accenture

SBT Learning Webinar Series

Engagement Report

BORD BIA
IRISH FOOD BOARD

Origin Green
IRELAND

Executive Summary

Science Based Targets (SBTs) are fast becoming the quality label of climate action and are critical for Irish food, drink, and horticulture companies to demonstrate emissions reduction credibility to their customers, investors, employees, and regulators.

Introduction from the Origin Green Team

Ireland's €13 billion food and drink export industry has established a hard earned global reputation as a leading producer of high quality sustainable food and drink.

As highlighted in Food Vision 2030, Origin Green has been instrumental in monitoring and driving improvements in environmental sustainability, and demonstrating this to trade customers and consumers, both at home and abroad.

However, maintaining Ireland's international reputation for sustainable production, and improving the environmental impact of our food production methods must continue to be evidence based. This is specifically the case for the Irish food, drink, and horticulture industry in order to achieve the Climate Action Plan 2021 targets of reducing Ireland's emissions by 51% by 2030, and to achieve net zero by 2050. Similarly, Bord Bia's Global Sustainability Insights research found that emission reductions is a key requirement of global customers.

Science Based Targets (SBTs) are fast becoming the quality label of climate action and are critical for Irish food, drink, and horticulture companies to demonstrate emissions reduction credibility to their customers, investors, employees, and regulators. Emissions reduction targets are considered "science based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement to limit global warming to well below 2°C above pre industrial levels and pursue efforts to limit warming to 1.5°C.

However, the process for setting Science Based Targets can be complex, and delivery on them can be challenging for teams with limited capacity. The methodologies, standards, and solutions for setting and delivering on SBTs are evolving, requiring frequent review by food, drink, and horticulture companies.

To support Origin Green member companies Bord Bia worked with Accenture to deliver the Origin Green SBT Webinar Series in the first half of 2022. The SBT webinar series was designed to take large scale Origin Green member companies through the process of setting and delivering on Science Based Targets, while also informing members on how to effectively communicate these targets to the market and their stakeholders. The webinar series attracted a high level of sector participation with over 130 organisations attending the sessions.

The long term ambition of the webinar series is to support Origin Green companies to adopt ambitious emissions reduction targets, which are needed to meet increasing regulatory and market requirements.

DEIRDRE RYAN
Director of Origin Green

MARTIN HOFLER
Sustainability Partnership and Development Manager

Key insights from the SBT Learning Series and key summary material for member companies

Purpose of the document

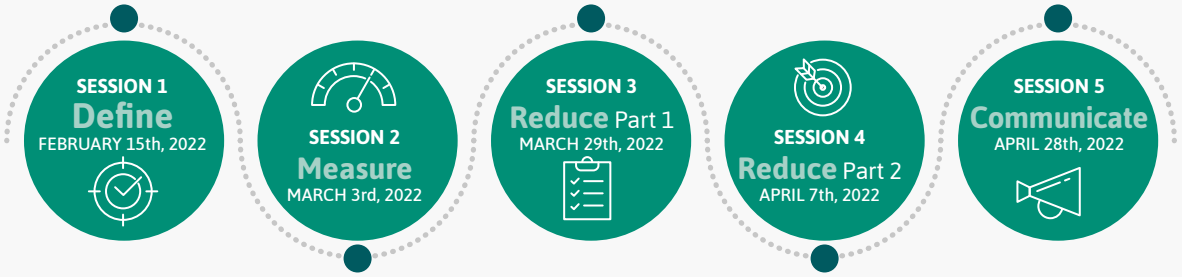
The engagement report follows on from a five part SBT Learning Webinar Series conducted by Accenture Strategy on behalf of Origin Green. The report summarises the key insights gathered through engagement with participants to understand members' progress on their SBT journeys, and highlights the common challenges members face.

In addition to providing insights for Origin Green, the report is intended for member companies and includes a selection of material to support members in progressing towards developing a SBT.

Overview of the webinar series

The webinar series consisted of five sessions, which can be found on Origin Green's website **here**, and was presented by a range of external speakers to cover four key topics in total:

- **Introducing SBTS:** An introduction to SBTs and the imperative to take urgent climate action.
- **Measuring emissions:** The methodologies and tools needed to measure Scope 1, 2 and 3 emissions.
- **Reducing Scope 1, 2 and 3 emissions:** The various levers companies can pull to reduce emissions across all scopes and make progress on their SBTs.
- **Communicating SBTs:** The recommended approaches to communicate SBTs, and broader sustainability performance, to various sets of stakeholders.



Speaker representatives from: KERRY, wrap, ESB Energy for generations, DEVENISH Beyond Nutrition

The report is composed of the following four sections

SECTION	TITLE	PURPOSE	PAGE NUMBER
1	Context: the SBTi imperative	An upfront context setting section to understand what SBTs are and the rationale for setting a SBT.	7-13
2	Key insights from the Origin Green SBTi webinar series	An overview of key engagement insights to understand members' progress towards SBTs and the common challenges members face.	14-18
3	Origin Green SBTi webinar session summaries	An overview of each session complimented by a selection of the session's key slides to support members' progress.	19-50
4	SBTi resources and contact details	A concluding section with information on materials to support members on their SBT journeys, and key contact details.	51-54

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1. Context: The SBT Imperative

An upfront context setting section to understand what SBTs are and the rationale for setting a SBT.

1.1 Introducing a Science Based Target

The SBTi enables organisations to set science-based emission reduction targets

What is a Science Based Target?

Greenhouse gas (GHG) emissions reduction targets are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

What is the Science Based Targets Initiative (SBTi)?

The SBTi is a partnership that mobilizes the private sector to take the lead on urgent climate action primarily by validating organisation's emissions reduction targets.

What does the SBTi do?

1. **Defines and promotes best practice** in emissions reduction and net-zero targets.
2. Provides **technical assistance and resources** to companies.
3. Provides companies with independent **assessment and validation** of targets.

1.2 Stakeholder and Regulatory Pressures

There is now a growing focus on credible sustainability targets and performance driven by four key stakeholders

Investor Pressure

Global ESG assets on track to exceed **$53 trillion by 2025**, more than a third of projected total assets under management.[1]

Consumer Pressure

62% of customers want companies to take a stand on issues like sustainability.[2]

Regulatory Pressure

Stimulus packages are increasingly **tied to ESG conditions**; 25% of the EU's plan is allocated to "green" initiatives.

Employee Pressure

Purpose-driven organisations have **increased productivity**, but only 21% of employees believe their employer's commitment goes beyond the "superficial".[3]

Sources: [1]Bloomberg, 2021; [2]To Affinity and Beyond – Accenture, 2018; [3]Accenture analysis of executive and employee surveys

1.2 Stakeholder and Regulatory Pressures

There is a greater requirement for verified carbon data due to ever increasing legislation

Jurisdictions around the world are requiring organisations to measure and disclose emissions data on an annual basis and disclose their exposure to physical and transition risks. These requirements will only become more demanding requiring more transparency on a wider range of ESG topics.

December 2019

The EU Green Deal

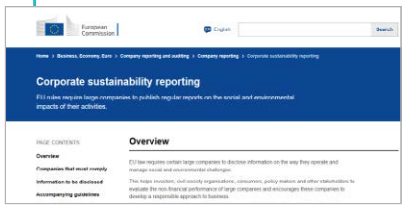
The European Green Deal is the new growth strategy for Europe and a dedicated roadmap for making the EU's economy sustainable.

2022

EU Taxonomy

The EU Taxonomy is a classification system outlining a list of sustainable economic activities aimed at scaling up sustainable investment and delivering on the Green Deal.

Late 2022



CSR Directive

The goal of the Corporate Sustainability Reporting (CSR) Directive is to provide investors with ESG data for investment decisions and to enable wider stakeholders assess sustainability performance and impact.

It also requires companies to identify and prevent adverse impacts as a result of their activities on the environment or on human rights.

Future

TDFD

The EU is moving towards mandatory climate-related financial disclosures based on the Task Force on Climate- related Financial Disclosure (TCFD) framework.

Non-exhaustive example solutions

1.3 Creating Value for your Business

Measuring and reducing carbon emissions can create value for your business

Reducing emissions can drive these four benefits for Origin Green member companies:

Cost Reduction and Efficiency

- Accurate measurement of emissions improves **visibility and access to cost reductions and efficiencies**.
- Measuring emissions and associated climate-related risk may decrease cost of capital.
- Drive **cost reduction** for your business in terms of reducing energy demand and **mitigating hikes in energy prices and carbon taxes**.

Profitability and Market Share Capture

- Accurate measurement of emissions can enable sustainable product differentiation – a lever for **margin uplift or market share capture**.
- Improve **access to markets and sales up-lift** from trust and preference by customers.

Collaboration and Innovation

- Accurate measurement of emissions across the value chain can create new value by enabling **collaboration and innovation with supply chain partners**.
- New **sustainable products** and services in your portfolio.

Brand Value

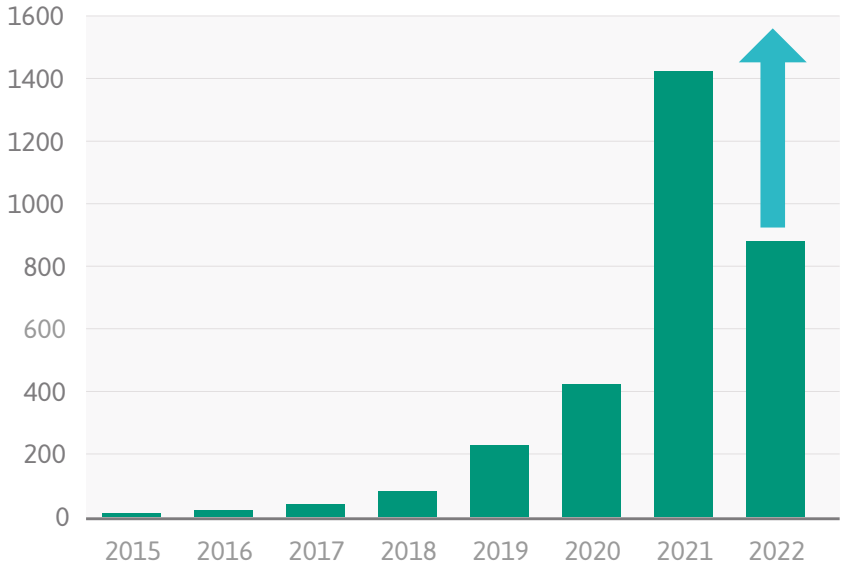
- Both consumers and employees are sensitive to the image of a company; increasingly company sustainability has become an effective **lever to increase brand value and attract talent**.
- Increases **customer trust and loyalty** and helps your brand to lead by example.

