CGF TNZ Coalition

Supplier sustainability targets – Resource guide

November 2024

With the support of

BCG BOSTON CONSULTING GROUP

Supplier Sustainability Targets | Designed for suppliers representing 60-80% of your supplier-driven scope 3 emissions

	Dimension	Supplier targets	By end of
Emissions	1 Emissions measurement & disclosure	• Assess and publicly disclose Scope 1, 2 & 3 emissions, in line with GHG Protocol	2026
	2 Emissions reduction plan/strategy	• Set targets[1] aligned with limiting global warming to 1.5°C for Scope 1, 2 & 3[1] and build a science-aligned action plan to reach these targets[2]	
Energy	3 Renewable electricity	• Set targets to switch to majority renewable electricity globally by 2030 ideally, 2035 at latest[3]	
	4 Renewable heat	• Demonstrate progress towards switching operations to clean heat[4]	2030
Resource use	5 Deforestation and Conversion-Free	• Commit to demonstrating progress towards DCF for all relevant commodities (notably soy, palm, paper, pulp and packaging, and beef) by setting a DCF commitment with ambitious cut-off and target dates and with regular milestones and action plans, and publicly reporting on %DCF[5]	2026
	6 Regenerative Agriculture	• Start adopting regenerative agriculture practices to protect soil health and reduce carbon emissions	2026
		• Scale up regenerative agriculture practices, preferably in line with external frameworks e.g. OP2B or SAI, and adopt a landscape approach where relevant	2030

1. Ideally near term and net zero 2. Recommendation to align with the frameworks and principles for transition plan as designed by ESRS/CSRD, Transition Plan Taskforce Framework and CDP, or other external frameworks depending on regional context 3. Leveraging guidance from RE100 or similar to support the transition 4. Clean is defined as zero carbon / carbon neutral technologies including but not limited to electrification heat technologies (e.g. heat pumps, e-boilers), biofuels (e.g. biomethane, biomass), other technologies (e.g. solar thermal, geothermal, Green hydrogen). Natural gas is not included. Heat includes both building and process heat emissions, and spans all possible temperature ranges 5. In alignment with the CGF FPC Commodity Roadmaps

Supplier Sustainability Target - Emissions | Key terms and resources

Emissions	1 **Emissions measurement & disclosure**	• Assess and publicly disclose Scope 1, 2 & 3 emissions, in line with GHG Protocol	2026
	2 **Emissions reduction plan / strategy**	• Set targets[1] aligned with limiting global warming to 1.5°C for Scope 1, 2 & 3[1] and build a science-aligned action plan to reach these targets[2]	

Key definitions:

Scope 1: Direct GHG emissions from owned or controlled sources[3] (e.g., company vehicles, on-site fuel use)

Scope 2: Indirect GHG emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company[3]

Scope 3: All other indirect emissions that occur across the company's value chain including both upstream and downstream[3]

Relevant resources to start with include:

GHG Protocol - Global standard for measuring and managing GHG emissions (*See link for standards overview & guidance frameworks)*

ESRS - Standards that define how companies under CSRD should report sustainability metrics (*See link for sector guidance and implementation resources)*

CSRD - EU directive mandating companies to report on environmental and social impact (*See link for overview of reporting standards)*

SBTi - Develops standards, tools and guidance to allow companies to set emissions reduction targets (*See link for sector-specific target guidance)*

CDP - Resource that helps companies and cities disclose their environmental impact (*See link for overview of framework and standards)*

TPT - Disclosure framework for transitioning to a low-carbon economy (*See link for framework & recommendations)*

1. Ideally near term and net zero 2. Recommendation to align with the frameworks and principles for transition plan as designed by ESRS/CSRD, Transition Plan Taskforce Framework and CDP, or other external frameworks depending on regional context; 3. GHG Protocol

Supplier Sustainability Target - Energy | Key terms and resources

Energy	3 Renewable electricity	• Set targets to switch to majority renewable electricity globally by 2030 ideally, 2035 at latest[1]	2026
	4 Renewable heat	• Demonstrate progress towards switching operations to clean heat[2]	2030

Key definitions:

Renewable Electricity: Electricity from renewable energy sources such as wind, solar, or hydropower[3]

- **Renewable Energy:** Replenished naturally but may still produce some emissions (e.g., biomass)**Please note RE100 definition of renewable energy does **not** include nuclear energy though considered an emissions-free energy source by IEA*
- **Emissions-Free Energy:** Produces no direct emissions but may or may not be renewable (e.g., nuclear energy)[4]

Clean Heat Technologies: Technologies that provide heating through low or zero carbon sources, including but not limited to, heat pumps, biofuel, and solar thermal[2,4]

Relevant resources to start with include:

Renewable electricity
RE100 - Global initiative encouraging companies to commit to 100% renewable electricity (*See link for technical guidance & FAQs)*

