The Supplier Program Behind Scope 3 Progress

A global guide to prioritizing suppliers, improving data quality, and turning supplier engagement into emissions reduction.

ACT ON IT.

Index.

01.

Scope 3 progress stalls after measurement

Global organizations have become better at estimating and disclosing Scope 3 emissions. The harder part is turning that data into supplier action. Programs stall when companies cannot prioritize where to focus, manage engagement at scale, or give suppliers a clear route to reduce.

That gap is getting harder to ignore. Disclosure requirements are expanding across EMEA, North America, and APAC, while SBTi and the GHG Protocol are raising expectations around Scope 3 coverage, primary supplier data, and data quality.

ACT's view is that Scope 3 programs stall because **the operating model does not support supplier action.**

Progress depends on focusing effort where supplier reduction can have the greatest effect, managing suppliers at scale, reducing supplier-side friction and making participation manageable, and giving suppliers a direct route to reduce.

This guide shows how effective supplier engagement is structured, what leading supplier programs across three regions are doing differently, and how supplier-side renewable electricity procurement can support verifiable reductions that feed into your Scope 3 reporting.

26x
Average supply chain emissions compared with operational emissions
CDP (2024)

11,000+
Companies and financial institutions with science-based targets
SBTi (2026)

95%
Minimum Scope 3 coverage proposed under the revised GHG Protocol
GHGP draft (Mar 2026)

4,600 GW
Renewable capacity to be added globally by 2030 — double what is available today
IEA (2025)

02

Scope 3 regulations are increasing across every major market

The EU specified who must report in 2025–26; the US, Japan, and Australia are introducing Scope 3 rules for the first time.

EMEA

EU — CSRD (post-Omnibus I) — Scope is now narrowed to organizations with higher employees and turnover, however, still requires full value-chain (Scope 3) disclosure. Wave 1 reports are ongoing, while Wave 2 reports on FY2027.

EU — CSDDD — Due-diligence duties retained for the largest companies (5,000+ employees, €1.5B+ turnover) from 2029.

UK — Sustainability Reporting Standards are being phased in for listed and large companies. Scope 3 reporting falls within the requirements.

NORTH AMERICA

US — California SB 253 — Companies with more than $1B in revenue and doing business in CA. Scope 1 & 2 reporting due in 2026, Scope 3 reporting starts in 2027.

Canada — CSSB standards published and already requires climate disclosure including phased Scope 3 for federally regulated financial institutions.

Mexico — ISSB aligned sustainability disclosure phasing in for listed issuers under from 2025 onward.

APAC

Japan — SSBJ — Mandatory reporting for companies with more than ¥3T market cap beginning April 2026, and more than ¥1T from 2027. Scope 3 will also be included.

Australia — AASB S2 — Group 1 reporting live, Group 2 from July 2026, Group 3 from July 2027. Scope 3 mandatory from each entity's second reporting year.

Singapore — Scope 1 & 2 disclosure has been mandatory for all listed issuers since FY2025. Straits Times Index (blue-chip) companies began Scope 3 reporting in FY2026, while non-listed companies stay voluntary for now.

Sources: CARB SB 253/261 regulations & Jun 2026 deadline notice; Directive (EU) 2026/470 (Omnibus I, in force Mar 2026); SSBJ standards & FSA phase-in; AASB S2 / Corporations Act 2001; CSSB CSDS 1 & 2; national regulators. Status as of July 2026 — verify locally before relying.

02

The 2026 standards make supplier data quality more visible

SBTI CORPORATE NET-ZERO STANDARD V2.0

Published June 2026 · mandatory for new targets from February 2028

- **5% significance test —** each of the 15 categories under Scope 3 with an emissions share above 5% of the Scope needs target coverage, replacing the previous 67% aggregate rule.
- **Assurance becomes mandatory —** Category A (large) companies need limited assurance of base-year data and target metrics.
- **Scope 2 follows location-based measurement —** EACs and PPAs count, but need to be reported separately depending on implementation, raising the bar for credible procurement.
- **Supplier engagement is elevated —** V2.0 is more specific in prescribing structured supplier and customer-alignment options as a recognized route to Scope 3 delivery.

GHG PROTOCOL SCOPE 3 REVISION

Phase 1 progress update March 2026 · final standard expected from 2027

- **95% coverage floor —** companies must report at least 95% of their total required Scope 3 emissions to achieve compliance.
- **Data-quality tiers —** reported emissions must be separated by data type, with spend-based examples explicitly labeled under the lowest quality tier.
- **Verification labels —** companies must state whether their Scope 3 data is verified, partially verified, or not verified.
- **Primary data wins —** corporate, spend or averaged data substitutions is restricted, with product and site-level supplier data becoming the default.