1.4 SBTi Engagement

The number of companies engaging with the SBTi has grown rapidly

Companies in Ireland and around the globe understand the value of scientifically verified targets and are taking action.

Number of global companies engaging with SBTi



Companies taking action as of May 2022

3,019
Companies taking action through the SBTi

1,393
Companies with STBs approved

1,057
Companies with net-zero commitments

50 **Irish based companies**
taking action through SBTi, 13 of which are Food, Beverage and Agri

Source: SBTi Correct as of 17th May 2022

1.4 Origin Green is also requiring its members to accelerate action

An emissions target is mandatory for all members with a turnover >€50m

Overview

In March 2021, **Origin Green** put carbon emission targets on a mandatory footing for food and drink manufacturers as the sector seeks to accelerate its contribution to the Programme for Government's aim of carbon neutrality by 2050.

This marked a significant shift for the Origin Green programme as member companies will now go beyond reductions of energy-related emissions, to include a more comprehensive assessment of their entire carbon footprint, including value chain emissions which incorporates all indirect emissions (scope 3) associated with food and drink manufacturing.

In order to drive impact at a large scale, Bord Bia has introduced mandatory carbon emission targets for Origin Green members with a turnover greater than €50 million. These plans will be reviewed, monitored annually, and independently verified by international specialists Mabbett.

As was notified at the beginning of 2021, Origin Green members at the Tier 1 and 2 levels (turnover >€50 million) annually, are now required to set a mandatory emissions target.

Training will commence for these members in February 2022 and will be delivered by leading experts in this area. The Origin Green support team will also be on hand to guide members through these new requirements as outlined below.

Origin Green Emissions Target Area Requirements 2022 – Tier 1 and 2 Members

- An emissions target must be submitted in 2022 in tandem with the 2021 annual review.
- Members can use the Origin Green carbon calculator tool (or equivalent) to convert Scope 1, 2 and 3 based emissions to CO2 equivalent (CO2e). Origin Green mentors are on hand to offer support and guidance with this task.
- Where Tier 2 members are having technical difficulties formulating a comprehensive baseline for Scope 3 emissions reporting, and provide suitable justification, they may be given an opportunity to define their scope 3 boundary throughout 2022 to be submitted in 2023. This will be assessed on a case-by-case basis. In such instances, members struggling in this area may be redirected for additional training and support.
- Due to the complexities involved in calculating Scope 3 emissions, members will be required to refresh and update these figures on a bi-annual basis.

Available emissions supports: For a full list of emissions supports available from Bord Bia, **see page 53**

2. Key Insights from the Origin Green SBTi Webinar Series

An overview of key engagement insights to understand members' progress towards SBTs and the common challenges members face.

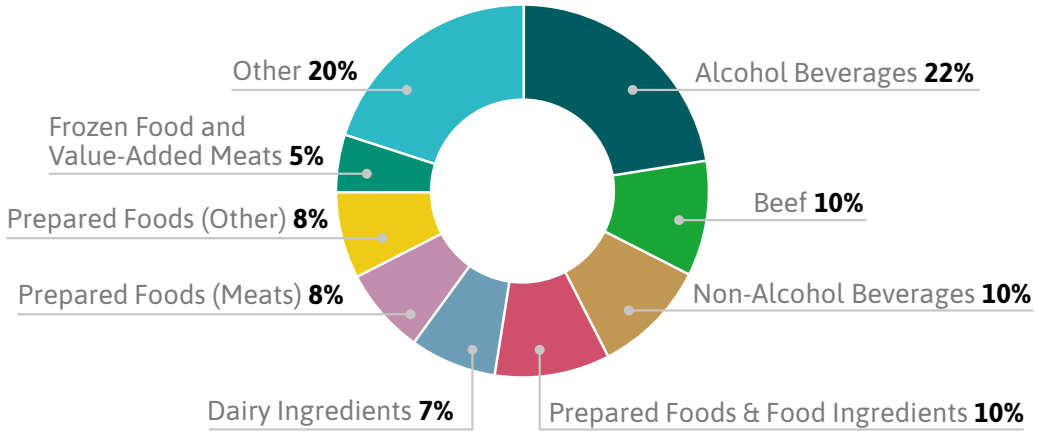
2.1 Origin Green Member Participation

The Origin Green SBTi webinar series engaged a wide range of Irish food and beverage companies

The Audience

Origin Green member companies across all Tiers (1-5) and from a range of sub-sectors joined the SBT Learning Series, providing a holistic view of industry progress, perspectives and approach to Science-Based Targets.

Webinar series participant sectors



Source: Typeform survey to participants, February 2022

Engagement Mediums

These insights were collected utilising various engagement mediums, including:

Various **Mentimeters** (an online survey tool that enables users to share opinions and give feedback through polls and questions) were used during the course of the series to engage participants and access key information on members' SBT-related challenges and future plans.

Multiple **Q&A** sections towards the end of the session to answer specific questions submitted by audience members.

2.2 Common Member SBT Challenges

Members told us they face common challenges throughout their SBT journey

Through a combination of Mentimeters and the initial survey, we were able to identify common challenges stopping members from progressing on their SBT journey.

To what extent do you understand Science-Based Targets (SBTs)?

40% **of members** were "aware of SBTs but do not fully understand the process".

36% of members had **"little/ no understanding of SBTs** and the process".

What are the key barriers stopping Origin Green members from progressing on their SBT journeys?

Members struggle to tackle SBTs due to a **lack of understanding, knowledge, and expertise** around the topic, further compounded by lacking the resource (time and money) needed to progress.

Source: Responses to Mentimeter from webinar series, March 2022

What are the key barriers Origin Green members are facing when trying to mobilise Scope 1 and 2 reduction projects?

Origin Green members have identified lack of capital, time, focus, and organisational buy-in as some of the key barriers to progressing reduction projects.

59% **of members** said cost was the most common barrier.

Series highlight

Link to video

We heard from Karen O'Regan about the increasing business importance to take swift action on climate through setting SBTs, but also the opportunity this presents to build trust with stakeholders.

2.3 Scope 1 and 2 Reduction Levers

Members are reducing Scope 1 and 2 emissions, but struggle to fund ambitious projects

Through several Mentimeters, we were able to understand the Scope 1 and 2 reduction levers members are mobilising, or plan to mobilise in the future.

Which key levers are you already mobilising/ focusing on to reduce Scope 1 and 2 emissions?

Origin Green member companies have an understanding of the levers needed to reduce Scope 1 and 2 emissions, but are struggling to get capital to progress major projects. **However, levers such as energy efficiency and heat recovery are already being acted upon.**

What are the key barriers you're facing in your organisation when trying to mobilise Scope 1 and 2 reduction projects?

Responses from members varied, but the main barriers were cost, lack of time, and support from management. **There is a big interest in solar panels and heat pumps**, but these were not mobilised due to their cost.

Which Scope 1 and 2 reduction levers are you not yet focusing on but plan to in the future?

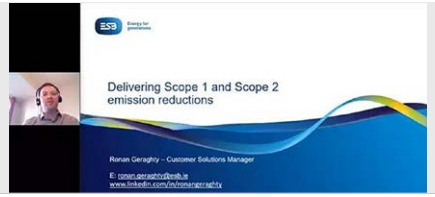
Some of the longer-term levers which may be more capital-intensive are in the future plans of member companies.

32% **of members** said "electric vehicles" was one of the main levers considered for future adoption.

Series highlight

Link to video

We heard from ESB about innovative solutions to reduce Scope 1 and 2 emissions through heat recovery, heat pumps, and solar power. Origin Green member companies expressed high level of interest in on-site renewables and the various funding models to deliver them.



Source: Responses to Mentimeter from webinar series, March 2022

2.4 Scope 3 Reduction Levers

Members are reducing Scope 3 emissions but struggle to engage with suppliers and gather data

Through several Mentimeters, we were able to understand the challenges members are facing in reducing Scope 3 emissions.

What are the key challenges Origin Green member companies are facing in reducing Scope 3 emissions?

Origin Green member companies have an understanding of the levers needed to reduce Scope 3 emissions, but require further cooperation and engagement with suppliers. This has led to a lack of data availability.

To what extent are Origin Green member companies able to influence their key stakeholders?

Responses from members varied, but engagement with Scope 3 stakeholders was a key challenge. Participants said that financial and non-financial incentives are necessary to influence this group.

