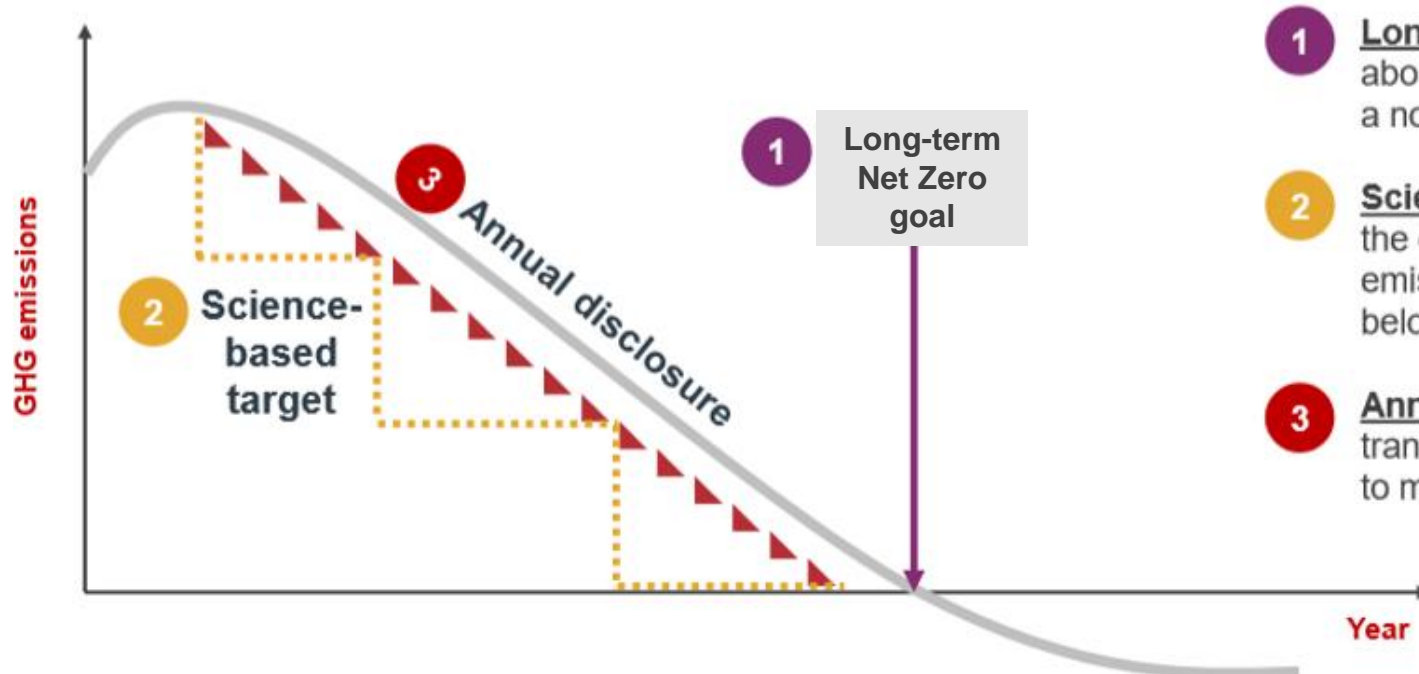
In collaboration with **WE MEAN BUSINESS**



WHAT ARE SCIENCE-BASED TARGETS?



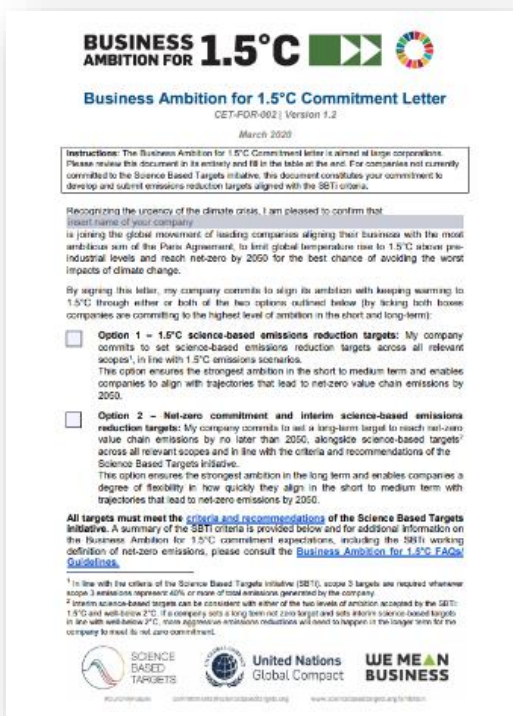
SBTs show companies **how much** and **how fast** they need to reduce GHG emissions



- 1 Long-term goal:** A net-zero long-term goal provides certainty about the direction that the company will follow and serves as a north-star for long-term strategic decisions;
- 2 Science-based target:** Science-based targets ensure that the company is taking shorter-term action to reduce emissions at a pace that is consistent with keeping warming below 1.5°C / well-below 2°C;
- 3 Annual disclosure:** Climate disclosure provides transparency about the progress that the company is making to meet its long-term and medium-term goals