This means frameworks are **converging towards primary supplier data** and **demonstrable reductions,** not estimates and intention narratives.

Sources: SBTi, Corporate Net-Zero Standard V2.0 (Jun 2026); GHG Protocol, Scope 3 Standard Revisions: Phase 1 Progress Update (Mar 31, 2026) — proposals subject to public consultation.

02.

Disclosure has matured. Reduction hasn't.

Emissions measurement has expanded significantly in recent years

More than 23,000 companies disclose through CDP. Yet only 15% have set an upstream Scope 3 target, and fewer than 6% require suppliers to disclose climate data.

Engagement is the missing trigger

The gap opens after disclosure. Companies with a defined supplier engagement approach are almost seven times more likely to have an upstream Scope 3 target and a 1.5°C-aligned transition plan.

Action pays back

Through CDP's Supply Chain program, buyer-supplier engagement contributed to 43 million tons of reported emissions reductions in one year.

How many CDP disclosing companies are moving **from measurement to supplier action?**

Sources: CDP & BCG (2024): "Scope 3 Upstream"; CDP, "Strengthening the Chain" (2024) — 23,000+ disclosers, 43 $MtCO_2e$ supplier reductions, ~4 in 10 engaging suppliers, 25% integrating supply chain climate risk, 15% upstream targets, 13% contractual requirements, <6% requiring disclosure.

03.

Better data matters most where it changes decisions

Under the draft GHG Protocol rules, your data mix becomes publicly visible and spend-based estimates will be labeled accordingly.

TIER 4

Spend-based estimates

$ spent × industry emission factor. Fast and cheap to calculate but delivers a blunt depiction: where supplier action is not considered.

TIER 3

Activity-based averages

Physical quantities purchases × average emission factors. Delivers a better view on consumption but still does not consider the actions taken by suppliers you buy from.

TIER 2

Supplier-specific factors

Supplier corporate footprints are allocated to each of your purchases. Supplier data and their emissions reduction process can finally be tracked to regulate your Scope 3 emissions.

TIER 1

Primary product & site data

Added validation comes from carbon footprinting of products & services at the facility level. This is the defensible basis for targets, assurance, and procurement.

You don’t need Tier 1 data from every supplier

Prioritize primary data collection based on projected impacts on your targets, sourcing decisions, or engagement plans. Segment by emissions impact, maturity, category, and region.

Sources: GHG Protocol Scope 3 Standard (2011) data hierarchy; GHGP Phase 1 Progress Update (Mar 2026) — proposed disaggregation of reported emissions by data type.

03.

Supplier decarbonization is an operating-model problem

A program has to work for the team running it and the suppliers being asked to participate. Programs stall when engagement, incentives, and reduction pathways are missing.

HEADCOUNT
Engaging suppliers at scale can absorb 8+ full-time roles across sustainability, procurement, and data teams.

TIMELINE
Supplier maturity can take 5+ years to build organically, which is too slow for 2030 targets four reporting cycles away.

DATA VALIDATION
Manual, unverified supplier submissions are hard to defend in audit, reporting, and internal decisions.

ENGAGEMENT FATIGUE
Duplicated requests, unclear expectations, language barriers, and repeated follow-up suppress response rates.

PATH TO REDUCTION
Suppliers are asked to measure and report without being given a practical, frictionless way to reduce emissions.

BUILD COST
Building the capability in-house can mean $1M+ in platform development plus ongoing maintenance and specialist risk.

Incentives beat information: suppliers are 52% more likely to cut emissions when buyers attach financial incentives, versus training alone.

Sources: ACT client program benchmarks (2025); CDP, “Strengthening the Chain” (2024).

04.

Five moves that make supplier action easier

Across supplier programs that ACT runs in more than 100 countries, the same pattern appears: progress depends on credible data, focus, participation, and a clear, easy route to act.

1 **START WITH THE SUPPLIERS THAT MOVE YOUR FOOTPRINT**
A small share of suppliers typically drives the majority of purchased-goods emissions. Work on segmenting suppliers by impact, maturity, category, and region before engaging anyone.

2 **IMPROVE DATA WHERE IT CHANGES THE DECISION**
Chase supplier-specific and product-level data from your priority suppliers. First interactions will likely lead to most supplier data being modeled for the long tail, which is acceptable as long as the primary versus averaged data mix is disclosed.

3 **RUN CAMPAIGNS, NOT MASS QUESTIONNAIRES**
Segmented 6–8 week engagement waves across supplier groups, with access to training materials, zero-cost tools, and proactive personal follow-up are proven to outperform response rates and data quality from emailed questionnaires.