Source: Responses to Mentimeter from webinar series, March 2022

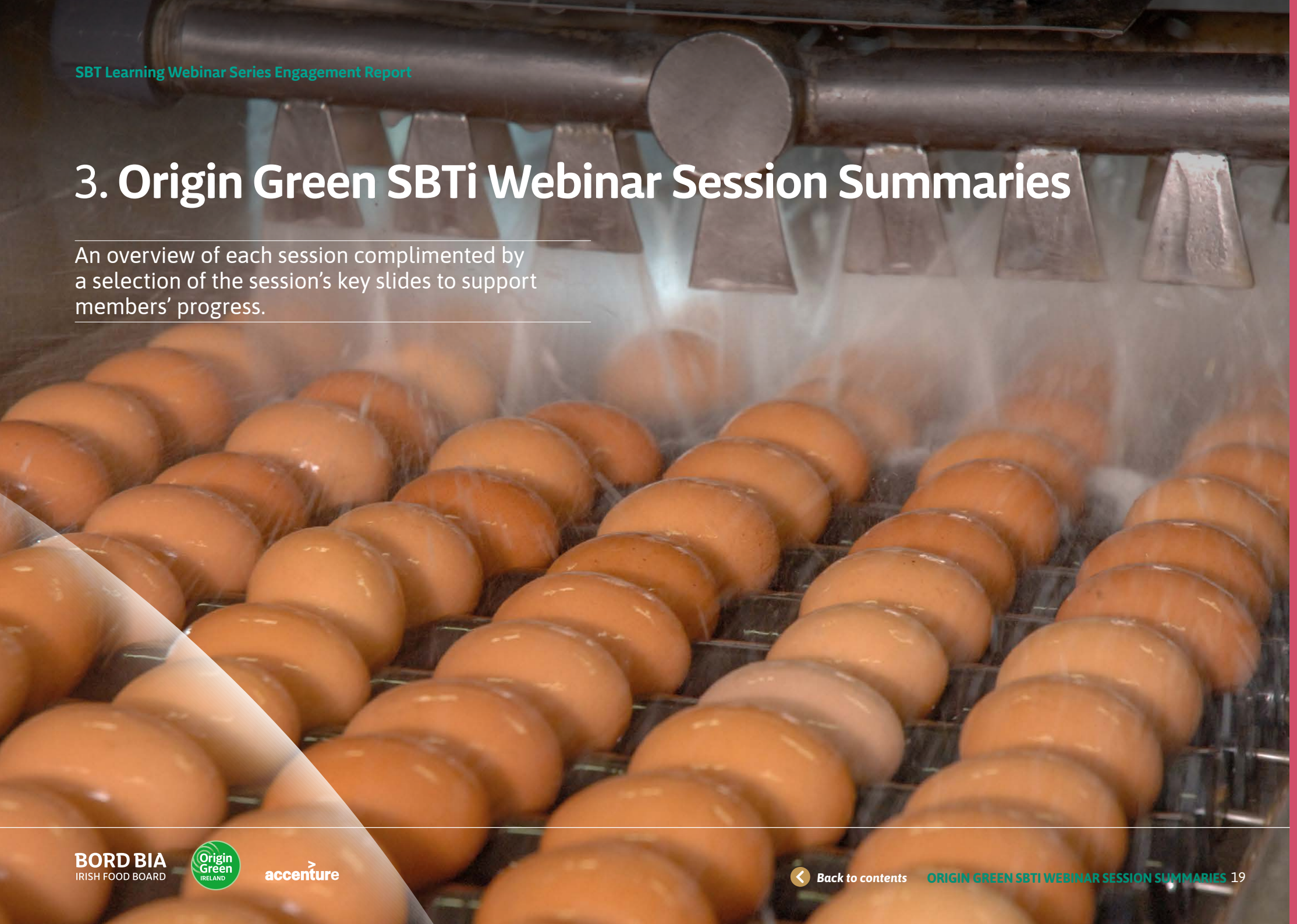
Series highlight

Link to video

Through insightful case studies on the Lands at Dowth, Devenish brought to life a variety of decarbonisation levers at the farm-level. Through accelerating carbon sequestration through correcting soil pH, and the environmental benefits of enabling multispecies swards.

3. Origin Green SBTi Webinar Session Summaries

An overview of each session complimented by a selection of the session's key slides to support members' progress.



3.1 Session 1: Introducing Science Based Targets

Session 1 explored the imperative to take urgent climate action and introduced SBTs

Overview

Session 1 introduced SBTs, through exploring the climate science and rationale behind setting a SBT: strong climate action is a commercial imperative and SBTs are important to demonstrate credibility to customers, investors, employees, and regulators.

Speakers

Deirdre Ryan, Director of Origin Green, Bord Bia

Karen O'Regan, Head of Strategy, Accenture Ireland

Adrian Wain, Carbon Intelligence Expert, Accenture UKI

Sibeal Bird, Global Sustainability Lead, Kerry

Engagement

Participants identified complexity, cost and lack of knowledge as the key barriers stopping them from progressing on their SBT journeys

We heard from **Deirdre Ryan** about how maintaining Ireland's international reputation for sustainable production and improving the environmental impact of our food production methods must continue to be evidence-based. SBTs are critical for Irish food, drink, and horticulture companies to demonstrate credibility to their customers, investors, employees, and regulators. **Link to video**

We then heard from **Karen O'Regan** about the growing business imperative to take urgent action on climate through setting SBTs, but also the opportunity this presents to build trust with the customer. Now is the time for bold action. **Link to video**

Adrian Wain then took us through the basis of SBTs: What is the SBTi? When is a target considered science-based? How do you set a SBT? **Link to video**, **video part two**

3.1 Session 1: Introducing Science Based Targets

The SBTi have brought a much needed rigour to accelerating carbon reduction

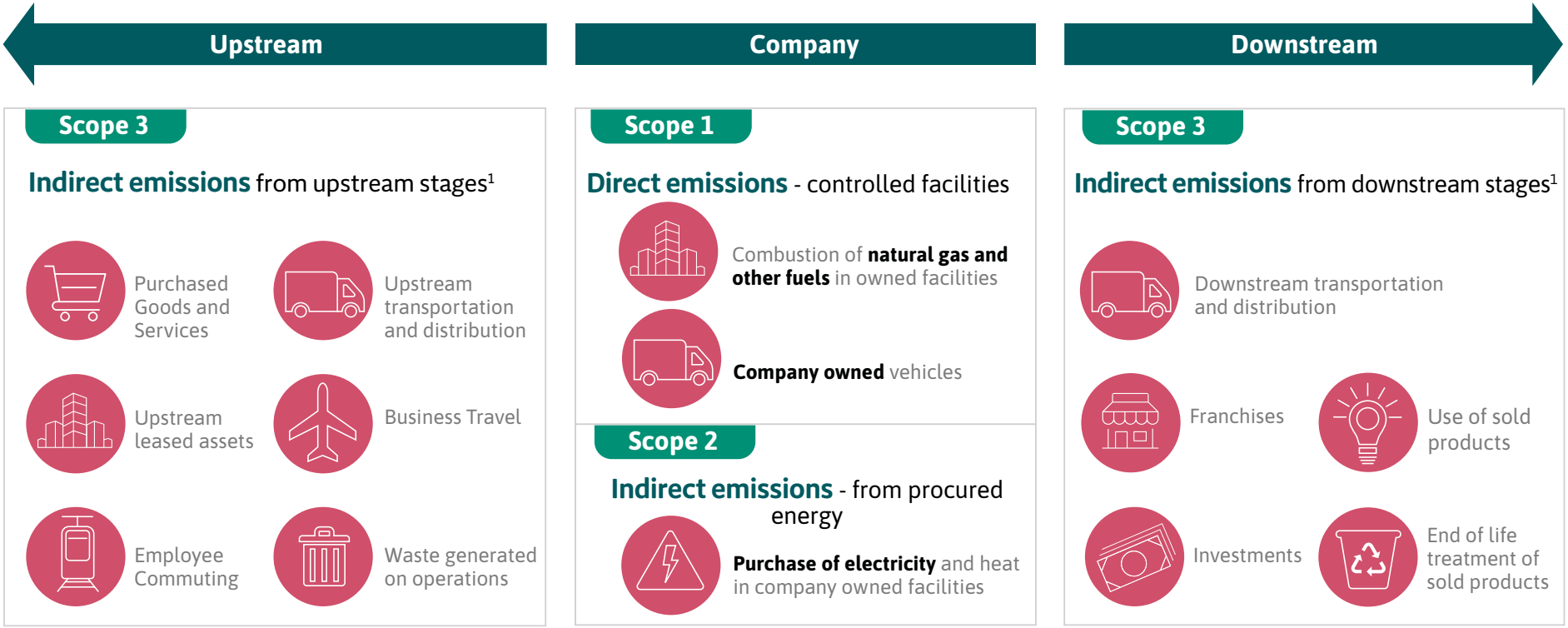
Prior to the incorporation of the SBTi, corporate climate targets were fragmented and in many cases of limited impact.

Prior to the SBTi	With the SBTi
Organisations had selective and/or narrow targets	Organisations can have Science-Based reduction targets
Some organisations had incremental reduction targets	Organisations can also have Science-Based Net Zero targets
Intensity reduction targets that allowed net increase in emissions	Validated targets are consistent with the Paris agreement goal to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C
Carbon neutral targets that allowed net increase in emissions	

3.1 Session 1: Introducing Science Based Targets

An understanding of emissions "scopes" is a helpful starting point

A key aspect of SBT development is establishing a goal for each of the GHG protocols three scopes:



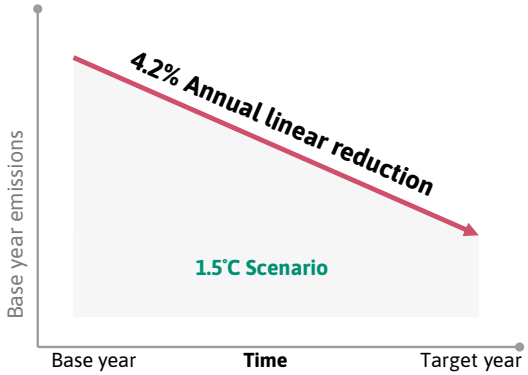
Sources: [1]Bloomberg, 2021.

3.1 Session 1: Introducing Science Based Targets

For Scope 1 and 2 emissions, targets can follow three approaches

Under Version 5.0 of the SBTi criteria (in force from July 2022) companies must set 1.5°C aligned Scope 1 and 2 targets across 95% of the Scope 1 and 2 inventory using the methods shown below.

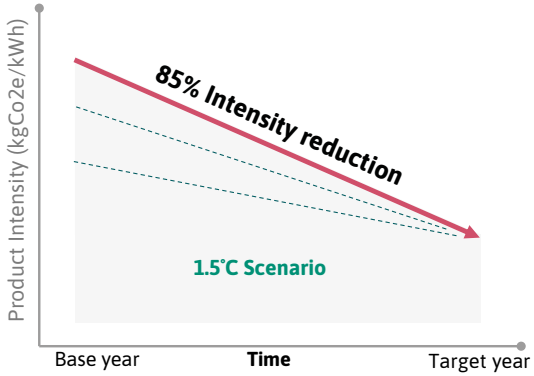
1 Absolute Reduction Approach



PEPSICO

Reduce absolute Scope 1 and 2 emissions by 75% by 2030, from a 2015 baseline.