MAKE AN AMBITIOUS COMMITMENT

The Business Ambition for 1.5°C Commitment Letter

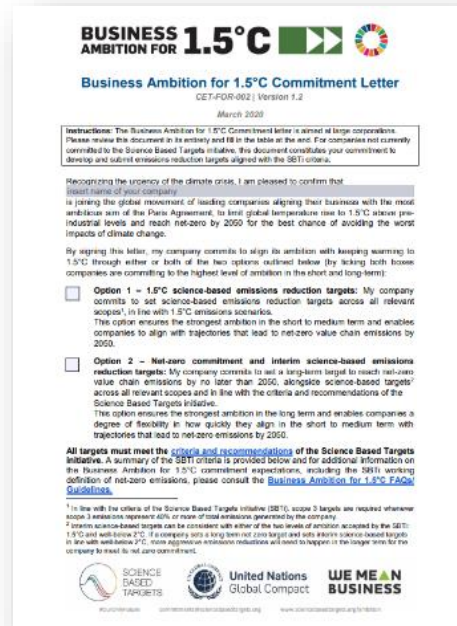


- Sign the Business Ambition for 1.5°C commitment letter and submit it to commitments@sciencebasedtargets.org.
- By joining, organizations are also joining the [UNFCCC Race to Zero](#). 
- By joining, companies commit to follow the [SBTi step-by-step process](#) to set GHG emissions reduction targets in line with [SBTi Criteria and Recommendations](#).
- Companies commit to policy advocacy positions consistent with a 1.5°C future.



WHAT DO COMPANIES COMMIT TO?

The Business Ambition for 1.5°C Commitment



Commitment Letter



Option 1 – 1.5°C science-based emissions reduction targets:
My company commits to set science-based emissions reduction targets across all scopes, in line with 1.5°C emissions scenarios and the criteria and recommendations of the Science Based Targets initiative.



Option 2 – Net-zero science-based emissions reduction targets:
My company commits to
a) set a long-term science-based target to reach net-zero value chain GHGs emissions by no later than 2050 and to
b) set interim science-based targets across all relevant scopes and in line with the criteria and recommendations of the Science Based Targets initiative.

→ By ticking both options, companies are committing to the highest level of ambition in the short and long-term.

SBTi SCOPE 3 CRITERIA (V4.2)*

*New criteria will come into force 15 July 2022



Latest [SBTi Criteria](#)



Scope 3: A Scope 3 screening is required and an ambitious, measurable Scope 3 target is required when Scope 3 emissions cover more than 40% of total emissions



Boundary: Companies must set one or more targets that collectively cover at least 2/3 of scope 3 emissions.



Timeline: 5-15 years into the future; from date target is submitted to SBTi for official validation (supplementary, long-term targets recommended).



Ambition: → Various target-setting options for scope 3 (see next slide)

This slide represents a summary and not a comprehensive overview. Please refer to the SBTi website for the full criteria and recommendations

TARGET-SETTING APPROACHES

Current SBTi criteria – new criteria come into force 15 July 2022



Target setting approach	Scope 1 & 2		Scope 3*
	1.5°C	Well-below 2°C	
Absolute reduction target	4.2% linear annual reduction rate	2.5% linear annual reduction rate	1.23% linear annual reduction rate
Physical intensity reduction target	According to SDA tool using IPCC SR15 scenarios	According to SDA tool using IEA ETP B2DS scenario	<u>Option 1:</u> 2% intensity reduction and no increase in absolute emissions <u>Option 2:</u> Modelled using SDA tool
Economic intensity reduction target			7% year-on-year annual reduction
Supplier engagement target			Engage suppliers to set science-based targets within 5 years
Covering 95% of emissions			Covering 2/3 of emissions

*Scope 3 target is required when Scope 3 emissions cover more than 40% of total emissions



SUPPLIER ENGAGEMENT TARGETS

Scope 3 Requirements



Formulation: Companies shall provide info to the SBTi on what % of emissions from relevant upstream or downstream categories is covered by the engagement target or, if that info is not available, what % of annual procurement spend is covered by the target.



Boundary: Companies may set supplier engagement targets around any relevant upstream or relevant downstream categories for customer engagement targets.



Timeline: Supplier/customer engagement targets must be fulfilled within a max. of 5 years from the date the target is submitted to the SBTi for official validation.



Ambition: At a minimum suppliers/customers should set science-based targets on their scope 1 and 2 emissions. Inclusion of suppliers' scope 3 emissions is also encouraged.

