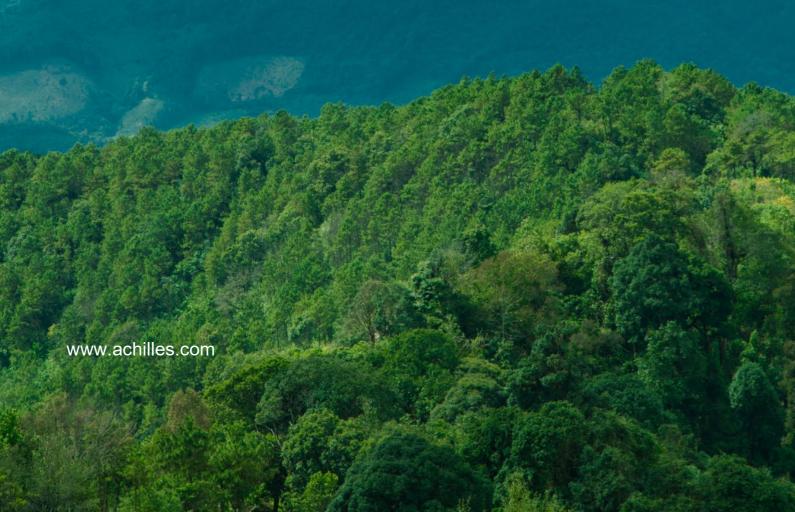


# Advanced Carbon Management Planning

A Roadmap for Scope 3 Reduction and Supply Chain Decarbonisation



# Contents

#### **Advanced Carbon Management Planning**

Section 1

Introduction

Section 2

Business Drivers

Section 3

Advanced Carbon

Management Roadmap

Section 4

Achieving Carbon Zero

Section 5

Next steps

# Section 1

For decades, fossil fuel-powered energy has driven unprecedented human progress and industrial growth. Yet this progress has come at a cost: an intensifying climate crisis that threatens the stability of our planet. In response, governments worldwide have set ambitious goals to transition to a zero-carbon economy, aiming to limit global warming to manageable levels by mid-century.

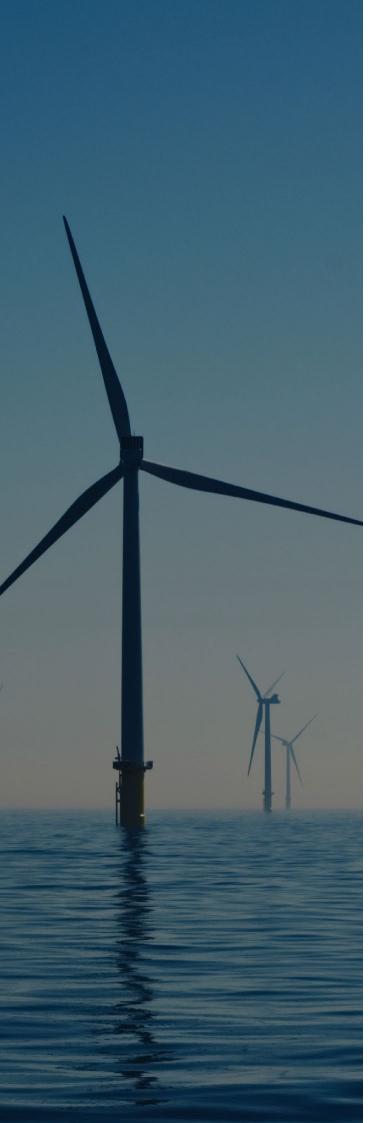
The demand to reduce greenhouse gas (GHG) emissions has reached a critical point, with increased regulatory pressure on businesses to take immediate and measurable action. More than compliance, investors, employees, and consumers now expect companies to prioritise sustainability as part of their core values. These stakeholders are redefining the standards of corporate success, emphasising not only profitability but also contributions to environmental stewardship and social responsibility.

For large organisations, the challenge is even greater. Direct emissions, or Scope 1 and 2, represent only a portion of their total carbon impact.

Reducing Scope 3 emissions through transparent data collection, supplier engagement, and verified reductions has therefore become essential to meeting climate goals aligning with global net-zero targets.

At this point companies must leverage the same innovation they use to deliver market leading products and services to decarbonise their entire value chain.