2 Sector Decarbonisation Approach

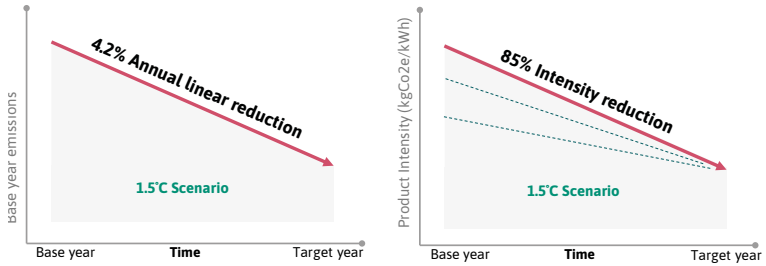


Ørsted

Reduce absolute Scope 1 and 2 emissions by 75% by 2030, from a 2015 baseline.

3 [1] or [2] for Scope 1 and Renewable Energy for Scope 2

Scope 1



Scope 2

Renewable energy target: • 80% by 2025 • 100% by 2030

DIAGEO

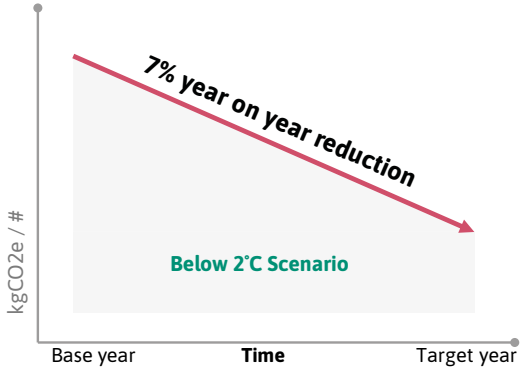
Reduce Scope 1 and 2 emissions by 98% per kWh by 2025, from a 2006 baseline.

3.1 Session 1: Introducing Science Based Targets

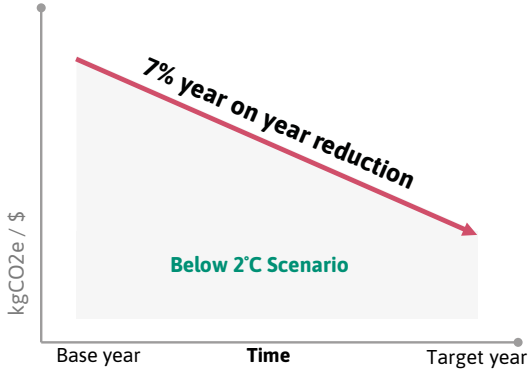
For Scope 3 emissions, targets can follow three additional approaches

Under Version 5.0 of the SBTi criteria (in force from July 2022) companies must set below 2°C aligned Scope 3 targets across 67% of the Scope 3 inventory using the additional methods shown below.

1 Physical Intensity Reduction



2 Economic Intensity Reduction



3 Supplier Engagement Approach

Requires **suppliers to set a Science Based Target of their own**, across Scope 1 and 2 at a minimum:

- Must cover 67% of Scope 3 emissions
- Must be achieved within 5 years of setting

innocent

Reduce Scope 3 emissions per litre of finished product by 50% by 2030, from a 2019 baseline.

NEXT

Reduce Scope 3 GHG emissions by 40% per million GBP of sales by 2030, from a 2020 baseline.

TARGET

80% of Target's suppliers will set SBTs on their Scope 1 and 2 emissions by 2023.

3.1 Session 1: Introducing Science Based Targets

There are four essential steps to develop and set a SBTi-approved target

Assuming base-year emissions have been calculated and stakeholder buy-in has been secured, a company is well positioned to take the four key steps for developing and securing validation of an SBTi approved target:

Select the methodology

- Assess if there is a sector specific SBTi guidance for the sector (e.g. Financial Institutions, Power, Mining), or use the general guidance developed for all sectors.
- For a net zero target, combine the SBTi sector or general guidance with the net zero guidance.

1

Establish the target

- Identify the required pathway to align with and the emissions reduction needed to meet the target that complies with the Paris Agreement global goal.
- Identify the levers to implement and develop a clear action plan.

2

Commit to the SBTi

- Submit a letter to SBTi to express intent to set a SBT target. From which there are 24 months to complete the process.
- Communicate commitment.

3

Submit target for validation

- Submit target for review and validation.
- Communicate validation.

4

3.2 Session 2: Measuring Scope 1, 2 and 3 Emissions

Session 2 explored the demand for accurate emissions data, and starting the emissions measurement journey

Overview

Session 2 provided an overview of how to get started on the emissions measurement journey, as having an accurate understanding of baseline emissions is essential to set and deliver on a SBT.

Speakers

Mauricio Bermudez Neubauer, Global Carbon Strategy Lead, Accenture UKI

Adrian Wain, Carbon Intelligence Expert, Accenture UKI

Karen Fisher, Head of Climate Action Strategy, WRAP

Engagement

A number of participants have made basic or advanced attempts to measure admissions.

We heard from **Mauricio Bermudez Neubauer** about the growing demand for accurate emissions data. Not only is accurate measurement essential to satisfy stakeholders and an evolving regulatory environment, but it is also a key lever to unlock enterprise value. Link to video

Adrian Wain then got us started on the emissions measurement journey, exploring the GHG protocol, emissions calculation methods, assurance and much more. For more on the Pathways to Net Zero, please check out Bord Bia's recent publication. Link to video

Karen Fisher, gave us a sneak preview of their methodology and resources for measuring Scope 3 emissions which is due to be released in 2022. Link to video

Adrian Wain then concluded with an exploration of the various tools and capabilities you can use to help you along your emissions measurement journey. Link to video

3.2 Session 2: Measuring Scope 1, 2 and 3 Emissions

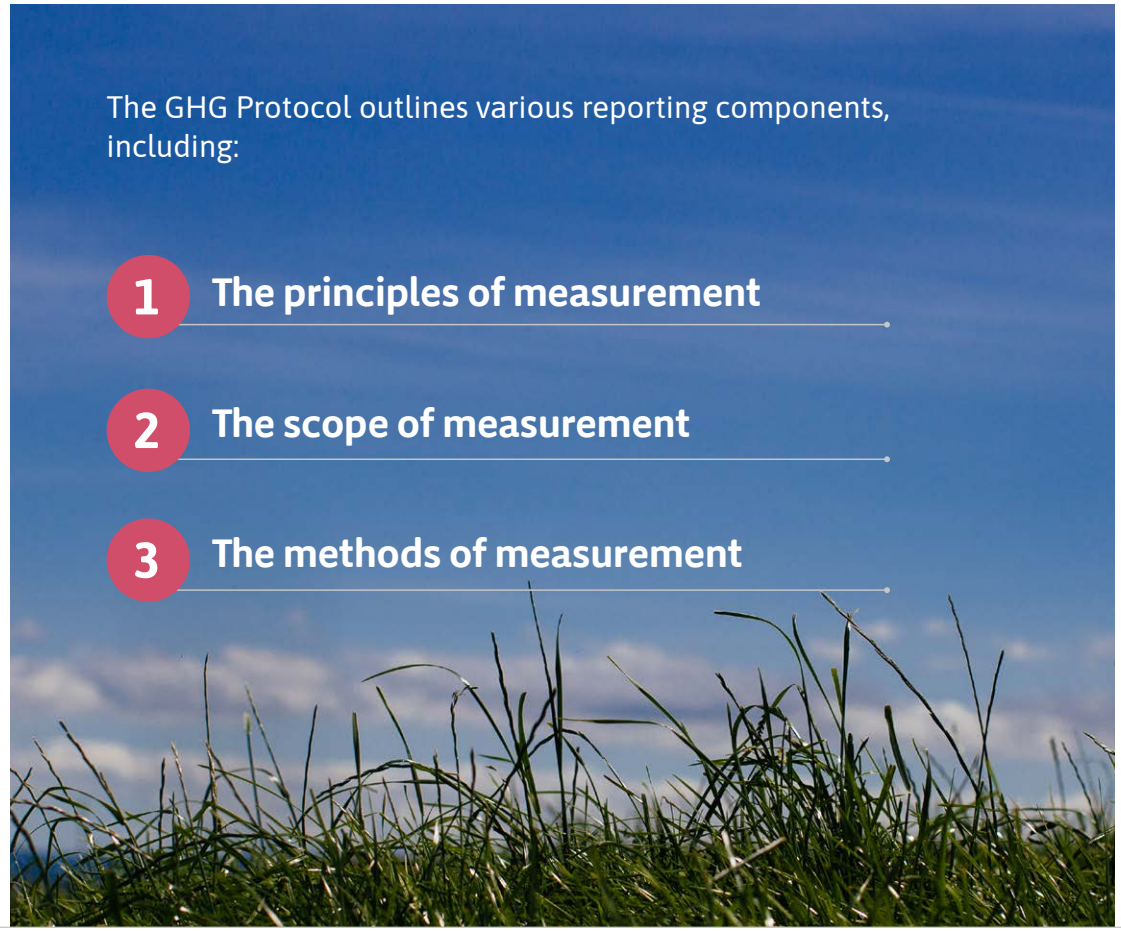
The GHG Protocol is the prevailing measurement standard for use by companies

GREENHOUSE GAS PROTOCOL

The **Greenhouse Gas (GHG) Protocol** is the most widely used international accounting tool to understand, quantify and manage greenhouse gas emissions.

Developed by the WRI and WBCSD, it also provides sector-specific tools and calculators to ease the challenges of the GHG accounting process.

More than 9 out of 10 Fortune 500 companies reporting to CDP use the GHG Protocol.