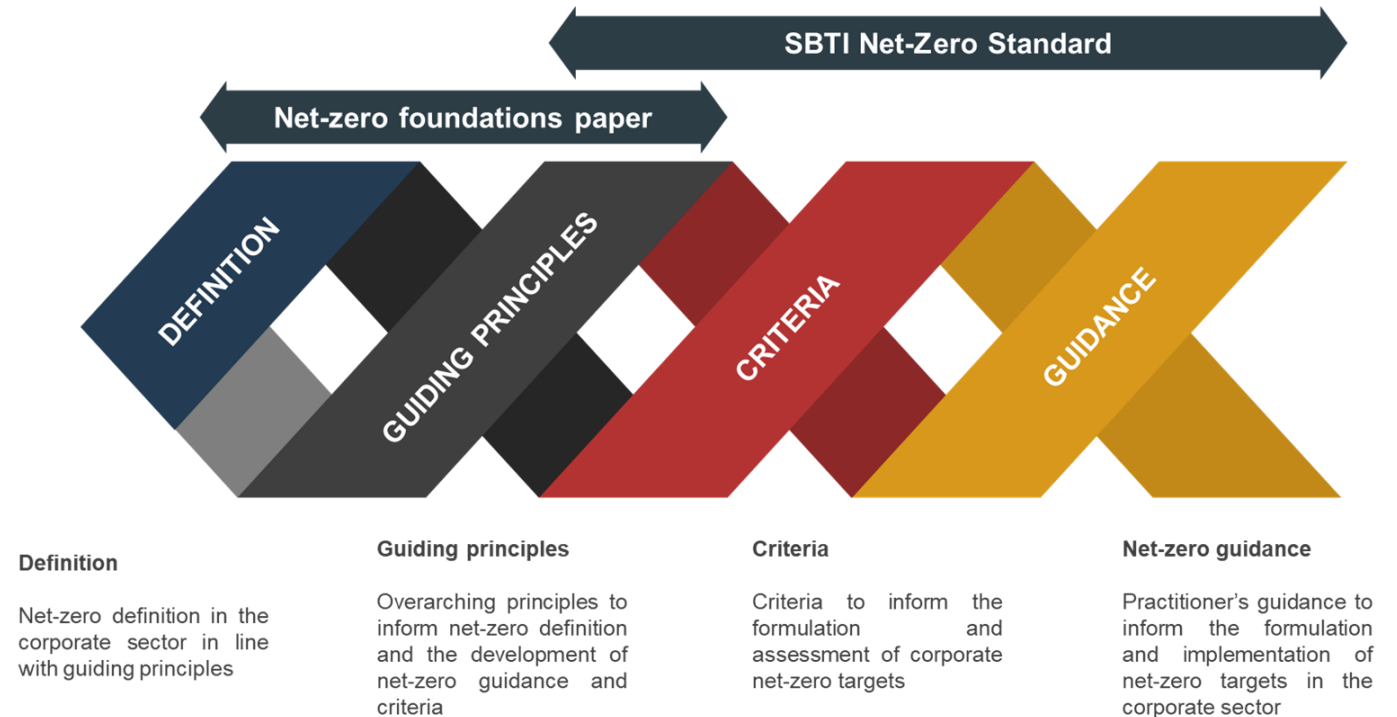
Note: Only the share of a company's scope 3 emissions covered by supplier's or customer's targets can be counted within the target boundary.

SBTI CORPORATE NET-ZERO STANDARD

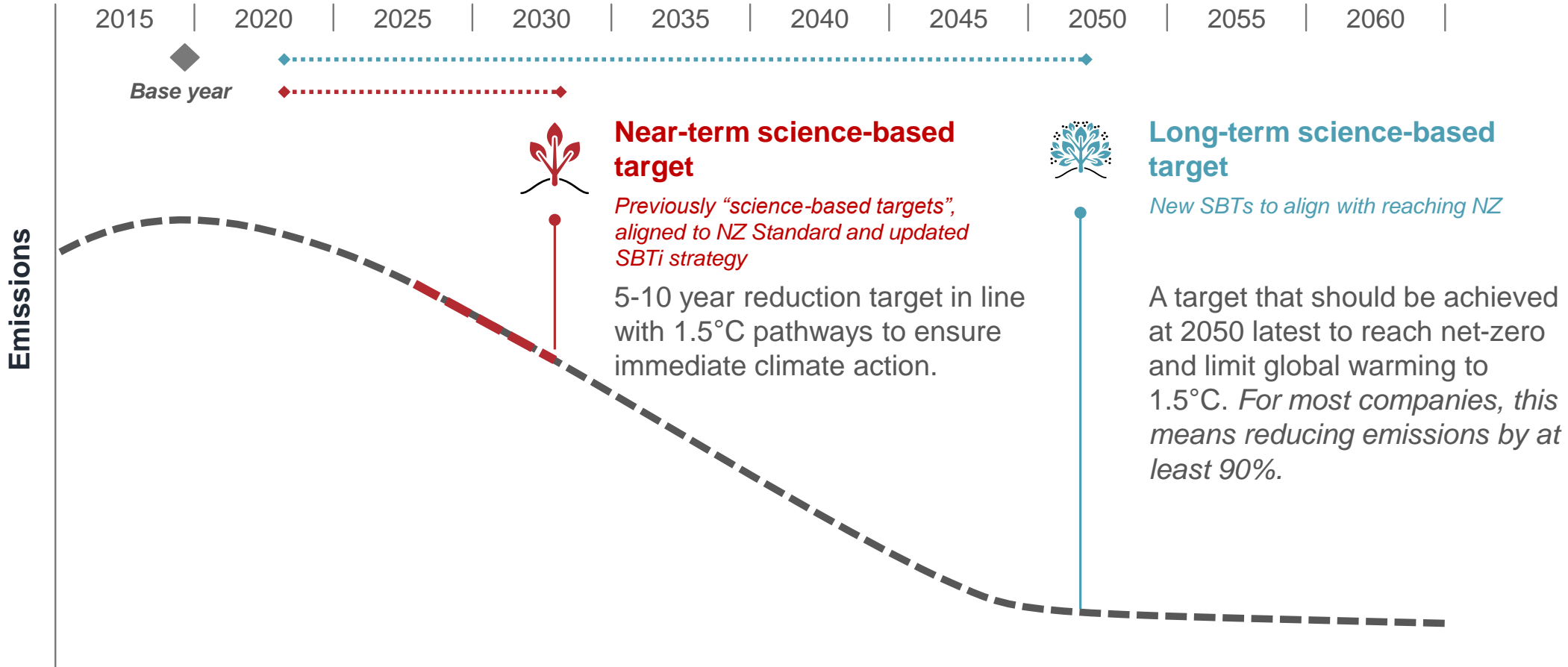
Addressing lack of clarity on definition of 'Net Zero'