4 **GIVE SUPPLIERS THE OPTION TO BUY RENEWABLE ENERGY, INSTANTLY**
For many suppliers, renewable electricity is one of the most accessible levers to begin decarbonizing. ACT's global click-to-buy EACs with no minimum volume removes a significant procurement barrier for small and medium suppliers.

5 **CLOSE THE LOOP IN YOUR REPORTING**
Verified supplier reductions must flow back into your supplier-specific emission factors. This means that their action shows up in your Scope 3 inventory, targets, and assurance when it comes to auditing.

Sources: SBTi, Corporate Net-Zero Standard V2.0 (Jun 2026); GHG Protocol, Scope 3 Standard Revisions: Phase 1 Progress Update (Mar 31, 2026) — proposals subject to public consultation.

05.

EMEA

Structured multi-year programs that treat supplier capability-building as core procurement work.

SCHNEIDER ELECTRIC

–38%

operational CO_2 intensity across its top 1,000 suppliers, with –50% by 2026.

FRANCE · ELECTRICAL EQUIPMENT

Schneider enrolled 1,000 suppliers representing around 70% of its upstream emissions - the majority of which started their decarbonization journey from scratch. The program combined training, one-to-one support, and regular progress tracking across more than 50 countries.

ZF

100%

renewable-electricity supply chain goal, advanced through supplier engagement, education, and digital procurement.

GERMANY · AUTOMOTIVE SUPPLIER · DECARBONIZED WITH ACT

ZF's suppliers weren't adopting renewable electricity fast enough. With ACT, they chose to pair engagement and education with a digital procurement marketplace. Suppliers had click-to-buy EAC access for simplified procurement with no minimum purchase volume, increasing supplier participation toward the company's 100% renewable supply chain goal.

UNILEVER

Top ~300

highest-impact suppliers prioritized for carbon footprint sharing, target setting, and product-level data.

UK · BENELUX · CONSUMER GOODS

Unilever's Climate Transition Action Plan pushes key suppliers that they have prioritized to report carbon footprints, set their own reduction targets, and move toward product-level carbon data. The company has also embedded climate action into sourcing decisions while integrating climate expectations into sourcing decisions.

Sources: Schneider Electric Sustainability Impact reporting & WBCSD Climate Drive (2024); ACT–ZF case study (2025); Unilever Climate Transition Action Plan & Supplier Climate Programme disclosures.

05.

North America

Hard buyer expectations, practical supplier support, and recognition that rewards progress.

WALMART

1Gt

of CO_2e reduced, avoided, or sequestered in product value chains, six years ahead of the 2030 goal.

US · RETAIL

Walmart gave thousands of suppliers a simple structure: pick a lever - energy, packaging, waste, transport, nature, product design - set a target, and report progress. Recognition tiers now include 'Giga Guru' which demands more extensive disclosure, including those with high Scope 1 & 2 footprints and renewable electricity use. This shows how buyer expectations can keep rising after the headline goal is met.

MICROSOFT

200+

smaller suppliers supported with audit-ready inventories, service carbon footprints, and consultant letters.

US · TECHNOLOGY · SUPPLIER ENABLEMENT WITH ACT

To advance its 'carbon-negative-by-2030' goal, Microsoft requires its supplier to calculate emissions data. With ACT, Their suppliers' path to action barrier was reduced by connecting smaller suppliers to recommended affordable software and sustainability managers offering verified calculation declaration. Suppliers described the engagement process as moving from months of confusion to a guided, fast process.

S&P GLOBAL

2,500+

suppliers engaged. More than 25% now report emissions data and a further 10% set Science-Based Targets.

US · INFORMATION SERVICES

S&P Global set a target for 81% of their suppliers (based on spend) to set Science-Based Targets. Readiness assessments, quarterly webinars, preferred-price support, and per-supplier emission factors turned a compliance ask into measurable movement towards maturity, including suppliers going from "why carbon?" to carbon-neutral within a year.

Sources: Walmart corporate announcement (Feb 2024); Microsoft supplier program & ACT case study (2025); S&P Global responsible procurement program & ACT case study (2025).

05.

Asia-Pacific

Renewable electricity as a way to anchor supplier action by setting a clear expectations and making local procurement feasible.

SONY

JAPAN · ELECTRONICS

FY2040

net-zero value chain target, pulled forward by ten years, with Scope 3 down 25% by FY2030.

Sony's GM2030 plan (FY2026–30) asks major raw-material and component suppliers to move to 100% renewable electricity for Sony-related production. This requirement runs in parallel to their own RE100 commitment target reduction of 60% across Scope 1 & 2. Demonstrating how clear buyer expectation can anchor action across a complex regional manufacturing base.