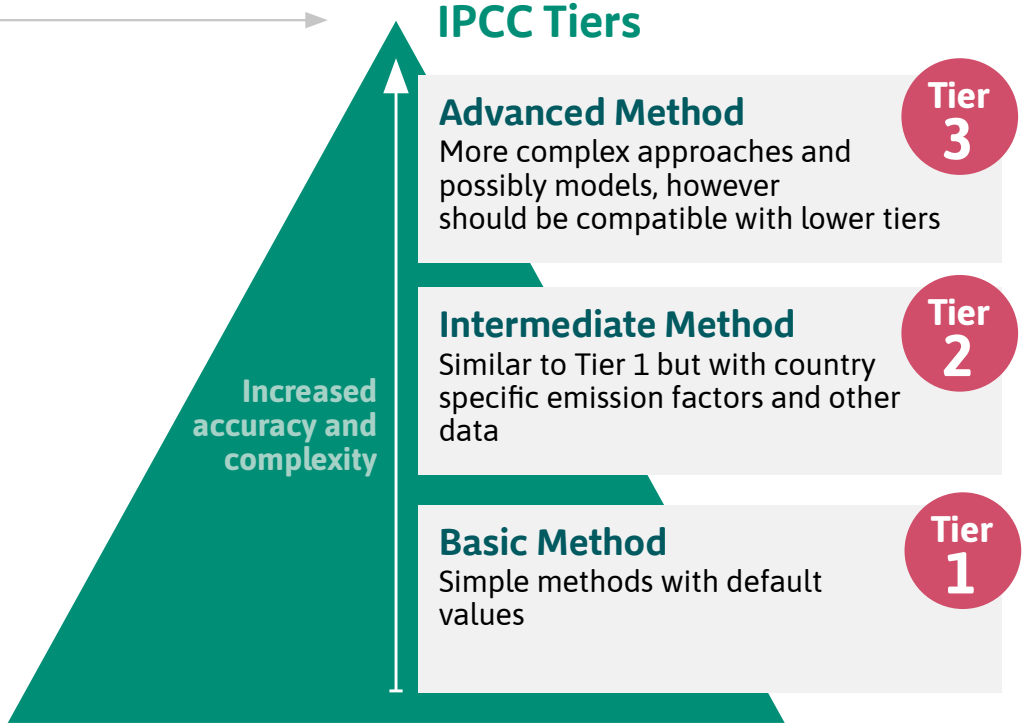


3.2 Session 2: Measuring Scope 1, 2 and 3 Emissions

The GHG Protocol outlines the formula to calculate emissions

The IPCC sets out different tiers of calculation with higher tiers reflecting more accurate results:

GHG Emissions = Activity Data x Emission Factor*

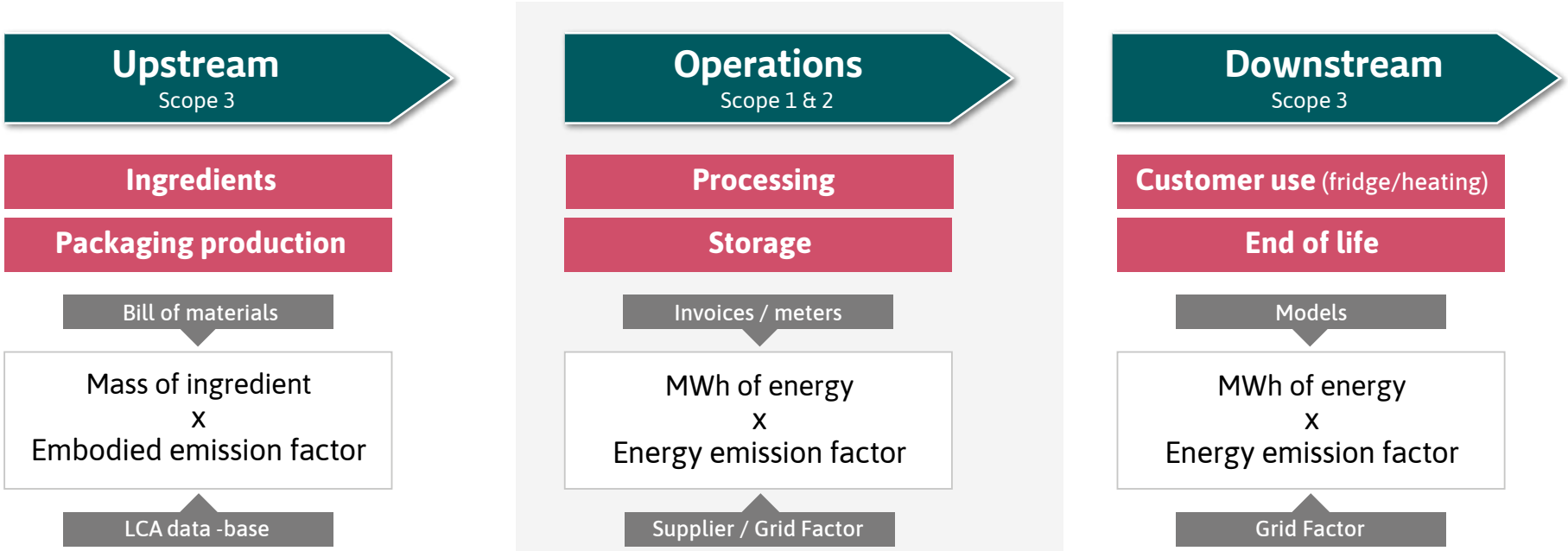


*Emission Factor: Average of GHG emissions per unit from a particular activity

3.2 Session 2: Measuring Scope 1, 2 and 3 Emissions

The formula can be applied to calculate emissions across the value chain

Examples of calculations across the three different scopes:



3.2 Session 2: Measuring Scope 1, 2 and 3 Emissions

A range of tools are available to support the operationalisation of such methods

Manual solutions

Key features:

- Annual reporting
- Scope 1 + 2
- Selected scope 3

Software solutions

Intermediate solutions

Metrio
Sustainability Reporting Software

Greenstone
Data that talks to you

Key features:

- Quarterly
- Scope 1 + 2
- Selected scope 3

Advanced solutions

UL sphera

PERSEFONI

Key features:

- Monthly, Quarterly
- Scope 1 + 2 + 3
- Other ESG metrics

Integrated solutions

Microsoft

SAP Google

salesforce

Key features:

- Realtime, predictive, integrated
- Scope 1 + 2 + 3
- Other ESG metrics

Non-exhaustive example solutions

For broader view of solutions, it is worth looking at independent research in this space, for example; Verdantix, Forrester

3.3 Session 3: Reducing Scope 1 and 2 Emissions

Session 3 explored the various levers to reduce Scope 1 and 2 emissions and make headway on the SBT journey

Overview

Session 3 provided an in-depth view of the various levers companies can pull to reduce their direct, operational emissions – brought to life through a variety of case studies. The session also explored the common barriers companies face in activating these initiatives, and how to overcome this.

Speakers

Catherine O'Brien, Energy Transition & Sustainability Lead, Accenture Ireland

Ronan Geraghty, Customer Solutions Manager, ESB Smart Energy Services

Teymour Bourial, Strategy Manager, Accenture France

Engagement

Common levers participants were already focusing on/ mobilising to reduce Scope 1 and 2 emissions included energy efficiency, heat recovery, and solar panels.

We heard from **Catherine O'Brien** on the value of reducing Scope 1 and 2 emissions and the various mechanisms available to achieve reductions. Link to video

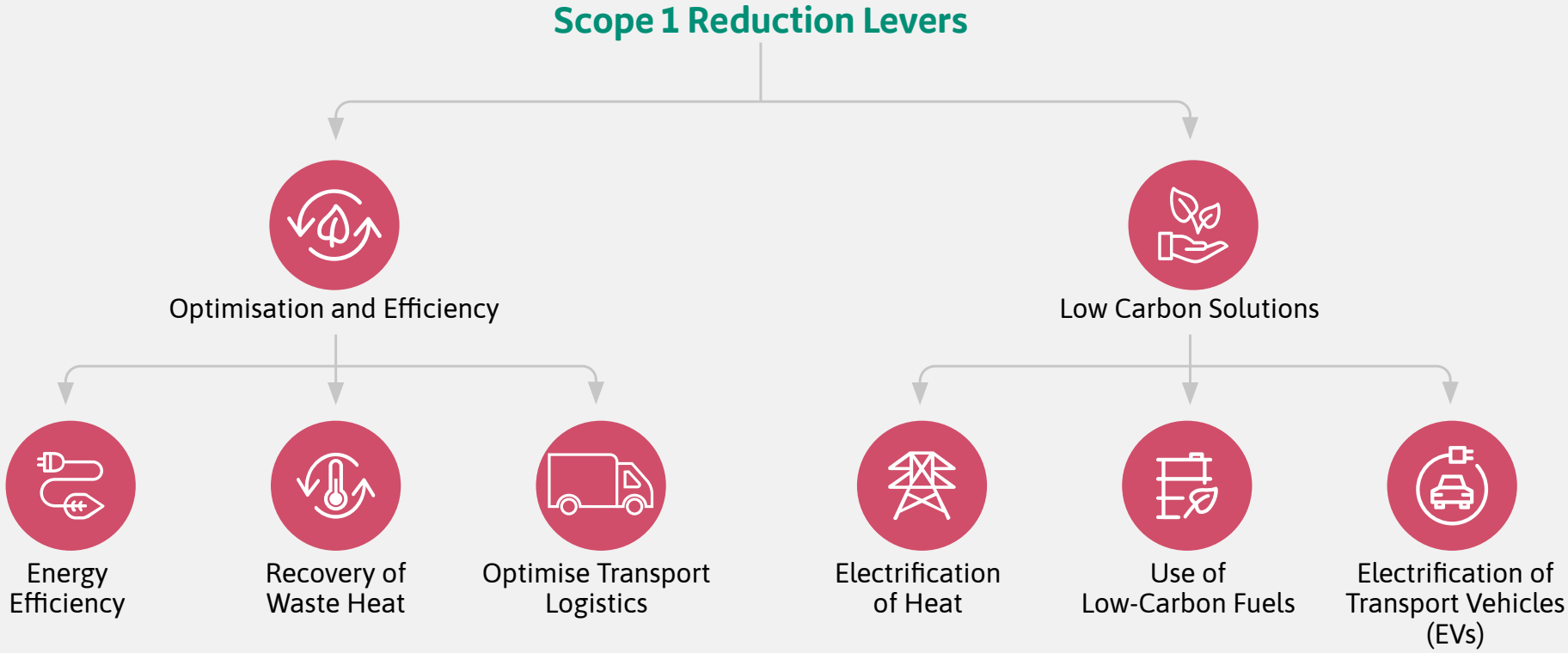
Ronan Geraghty then brought Scope 1 and 2 reductions to life with case studies exploring heat recovery, heat pumps and solar power. Ronan provided invaluable insights on the advantages and effectiveness of each solution, as well as a brief introduction to various funding models. Link to video