- The SBTi is conducting an **inclusive, stakeholder-informed process** to develop a framework to enable companies to set robust and credible net-zero targets.
- The standard will include criteria and guidance enabling companies to have their **Net-Zero targets validated by the SBTi**.
- The Net-Zero standard is scheduled to be **published right before COP 26, in October**.



KEY ELEMENTS OF THE SBTI NET-ZERO STANDARD

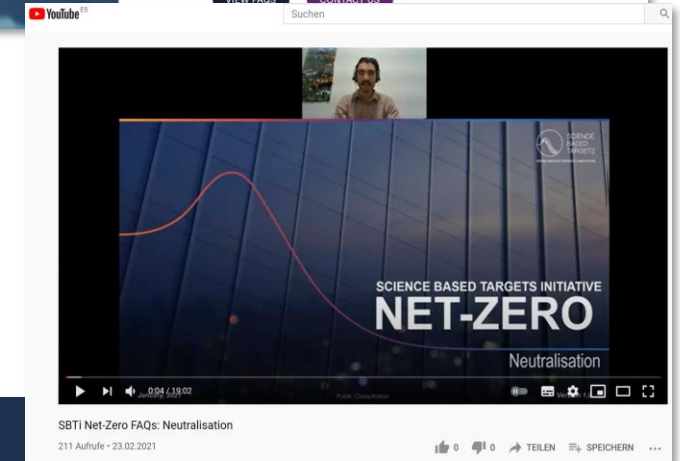
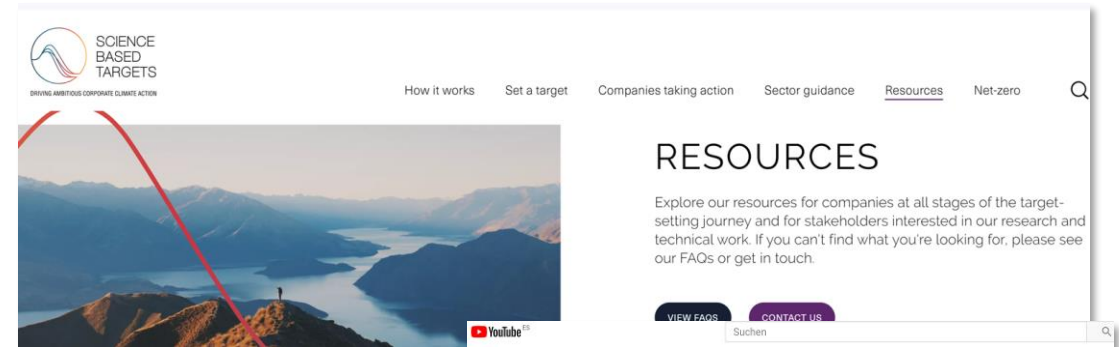


In the transition to net-zero: Companies are encouraged to take action or make investments to mitigate emissions beyond their value chains.