APPLE

CHINA · JAPAN · S. KOREA · ELECTRONICS

20.7 GW

of renewable capacity now operational across Apple's supply chain, avoiding 26+ $MtCO_2e$ in 2025.

Apple's Supplier Code of Conduct requires 100% renewable electricity for all Apple production before 2030, backed by funding structures and market access. This has largely been delivered at manufacturing partners across China, Japan, and South Korea.

TELSTRA

AUSTRALIA · TELECOMMUNICATIONS

Spend × CO_2e

supplier prioritization model, raising engagement targets and supplier coverage year over year.

Telstra models supplier selection based on emissions and procurement spend and follows up by setting expanding expectations across their engaged cohort annually. This pragmatic template is an example for Australian companies now phasing into AASB S2 Scope 3 reporting from their second reporting year.

Sources: Sony Green Management 2030 announcement (Sep 2025); Apple Environmental Progress Report 2026 / ESG Today (Apr 2026); CDP, "Strengthening the Chain" (2024).

06

What this means for procurement and sustainability teams

FOR PROCUREMENT

- Treat supplier emissions as a sourcing criterion: build carbon into selection, contracts, and incentives - **the reason why suppliers are 52% more likely to act.**
- **Segment the supply base by emissions impact and maturity** and reserve intensive engagement for the vital few.
- In the EU, respect the Omnibus value-chain cap: **request only proportionate data from suppliers under 1,000 employees and offer tools,** not just questionnaires.
- **Give suppliers a route to act:** renewable electricity procurement without specialist teams or volume thresholds.

FOR SUSTAINABILITY

- **Get assurance-ready:** SBTi V2.0 makes limited assurance mandatory for large companies, with regulators following closely.
- Map your Scope 3 categories against the coming 5% significance test and the 95% coverage floor, so you can **quantify what to include and exclude.**
- **Track your data mix by tier** so the share of spend-based estimates will become a visible quality signal.
- **Design targets so supplier action is measurable:** supplier-specific emission factors, verified reductions, and a clear reporting loop.

Q1
Baseline & segment: Scope 3.1 & 3.2 calculation, supplier screening

Q2
Pilot: 6–8 week engagement campaign with ~25 priority suppliers per round

Q3
Enable action: renewable electricity procurement for suppliers through easy to access tools

Q4
Close the loop: ensure verified supplier emission reductions converted into reporting & targets

Sources: CDP (2024); SBTi CNZS V2.0 (2026); Directive (EU) 2026/470 value-chain cap; GHGP Phase 1 update (2026).

07.

ACT's operating model behind measurable supplier progress

ACT runs managed supplier campaigns at scale, validates supplier data, and gives suppliers a practical route to Scope 2 reductions that can feed into your Scope 3 reporting. Below are the 4 products we offer that can be combined, or used independently depending on your supply chain decarbonization needs and maturity level.

01 · MEASURE

Audit-grade Scope 1, 2, and 3 measurement with finance-ready controls.

02 · PLAN

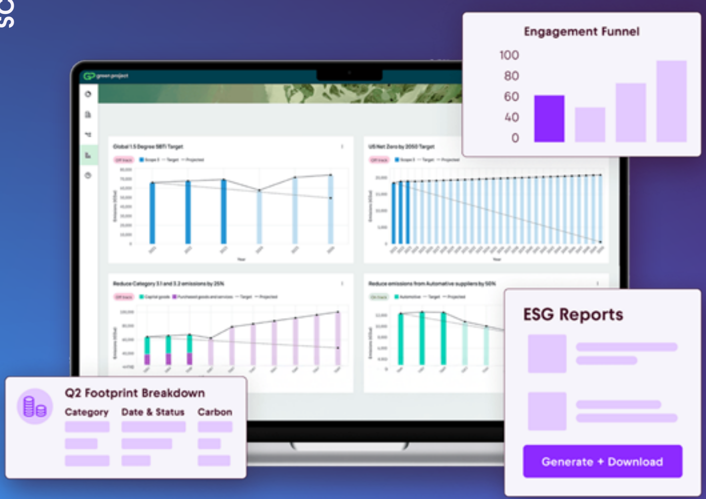
Identify priority suppliers by emissions impact, maturity, category, and region.

03 · REDUCE

Managed 6–8 week campaigns with tools, education, outreach, and 1:1 support.

04 · ACT

A digital marketplace with instantly transactable global EACs, with no minimum volume requirements.



6,000+
suppliers engaged

15-20
day average onboarding time

100+
countries covered

NO
min. EAC volume

See the full supplier decarbonization solution →

Discover what ACT's supplier engagement program could look like for you and your suppliers, starting with a 25-supplier pilot.

ACT ON IT.

ACT

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