To conclude, **Teymour Bourial** took us through the key barriers companies face in implementing Scope 1 and 2 reduction projects, and outlined the actions you can take to overcome these barriers, progressing emissions reduction and moving forward on delivering a SBT. Link to video

3.3 Session 3: Reducing Scope 1 and 2 Emissions

Scope 1 emissions can be reduced through optimisation and low-carbon solutions

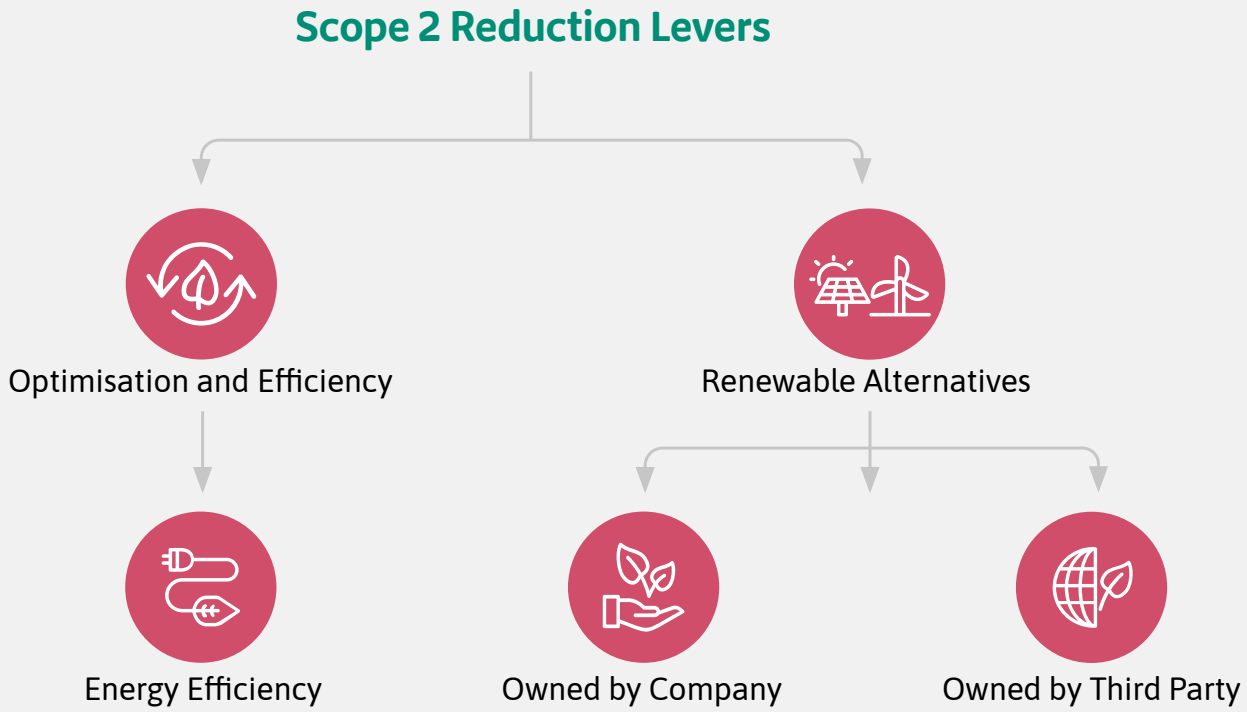
Non-exhaustive



3.3 Session 3: Reducing Scope 1 and 2 Emissions

Scope 2 emissions can be reduced through optimisation and renewable alternatives

Non-exhaustive

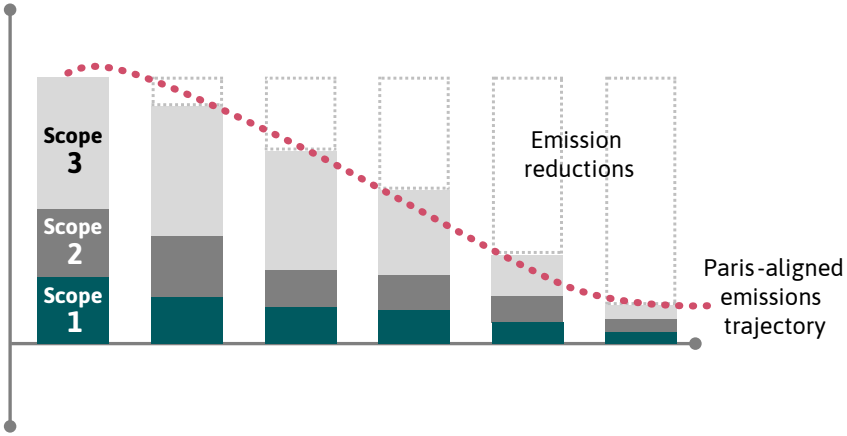


3.3 Session 3: Reducing Scope 1 and 2 Emissions

To deliver on a SBT, Scope 1 and 2 emissions must reduce in absolute terms and feed into a wider reduction roadmap

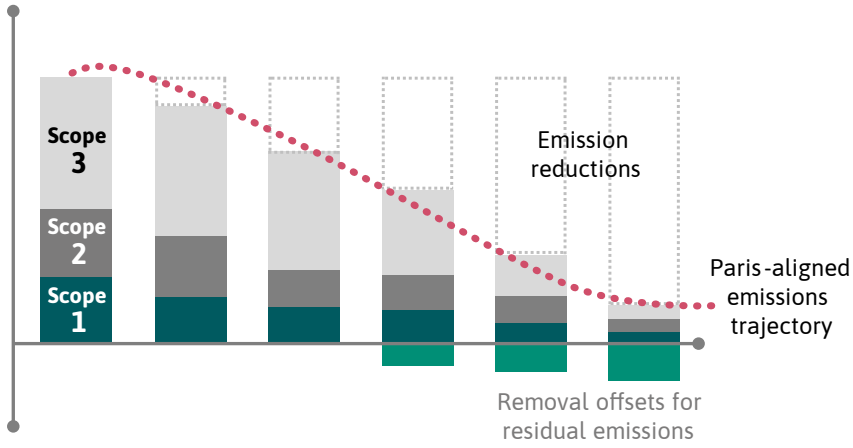
Develop a pipeline of projects to reduce carbon emissions in line with 1.5˚C or well below 2˚C targets

Science Based Target (SBT)



Reducing emissions in line with a recommended 'science-based' trajectory. **No offsets** are used for this reduction.

SBT + Net Zero by a target date



Reducing emissions in line with a recommended 'science-based' trajectory by a target date. **Removal offsets are used** for remaining emissions.

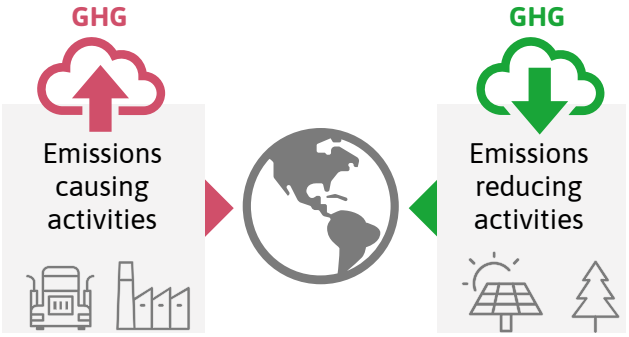
3.3 Session 3: Reducing Scope 1 and 2 Emissions

Beyond absolute reduction, companies can use carbon credits to offset residual emissions

How do offsets work?

Carbon offsetting reduces GHG emissions in one location to compensate for emissions elsewhere.

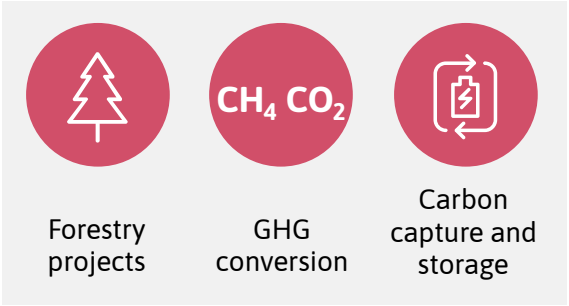
The offsetting process



What activities are included?

Offsets are sourced from dedicated projects proven to result in the avoidance, reduction or removal of emissions.

Illustrative offsetting projects



What constitutes a high quality offset?

Offsets can be purchased from market places that provide a level of assurance for the emissions avoidance, reduction, or removal of the projects.

Standards

Gold Standard
Woodland Carbon CO_2de
Verified Carbon Standard
A VERRA STANDARD
CCBA

Offsets CANNOT be used to achieve the absolute reduction required for delivering on a SBT.
Offsets have varying levels of impact and there is a movement towards higher impact REMOVALS offsets.

3.3 Session 3: Reducing Scope 1 and 2 Emissions

With Scope 1 and 2 emissions, there are three common barriers to effective reduction

	1	2	3
			
Barrier	Organisational buy-in	Internal lack of understanding and employee buy-in	Financing (sufficient capital/ROI)
Solution	Demonstrating the value of the initiative	Blend of behaviour evolution and incentivisation	Low CAPEX, faster ROI financing approach

3.4 Session 4: Reducing Scope 3 Emissions

Session 4 explored how to reduce Scope 3 emissions, with a special focus on emissions at the farm level and from food waste

Overview

Session 4 explored the various levers to reduce Scope 3 emissions. This is essential to deliver on a SBT, especially considering Scope 3 emissions can make up as much as 95% of food, beverage, and horticulture companies' emissions profiles.

Speakers

Adrian Wain, Carbon Intelligence Expert, Accenture UKI

Roberta McDonald, Sustainability Solutions Lead, Devenish

Peter Worsey, Food & Drink Specialist, WRAP

Sophie Harrison, GHG Specialist, WRAP

Mick Houlihan, Senior Sustainable Agriculture Manager, Bord Bia

Engagement

Common challenges participants face in reducing Scope 3 emissions relate to the availability of data and ability to influence suppliers.