SBTi RESOURCES



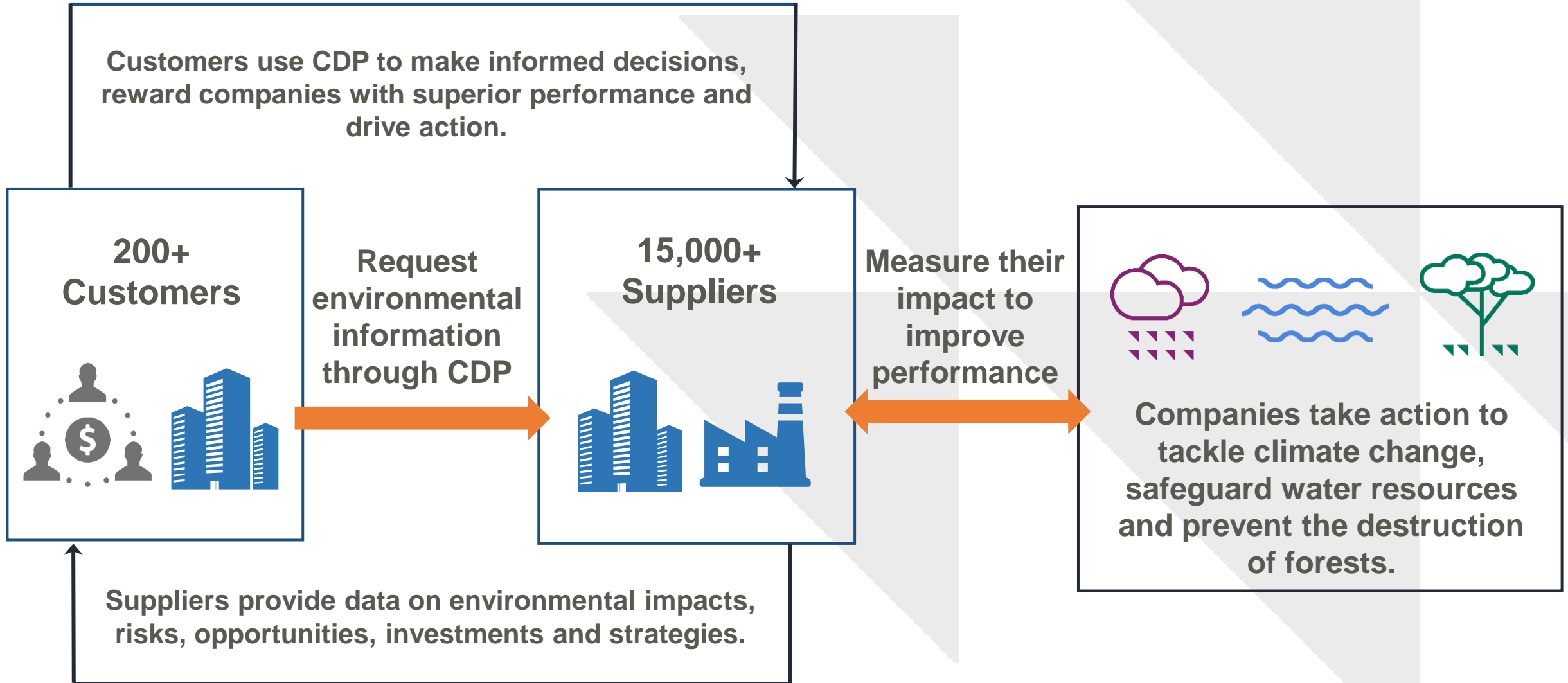
- Consult the **SBTi [resources webpage](#)**
- **SBTi [Criteria and Recommendations](#)**
- Use the **[SBTi tool](#)** including scope 3 tool to model your targets
- Take the **30-min UNGC E-Learning course on SBTs [here](#)**
- Watch our **SBTi Net-Zero FAQ videos [here](#)**