Clean heat
International Renewable Energy Agency - Intergovernmental organization that offers reports and data on renewable heating technologies (*See link for energy transition planning guidance)*

Renewable electricity & clean heat
IEA - Organization that offers resources to help guide businesses and governments in implementing effective strategies for reducing emissions and improving energy sustainability across sectors (*See link for energy supply and transformation guidance)*

1. Leveraging guidance from RE100 or similar to support the transition; 2. Clean is defined as zero carbon / carbon neutral technologies including but not limited to electrification heat technologies (e.g., heat pumps, e-boilers), biofuels (e.g., biomethane, biomass), other technologies (e.g., solar thermal, geothermal, Green hydrogen). Natural gas is not included. Heat includes both building and process heat emissions, and spans all possible temperature ranges ; 3. RE100 definition of renewable energy does not include nuclear; 4. IEA

Supplier Sustainability Targets – DCF | Key terms and resources

Resource use	5 **Deforestation and Conversion Free**	• Commit to demonstrating progress towards DCF for all relevant commodities (notably soy, palm, paper, pulp and packaging, and beef) by setting a DCF commitment with ambitious cut-off and target dates and with regular milestones and action plans, and publicly reporting on %DCF[1]	2026

Key definitions:

DCF (Deforestation and Conversion-Free): Elimination of deforestation, forest degradation and conversion from key commodity supply chains[2]

Relevant resources to start with include:

CGF Forest Positive Coalition - Group of CGF member companies committed to working together to move towards a forest positive future by eliminating deforestation from their supply chains (*See link for overview of key coalition projects to end commodity driven deforestation)*

CGF Commodity Roadmaps - Set of strategic plans developed by CGF Forest Positive Coalition to guide the sustainable sourcing of key commodities, aiming to eliminate deforestation and promote responsible supply chains (*See link for Commodity Roadmaps)*

SBTi FLAG - Forest, land & agriculture specific guidance under SBTi focused on providing companies in land-intensive sectors with methods to set science-based emissions reduction targets, particularly addressing deforestation and land use change impacts (*See link for SBTi FLAG guidance*)

AFi - Collective effort of diverse organizations (including CDP, WRI and the Nature Conservancy) that provides guidance on ethical sourcing and deforestation-free commitments (*See link for framework*)

1. In alignment with the CGF FPC Commodity Roadmaps; 2. CGF Forest Positive Coalition

Supplier Sustainability Target – Regenerative Ag. | Key terms and resources

Resource use	6 **Regenerative Agriculture**	• Start adopting regenerative agriculture practices to protect soil health and reduce carbon emissions	2026
		• Scale up regenerative agriculture practices, preferably in line with external frameworks e.g., OP2B or SAI, and adopt a landscape approach where relevant	2030

Key definitions:

Regenerative Agriculture: Practices such as using cover crops, crop rotation, tillage reduction of perennials with the aim to improve soil fertility, water retention, biodiversity enhancement, carbon sequestration and to foster more resilient agricultural systems[1]

Landscape Approach: Integration of economic, social, and environmental considerations by addressing issues within the context of the broader ecosystem and society, ensuring sustainable development that benefits both current and future generations[2]

Relevant resources to start with include:

OP2B - Cross-sectoral, action-oriented business coalition focused on protecting biodiversity with a specific focus on agriculture (e.g., scaling regenerative agriculture, enhancing cultivated biodiversity, protecting high-value ecosystem) (*See link for framework*)

SAI Platform - Global value chain initiative for sustainable agriculture that aims to empower members and drive sustainable practices (*See link for overview of tools and programs*)

1. OP2B; 2. SAI Platform

Additional Resources

Additional resources | Emissions targets

1 Emissions measurement & disclosure

- Maximize Value from Climate Reporting
- Enable Scope 3 Data Transparency (case study)
- Measure and Reduce Scope 3.1 Purchasing Emissions (case study)
- Develop In-House, Web-Based Tools to Calculate CO2 Footprint (case study)