Adrian Wain re-joined us to kick-off Session 4. Adrian took us through the value in reducing Scope 3, as well as the key levers to decarbonise Scope 3 emissions: decarbonising sourcing, products and services, and logistics. **Link to video**

Roberta McDonald then delved into agricultural emissions. Through insightful case studies on the Lands at Dowth, Roberta brought to life a variety of decarbonisation levers at the farm-level (e.g., accelerating carbon sequestration through correcting soil pH, and the environmental benefits of enabling multispecies swards). **Link to video**

Adrian then explored ways to catalyse Scope 3 reduction and the various tools to engage stakeholders, particularly suppliers. Additionally, Adrian explained the ways in which you can embed Scope 3 reduction in your business (e.g., investment strategies and procurement policies). **Link to video**

We were then joined by **Peter Worsey** to talk about tackling food waste, as it is such a large greenhouse gas emitter. Peter, joined by his colleague, **Sophie Harrison,** explored the environmental impact of food waste and the actions you can take to reduce it, in turn reducing your Scope 3 (embodied) emissions. **Link to video**

Mick Houlihan then took us through the tools and support available to reduce Scope 3 emissions from sourcing. Mick gave an insightful overview of the support Bord Bia offers to enable decarbonisation at the farm-level. **Link to video**

3.4 Session 4: Reducing Scope 3 Emissions

Majority of Food and Beverage companies' Scope 3 emissions come from ingredients and packaging

Material Scope 3 Categories:

Most material

Purchased goods and services

- Farm-level emissions account for the majority of emissions.
- Packaging is also a relevant driver.

Average proportion of Scope 3 emissions

Upstream transport and distribution

Downstream transport and distribution

- Material driver in the upstream and downstream value chain.
- These are categories, especially downstream, that companies can report and act on.

Use of sold products

End of life Treatment

- These two categories' impacts relevance will significantly depend on the product and packaging.
- Due to consumer concerns most companies include end-of-life in targets and accounting regardless of size.

Waste generated in operations

- As a proportion of Scope 3 emissions, waste from operations is low.
- However, it's a visible issue in the industry and a relatively easy category to report on (due to access of data).

Source: BITCI | Progressing towards science-based targets

3.4 Session 4: Reducing Scope 3 Emissions

Scope 3 emissions can be reduced through three overarching decarbonisation levers

Scope 2 Reduction Levers

1

Decarbonising Sourcing

Initiatives to reduce upstream Scope 3 emissions from suppliers:

- Supplier decarbonisation development
- Sourcing for low-carbon products and services
- Consumption reduction

Purchase of materials and services | **Scrap / food waste generated in the production facilities** | **Embedded emission in buildings and equipment**

2

Decarbonising Products and Services

Initiatives to reduce emissions associated with the lifecycle of products and services:

- Incorporate circular economy principles; extend lifecycle of products
- Realign product portfolio for a lower carbon mix

Scrap / food waste generated in the production facilities | **Selling and usage of products** | **End-of-life disposal and treatment of sold products**

3

Decarbonising Logistics

Initiatives to reduce emissions associated with transport and distribution:

- Supply chain optimisation
- Fleet electrification
- Low carbon fuels
- Remote workforce

Upstream/ downstream transportation and distribution | **Employee business travel** | **Daily commute of employees**

Compensatory Levers

Carbon Offsetting

Projects to offset residual carbon emissions:

- GHG removal projects for **residual emissions**

Non-exhaustive

3.4 Session 4: Reducing Scope 3 Emissions

*Broadly, **decarbonising sourcing** can be driven through collaborating with suppliers*

There are three primary ways to collaborate with suppliers:

Supplier decarbonisation development

- Work with suppliers to improve agricultural practices (notably better nutrient, tillage and residue management).
- Provide education on improved livestock management practices (i.e., animal nutrition, age, genetics).
- Utilise new technologies (e.g., precision agriculture decision support systems/ technologies).

Sourcing for low-carbon products and services

- Collaborate with suppliers to effectively manage and restore land.
- Implement practices such as grassland/ peatland management, soil and degraded land restoration.

Consumption reduction

- Reduce the use of virgin packing materials with supply chain.
- Consider circular packaging (further deep dive).
- Assess the formation of packing and its recyclability.

Non-exhaustive

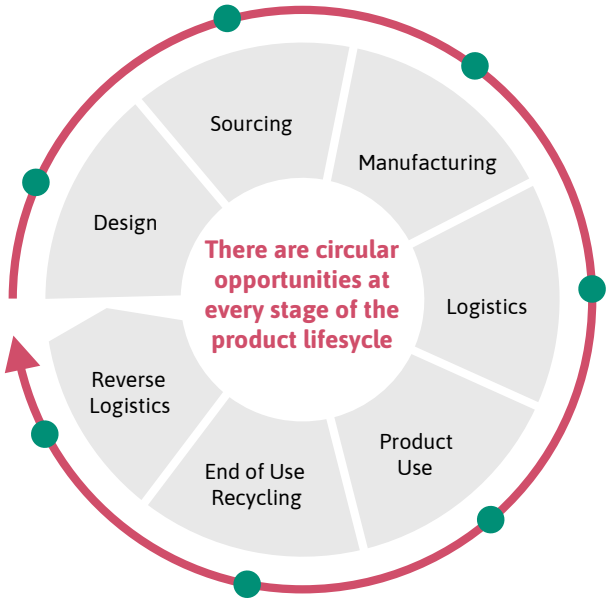
3.4 Session 4: Reducing Scope 3 Emissions

Decarbonising products and services *can be achieved through re-circulating materials and extending product lifecycle*

Incorporate circular economy principles; extend lifecycle of products

Realign product portfolio for a lower carbon mix

CIRCULAR



Heineken

Re-image co-products and final disposal destination.

Our products in waste hierarchy

	Destination		% of total
1.	Reuse	21,312	1%
2.	Human consumption	60,430	1%
3.	Animal feed	3,622,354	81%
4.	Materials	304,251	7%
5.	Compost/soil improvement	330,297	7%
6.	Energy (biogas)	45,385	1%
7.	Combustion with energy recovery	41,767	1%
8.	Combustion without energy recovery	4,347	0%
9.	Landfill (incl. dump & unknown destination)	62,640	1%
	Total	4,492,783	100%

Apeel™

Innovative, plant-based protection to extend product shelf life.

NESPRESSO

Use of recycled content to reduce carbon intensity of materials.

Smurfit Kappa

Packaging innovations to reduce downstream cold chain demands.

Source: Accenture | Circular Economy Handbook; **Heineken Annual Report, 2021**

3.4 Session 4: Reducing Scope 3 Emissions

***Decarbonising logistics** involves reducing emissions from travel and distribution*

Supplier decarbonisation development

Optimise logistics network

- Optimise routes and fill rates, redesigning the network to decrease distances travelled and maximise capacity.
- Enable new intermodal routes and switch to rail/low-carbon shipping options.

Enable fleet electrification

- Switch third party logistics to alternative energy vehicles *(e.g., hydrogen fuel cells, hybrids and electric vehicles etc.).*

Switch to low-carbon fuels

- Switch third party logistics to alternative energy vehicles; enable fuel-switching from both first generation sources.
- Bio-diesel replacements.

Employee impact

Enable low-impact commuting

- Reduce employee commuting and associated travel emissions through enabling the remote workforce.
- Incentivise sustainable commuting *(e.g., EV charging points, bicycle parking etc.).*

3.4 Session 4: Reducing Scope 3 Emissions

*Implementing Scope 3 reduction activities involves **engaging and influencing suppliers***

There are three main ways to catalyse supplier decarbonisation:

Influence and Inspire

- Provide **access to knowledge** and decarbonisation solutions.
- Promote **transparent emissions measurement** and reporting.
- **Lead by example** *(e.g., set an ambitious SBT and decarbonisation strategy).*
- **Champion** low-carbon suppliers.

1

Entice and Incentivise

- Set **prequalification requirements** for suppliers.
- Implement supplier scorecards with a minimum threshold on climate action.
- Implement **reward programmes** for implementation of carbon-reduction initiatives *(e.g., sustainable agriculture practices).*

2

Engage and Collaborate

- Facilitate supplier **training, communication and education**.
- Enable channels for **joint problem solving** *(e.g., collaboration to access by-product synergy).*

3

3.4 Session 4: Reducing Scope 3 Emissions

*Implementing Scope 3 reduction activities involves **engaging a variety of stakeholders***

There are three main ways to interact with stakeholders to reduce emissions:

Influence and Inspire

- Disclose to **customers** the carbon impact of products through labelling in order to influence behaviour.
- Influence **customers** through education and messaging *(e.g., change the 'best before' label to 'also good after').*

1

Entice and Incentivise

- Link **employee** (often, executive) remuneration to ESG and climate related goals.
- **Employee** cycle to work schemes.

2

Engage and Collaborate

- Enable channels for **joint problem solving** *(e.g., redistributing food waste to reduce emissions, create revenue from waste and feed the planet)* – collaborate with **business and charities**.

3

3.5 Session 5: Communicating Sustainability Performance

Session 5 explored the various ways to communicate the SBT journey, and broader sustainability performance

Overview

The fifth and final session in the series explored communication. What is the best approach Origin Green members can take to communicate their SBTs and broader sustainability performance to investors, consumers, and various other stakeholders? It is not one-size-fits-all...

Speakers

Karen O'Regan, Head of Strategy, Accenture Ireland

Adrian Wain, Carbon Intelligence Expert, Accenture UKI

Kate White, ESG Measurement and Performance Lead, Accenture UKI

Colette Henry, Sustainability Lead at Rothco, Accenture Song

Martin Hofler, Sustainable Partnerships & Development Manager at Origin Green, Bord Bia

Engagement

There was a high level of sector participation with over 130 organisations attending the sessions.