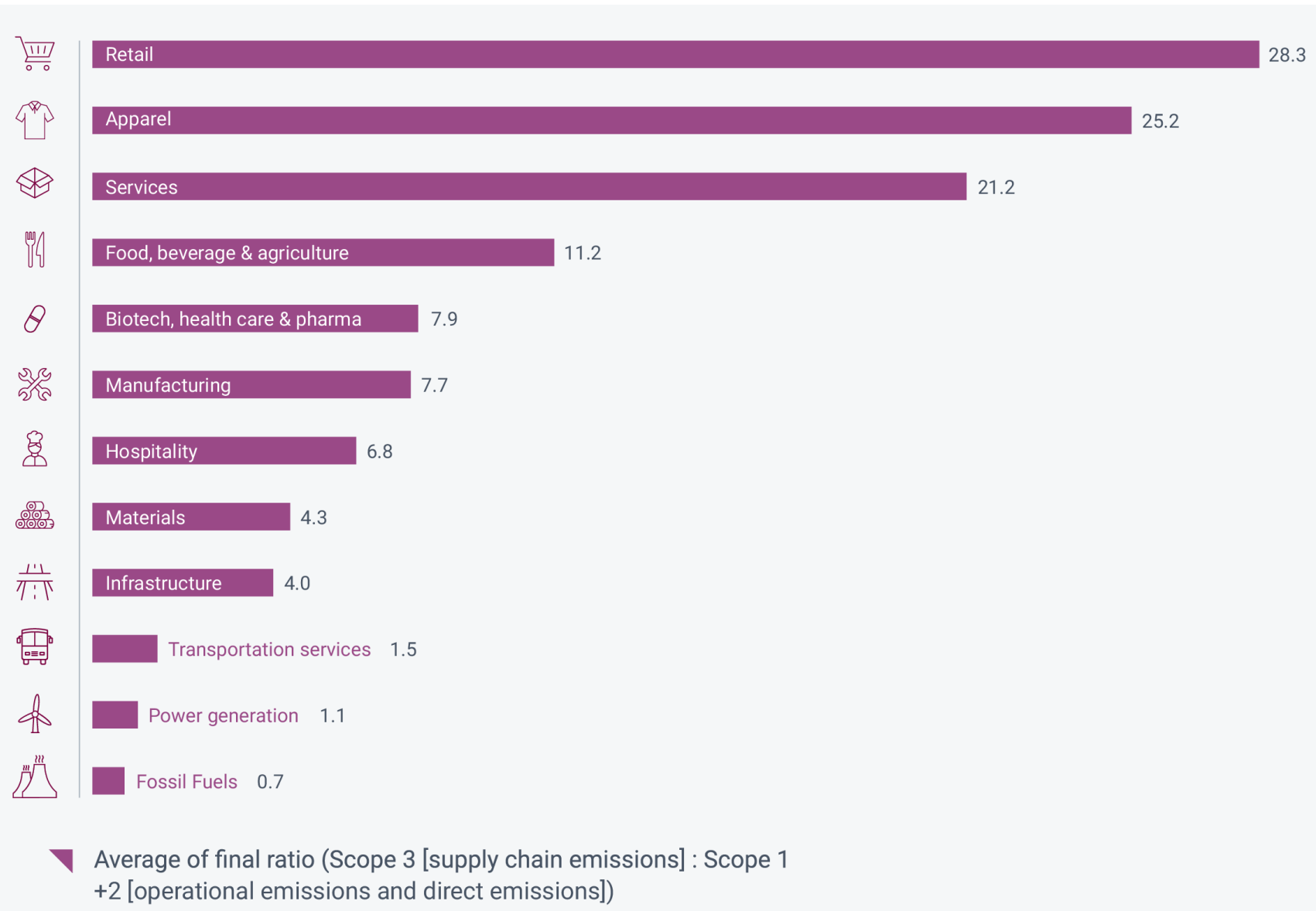
me



HOW WE WORK



Your impact lies in your supply chain



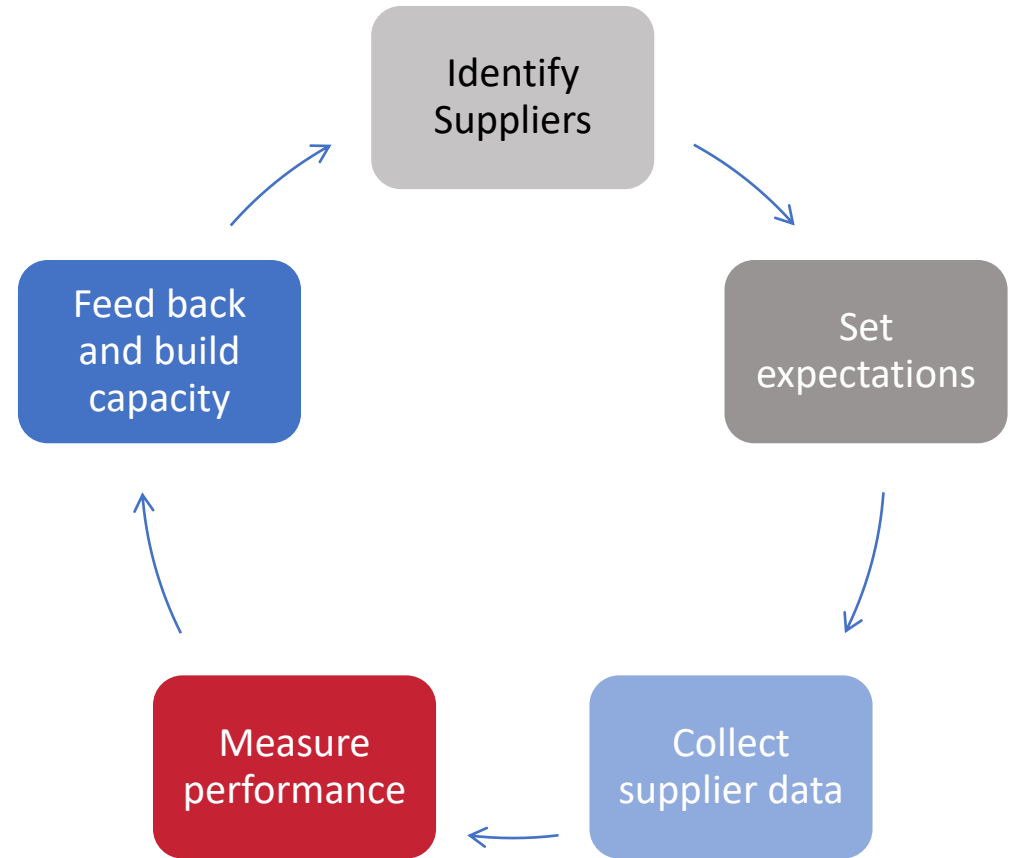
11.4x higher

Supply chain emissions
are 11.4 times higher than
operational emissions

The Supplier Engagement Process

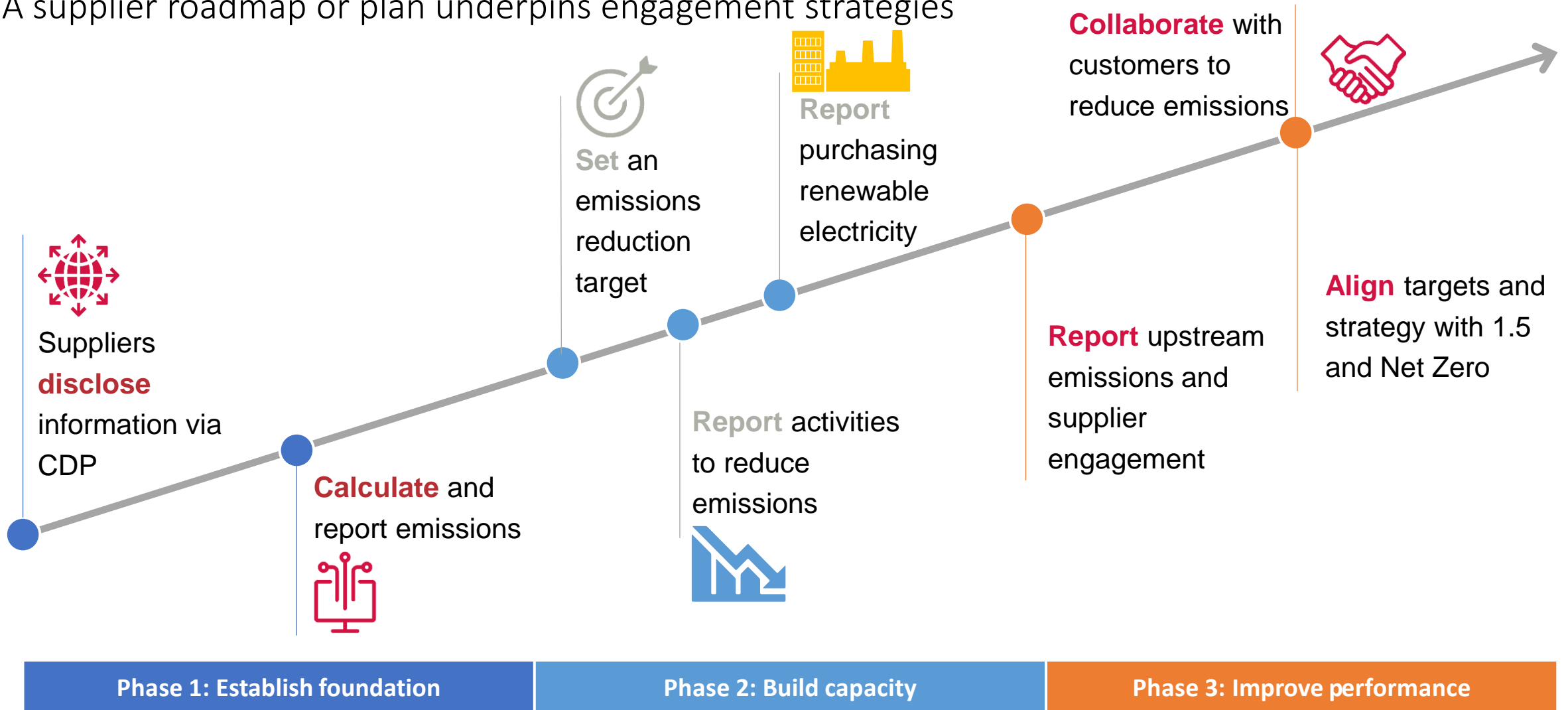
Continuous engagement on an annual basis to see results

- ▼ **Identify suppliers:** spend coverage plus impact / strategic importance;
- ▼ **Setting expectations:** what areas you will measure performance in? How will you **communicate** this to suppliers?
- ▼ **Collect data:** in-house capability or external platforms;
- ▼ **Measuring performance:** Analyse data and **benchmark** suppliers;
- ▼ **Feed back** to suppliers on results of analysis. Identify **next steps**;
- ▼ **Invest in capacity building** for areas of poor performance among suppliers and/or;
- ▼ **Select suppliers** for targeted campaigns for action.