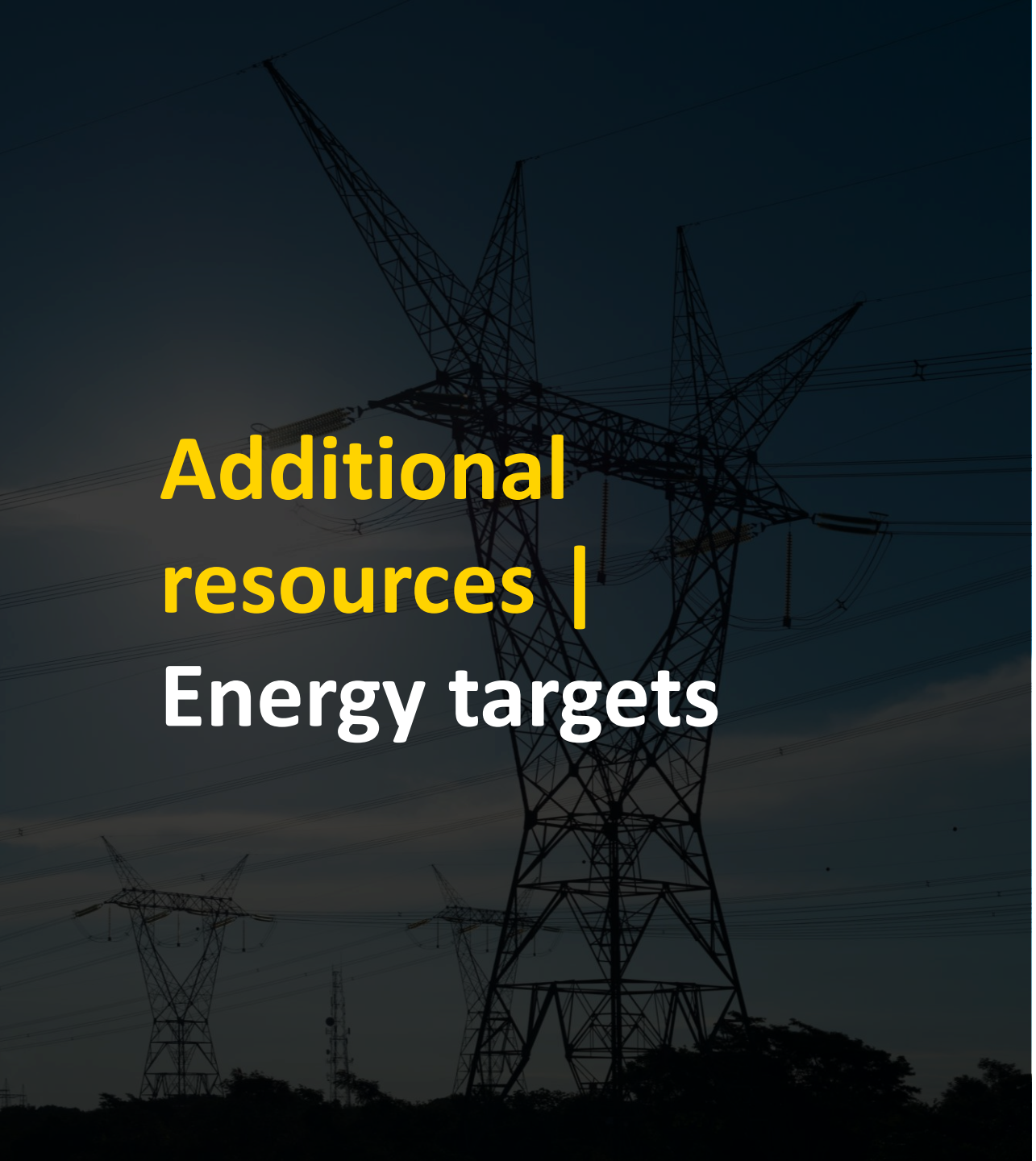
2 Emissions reduction plan/strategy

Writing the plan

- Design Climate Transition Plans – An Overview
- Prioritize and Implement Decarbonization Levers
- Leverage MACCs to Inform Decarbonization Strategy
- Procure Natural Climate Solutions Carbon Credits

Integration/activation

- Integrate Climate into Strategic Planning
- Integrate Climate into Corporate Financials
- Embed Decarbonization Requirements in Procurement
- Activate the Organization to Support Sustainability Goals
- Design a Supplier Engagement Program
- Decarbonize Suppliers through a Collaborative Approach



Additional resources | Energy targets

3 Renewable electricity

- Build a Strategic Approach to Renewable Energy Sourcing
- Source Renewable Electricity with PPA
- Switch to Solar Energy with Rooftop Photovoltaics
- Harness PPA for Renewable Electricity (case study)
- Invest in Solar Power for Affordable and Clean Energy Supply (case study)
- Use a Simplified Lease Program for Renewable Energy (case study)

4 Renewable heat

- Convert Biowaste into Biogas to Accelerate Decarbonization
- Switch to Low-Carbon Fuels: Deep Dive on Low-Carbon Hydrogen
- Switch to Renewable Energy to Decarbonize Industrial Heat
- Use Geothermal Energy to Decarbonize Buildings and Warehouses (case study)

Additional resources | Resource use targets

5 Deforestation and Conversion-Free

- Use Nature-Based Solutions as Part of Net Zero Action

6 Regenerative agriculture

- Use Regenerative Practices to Reduce Agricultural Emissions
- Incentivize Regenerative Agriculture in Dairy Production
- Optimize Nutrient Management for Reduced On-Farm Emissions
- Reduce Rice Cultivation Emissions via Integrated Methods
- Reduce Enteric Fermentation Emissions from Ruminant Animals
- Reduce CH_4 & N_2O Emissions with Livestock Manure Management
- Convert Biowaste into Biogas to Accelerate Decarbonization