Achieving lasting impact requires collaboration with suppliers and a systematic approach to identifying and managing their carbon footprints. This eBook aims to support organisations in supply chain decarbonisation. It empowers scope 3 reductions by driving sustainability across supply chains.



## **Business Drivers**

The urgency to address greenhouse gas (GHG) emissions is driven by increasingly stringent regulations, investor expectations, and market demand for transparent, sustainable operations.

Governments worldwide are setting ambitious targets for carbon reduction. This means that businesses, particularly those with extensive supply chains, must adopt a proactive approach to decarbonisation. For large organisations, this means also managing the Scope 1 and 2 emissions of their suppliers, which contribute significantly to overall Scope 3 emissions.

#### **Regulatory Drivers**

**Net Zero Commitment**: The UK has committed to reducing emissions by 78% by 2035 and achieving net zero by 2050. **SERC**: The SECR framework mandates that large UK businesses disclose their energy use and carbon emissions. **ESOS**: Phase 3 of ESOS requires qualifying organisations to audit and report on their energy consumption. It has expanded to include a broader range of companies. By 2024 larger businesses are expected to profile their direct emissions and those within their supply chain, using the data to inform energy-saving initiatives. **Mandatory Financial Disclosures:** The UK government now requires large private and public companies to disclose climate-related financial information, including governance, risk management, and carbon reduction targets.

#### **Global Market Pressures**

Scope 3 Emissions in COP28 Goals: Global climate agreements, such as those made at COP28, have increased focus on reducing indirect emissions, particularly Scope 3 within value chains. As a result, companies are not only incentivised but expected to address the carbon impact of their suppliers.

**Customer and Investor Expectations**: Due to this expectation to reduce carbon emissions by making it a criterion of procurement, businesses must engage suppliers in carbon reduction efforts or risk losing market competitiveness.

Government Contracts: In the UK, businesses are required to publish a clear and credible carbon reduction plan to qualify for government contracts worth over £5 million. Compliance with these standards requires organisations to report on Scope 1, 2, and 3 emissions making supply chain transparency essential.

#### Sustainable Development Goals (SDGs)

Even for organisations who do not experience this direct pressure, the sense of expectation by investors and consumers that business should act responsibly and contribute actively to improving society is growing, creating an informal social licence to operate. More than 20,000 businesses have now signed up to the United Nations' Global Compact (UNGC). This means that their business goals align with the 17 sustainability goals. SDG 13 requires private organisations and governments to "Take urgent action to combat climate change and its impacts". UNGC signatories commit themselves to stating how they are contributing to mitigating climate change in their annual progress reports.

#### **Leveraging for Competitive Advantage**

By creating a transparent approach to Scope 3 emissions, companies can improve operational efficiencies, strengthen supplier relationships, and gain favour with environmentally conscious customers and investors. This proactive stance on carbon management positions organisations as leaders in the global transition to a low carbon economy, enabling them to capture new opportunities while contributing to a sustainable future.

