Tracking Supplier Progress

A supplier roadmap or plan underpins engagement strategies

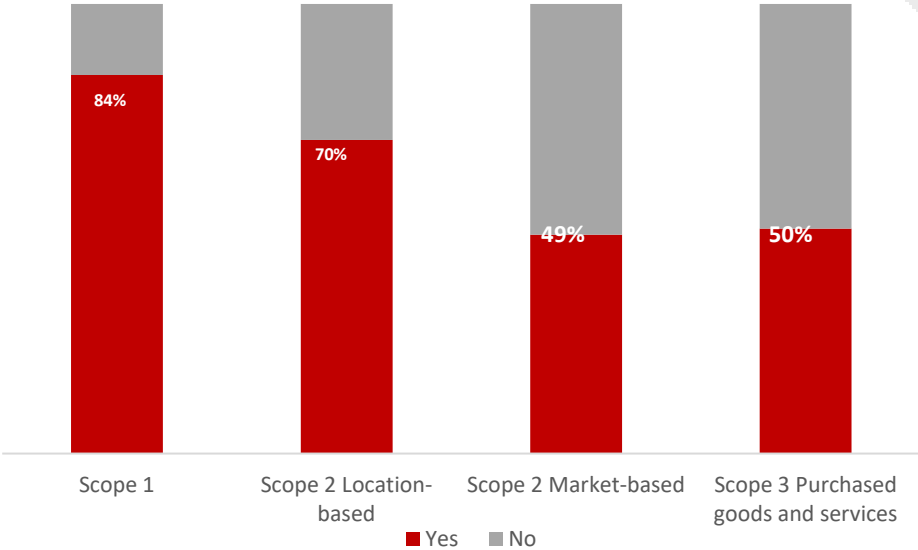


Ireland 2021 Disclosing Companies – provisional data

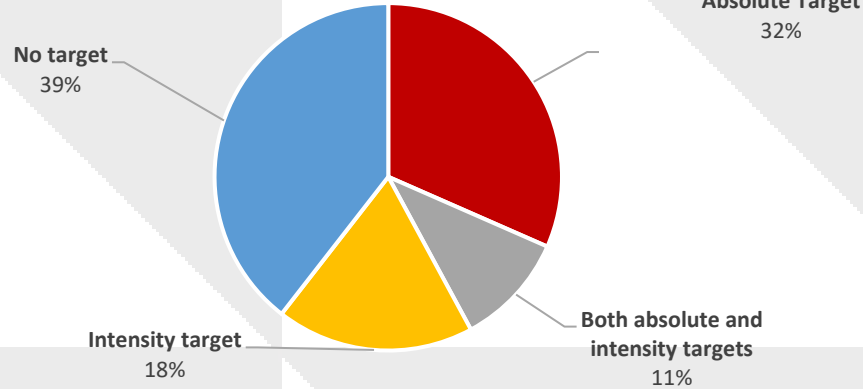


1.5 Million MetricTons
Total estimated annual CO2e savings

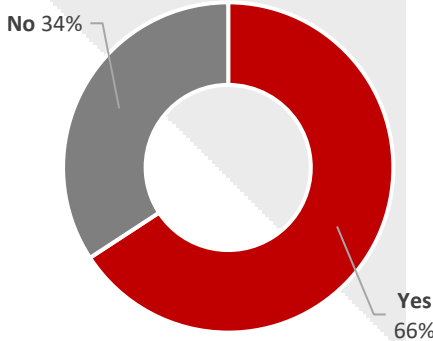
Reported Emission



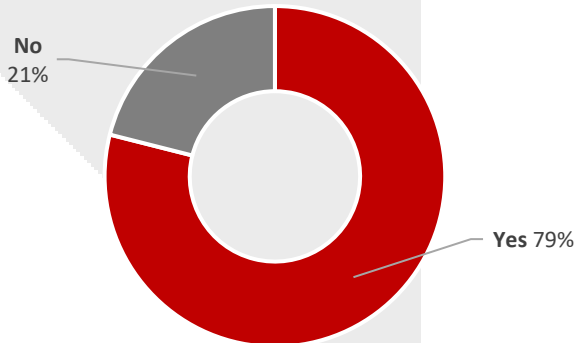
Emission Reduction Target



Engage Suppliers



Report Emission Reduction Initiatives



Science-Based Targets and Scope 3

- ▶ Emissions reduction targets aligned with the latest climate science for keeping warming well below 1.5°C
- ▶ If 40% of emissions are scope 3, must set scope 3 goal
- ▶ 60+ CDP Supply chain members have set SBTs
- ▶ 26 Members asking suppliers to set SBTs through the [CDP Science-Based Targets Campaign](#)



Achieve your scope 3 target with CDP Supply Chain



1. Data collection, engagement and tracking

- **One point of access** for all supplier emissions data, fundamental to creating your supplier engagement strategy and achievement of SBT
- **Streamline communication** about your SBT to suppliers through a single channel, including tailored comms on KPIs and engagement webinars



2. Best in class framework

- CDP questionnaire is the **gold standard** for environmental reporting and is designed to be used as a tool for companies to develop their environmental strategies and enable them to set SBTs



3. Strategy

- Where to **focus engagement** efforts on key suppliers who you need to set an SBT to help build their capacity through guidance and support
- Create a **risk scenario** based on suppliers' current performance and likelihood to set SBTs by end date