₫









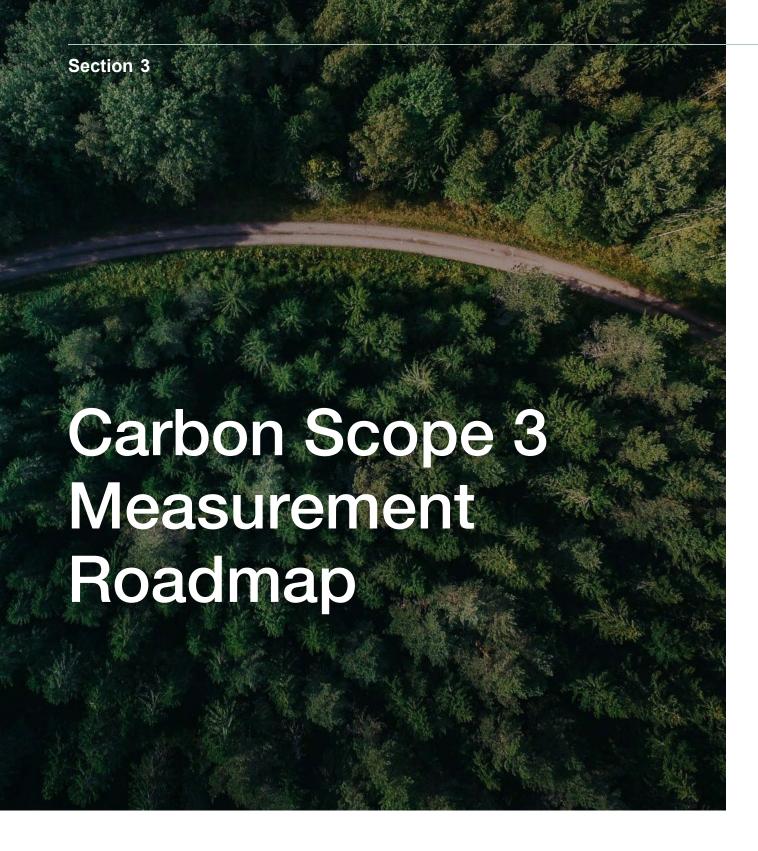












Achieving meaningful carbon reductions requires a comprehensive approach that extends beyond your direct operations and into your supply chain. By focusing on decarbonising Scope 3 emissions through supplier collaboration, your organisation can make measurable strides toward a sustainable future. Using the <a href="Achilles Carbon Module">Achilles Carbon Module</a>, businesses can begin collecting and understanding emissions data across their supply chain, setting the stage for strategic action.



#### **Step 1: Measure Supply Chain Emissions**

The journey to supply chain decarbonisation begins with understanding your emissions footprint. Start by identifying and gathering data on Scope 1 and 2 from key suppliers. This includes emissions generated directly by your suppliers' activities and energy use. Use established frameworks, such as the Greenhouse Gas Protocol, to ensure accurate and standardised data collection, building a reliable baseline for measuring progress.

#### **Step 2: Guiding Suppliers on Data Collection**

Since Scope 3 emissions are primarily generated by suppliers, collaboration is key. Work with suppliers to collect their Scope 1 and 2 emissions data, offering guidance to ensure consistency and accuracy. This process builds transparency within your supply chain and strengthens partnerships. Using tools such as the Carbon Module enables buyers and suppliers to work together enabling unrivalled visibility of scope 3 emissions.

#### **Step 3: Set Initial Reduction Targets**

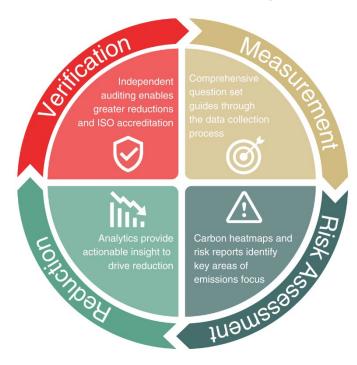
Identify and implement targeted reduction strategies with suppliers. These could include switching to renewable energy sources, optimising logistics, or sourcing materials with lower environmental impacts. By addressing emissions at their source, you can help suppliers make changes that directly contribute to reducing your supply chain's overall carbon footprint.

#### **Step 4: Monitor Progress and Adapt**

Supply chain decarbonisation is an ongoing process. Regular monitoring allows you to track progress, identify new areas for reduction, and adjust targets. This iterative approach ensures that you stay aligned with both your organisation's goals and the evolving regulatory landscape. As the data landscape matures, you can expand efforts to include more suppliers or broader reduction goals.

Starting with these steps allows organisations to take meaningful action on Scope 3 emissions, making it possible to drive gradual reductions across your supply chain.

#### **Achilles Best Practice Carbon Management**



## Achieving Net Zero- The Roadmap Continues

Achieving carbon zero, or net zero, means your organisation has reduced its carbon emissions to the point where it is no longer a net contributor to global GHG levels. This goal has become a benchmark for companies worldwide as governments, industries, and society set ambitious targets to stabilise the climate.

Reaching carbon zero is typically a long-term commitment, requiring sustained reductions over time. While it's possible to make substantial progress by targeting Scope 1, 2, and 3 emissions, eliminating all emissions is often impractical. For most companies, achieving carbon zero requires a combination of emissions reduction and verified carbon offsetting to neutralise any remaining emissions

#### **Step 5: Transition to Verified Reduction**

Begin the process of verifying emissions data. Independent verification provides assurance that the data collected is reliable and accurately represents your emissions footprint. Verification is essential for building trust with stakeholders and ensuring compliance with industry standards. Achilles offers Carbon Reduce certification, the UK's only accredited greenhouse gas certification program. Carbon Reduce uses rigorous standards to verify emissions data and certify carbon offsets, ensuring that your organisation's contributions are aligned with international best practices. Mandating Carbon Reduce certification within your supply chain provides a trusted record of reductions, offering credibility with stakeholders and compliance with evolving standards

#### **Step 6: Support Suppliers in Verification**

Just as measuring Scope 3 emissions relies on supplier collaboration, so too does achieving verified reductions. Work with suppliers to set ambitious but achievable reduction targets and support them as they move toward verified reductions. This step creates accountability and encourages suppliers to engage deeply in the decarbonisation process.

#### **Step 7: Incorporate Verified Offsets**

While reducing emissions is the priority, residual emissions may still exist. Through the Carbon Reduce programme businesses can ensure offset investments are verified and contribute meaningfully to global decarbonisation. Each verified credit represents the removal or prevention of one tonne of CO<sub>2</sub>-equivalent emissions, helping organisations balance their remaining footprint with high-quality, impactful offsets. Achilles helps identify opportunities across your supply chain, from sourcing renewable energy to optimising logistics and reducing waste, directly impacting Scope 3.

#### **Step 8: Set Long Term Net Zero Goals**

Verified reductions are only one part of a larger, ongoing commitment to decarbonisation. By setting long-term goals for achieving net zero, your organisation can create a strategic roadmap that extends well into the future, aligning with national and global targets.

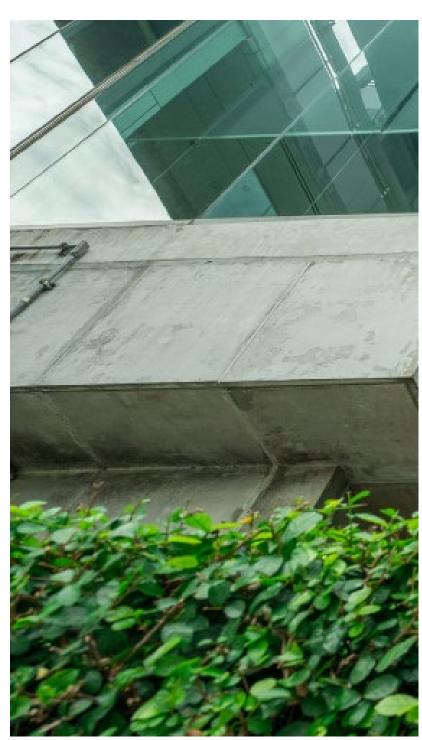
#### **Step 9: Communicate Achievements**



Verified progress should be communicated to your stakeholders. A verified carbon zero status enhances your brand reputation, positions you as a leader in sustainable supply chain management, and strengthens partnerships with environmentally conscious clients. Carbon Reduce enables organisations to confidently highlight progress to clients, investors and stakeholders

#### **Building a Long-Term Decarbonisation Strategy with Achilles**

By following this roadmap, your organisation can progress from accurate carbon measurement to verified emissions reduction and finally to carbon zero. Starting with the Achilles Carbon Measurement Module, implementing supply chain decarbonisation strategies, and mandating Carbon Reduce certification, your business can achieve a resilient, sustainable carbon management strategy. Each of these steps positions your organisation to meet compliance standards, attract new business, and contribute to the global transition to a low-carbon economy.





Section 5

## Next steps

Carbon measurement and reduction is no longer a matter of choice for businesses. Regulatory regimes will become stricter in the coming years, as governments use the levers necessary to make progress towards their own net zero goals. Customers too, whether it is other businesses or the public, are increasingly demanding that the organisations they engage with are part of the solution rather than the problem.

While decarbonisation is no longer a choice, the timing and approach are up to you. Taking proactive control of your carbon strategy today offers your business a competitive advantage, positioning you as a forward-thinking leader in sustainability. By acting now, you can reduce compliance risks, align with customer expectations, and drive value through verified carbon reductions.

Partner with Achilles to establish your carbon reduction strategy. Together, we'll create a decarbonisation roadmap that meets your unique business needs and positions you for long-term success in a low-carbon economy.

Contact us today to discuss your path to sustainable growth and verified carbon reduction.



www.achiles.com