Karen O'Regan got the session underway through exploring transparent communication as a lever to build trust with the consumer. Karen emphasised the critical role that communication plays in unlocking value from strong sustainability performance. **Link to video**

Adrian Wain discussed a set of guiding principles to enable 'good' communication of sustainability performance. Importantly, Adrian explained how SBTs are one part of a broader sustainability narrative which needs to be communicated consistently to a wide range of stakeholders, from suppliers to consumers to investors. **Link to video**

Kate White followed on from Adrian's section to deep dive into communications with one particular stakeholder group: investors. Kate guided us through the ever-evolving standards landscape, gave a breakdown of the building blocks of ESG disclosure and, importantly, provided insights on movement of the reporting landscape towards a single global standard. **Link to video**

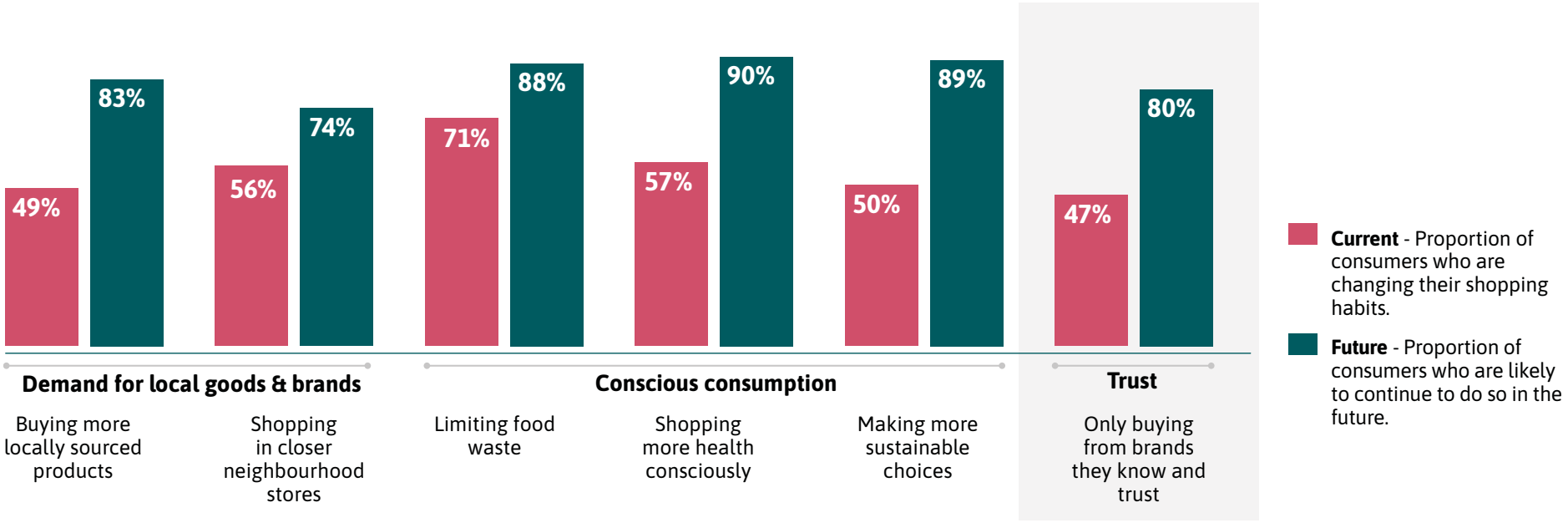
Colette Henry then zoomed into communication with the consumer. Colette spoke through the three key challenges companies face when communicating sustainability performance, and how to overcome them: avoid greenwashing, avoid green wallpaper, and to change the default. To bring this to life, Colette introduced a range of insightful case studies. **Link to video**

To conclude, **Martin Hofler** provided an overview of the communication tools and support Origin Green offers its members, and **Karen** summarised the series with a final call to action for member companies – now is the time to act on your SBT journey! **Link to video**

3.5 Session 5: Communicating Sustainability Performance

Transparent communication can build trust, unlocking the conscious consumer

Consumers are adopting ethical consumption behaviours and attitudes.



Source: Accenture COVIID-19 Consumer Research, conducted 5th-11th May 2021.

3.5 Session 5: Communicating Sustainability Performance

Various elements impact what is considered 'good' communication in the ESG context

There are four main elements of good communication on ESG progress:

Non-exhaustive

Relevance and Transparency

Transparently communicate your sustainability performance and goals on all topics deemed **relevant** / material.

Cadence and Consistency

Regularly communicate progress on sustainability performance in line with targets, using **consistent** language and measures.

Reach and Accessibility

Communicate sustainability performance with the **widest range** of relevant stakeholders and ensure the communication is **accessible**.

Agility and Dynamism

Be **agile and dynamic** in your approach to communicating sustainability performance; the landscape, and what is considered best practice, is **continuously evolving**.

3.5 Session 5: Communicating Sustainability Performance

Communication on SBTs, as part of a broader sustainability narrative, needs to be tailored to the target audience

Communication methods vary based on the target stakeholder:

Target Stakeholder	Suppliers	Employees	Customers	Consumers	NGOs	Regulators	Investors and Rating Agencies
Communication Method	• Best practice guidance • Collaboration hub • Industry associations	• Leadership bulletins • Performance dashboards • Internal branding	• Survey responses • Certification • Product information	• Marketing campaigns • Awards • Packaging and claims	• Policies • Position statements • Survey responses	• Industry associations • Mandatory disclosures	• Integrated reports • ESG frameworks *(e.g., CDP, SASB, GRI)*

3.5 Session 5: Communicating Sustainability Performance

Overcoming sustainability communications challenges to consumers

There are three key considerations when communicating sustainability progress:

Avoid Greenwashing

Greenwashing, at its simplest is pretending. To avoid it, get real.

- It starts inside the business and leads from the top with integrity.
- Business should measure and share progress with consumers in an accessible and clear manner.
- Maintain some humility in your tone of voice.
- Back up your claims clearly with verifiable sources.

1

Avoid Green Wallpaper

People can feel that marketing focused on sustainability can all blend together like a green wallpaper.

- Avoid the jargon and cliches.
- Get specific and clear with the claims that you make.
- Speak up on relevant issues to broaden authority.
- Amp up your creative voice to stand apart from competition.

Read more here: https://staging.rothco.ie/ais/

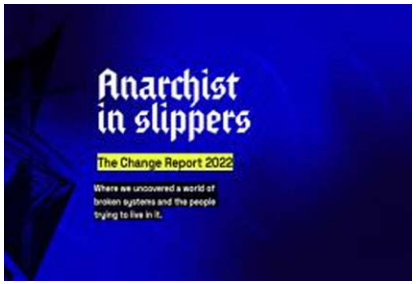
2

Change the default

People can feel that making the sustainable choice is too hard, expensive and elite (not for everyone).

- Connect across your business to deliver options.
- Make the sustainable choice easier, cheaper, more enticing and mainstream.
- Creativity costs carbon. Tell the story with less and make your communications themselves low/zero carbon.

3



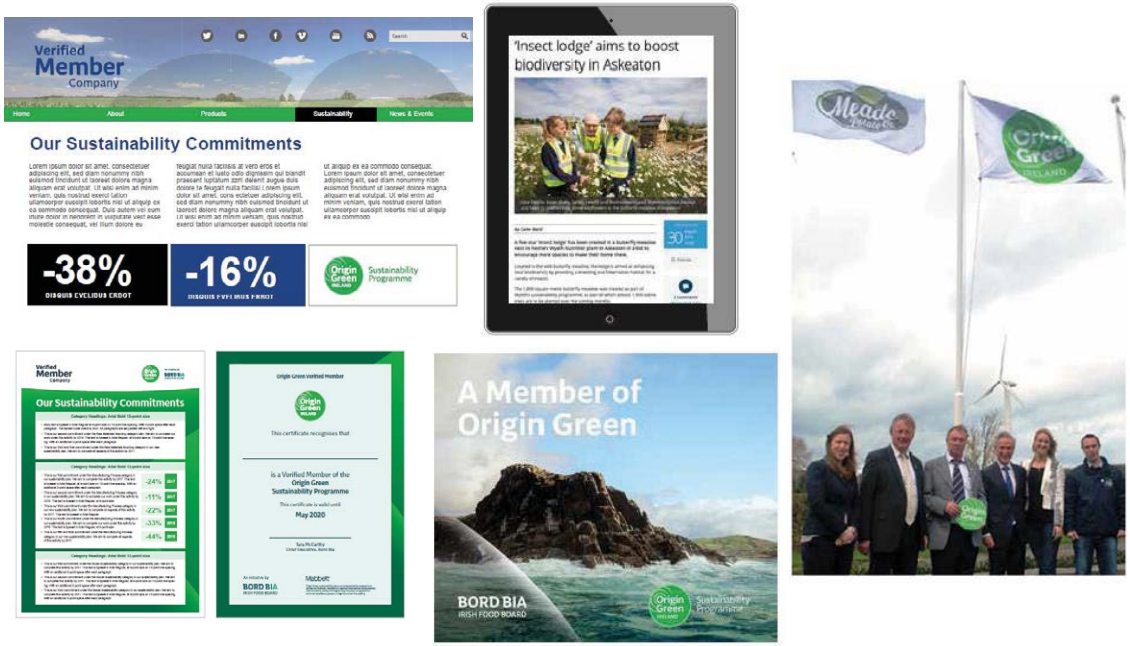
3.5 Session 5: Communicating Sustainability Performance

There is a range of communications support available to Origin Green member companies

Your company will benefit from your verified membership of Origin Green by letting everyone know how your company is making a corporate commitment to sustainability.

- Once verified, the Origin Green team will coordinate an induction call to discuss how best to promote your sustainability credentials.
- Origin Green will provide B2B merchandise and assets to promote your Origin Green verified membership.

For more information contact:
Origingreen@bordbia.ie



4. SBTi Resources and Contact Details

This section includes information on materials to support member companies on their SBT journeys, and key contact details.

4.1 Origin Green Supports

Origin Green offers members various tools and support to reduce emissions

A fundamental element of Origin Green involves supporting Irish food, beverage, and horticulture companies as they work to set and achieve ambitious sustainability targets.

In an effort to achieve this, a variety of emissions tools and resources are available to participating companies as they work to achieve full verification, as well as retain their verified member status year-on-year.

Available emissions supports:

Carbon Calculator Tool:

Members can use the Origin Green Carbon Calculator Tool to convert Scope 1, 2, and 3 based emissions to CO2 equivalent (CO2e).

Mentorship and Feedback Reports:

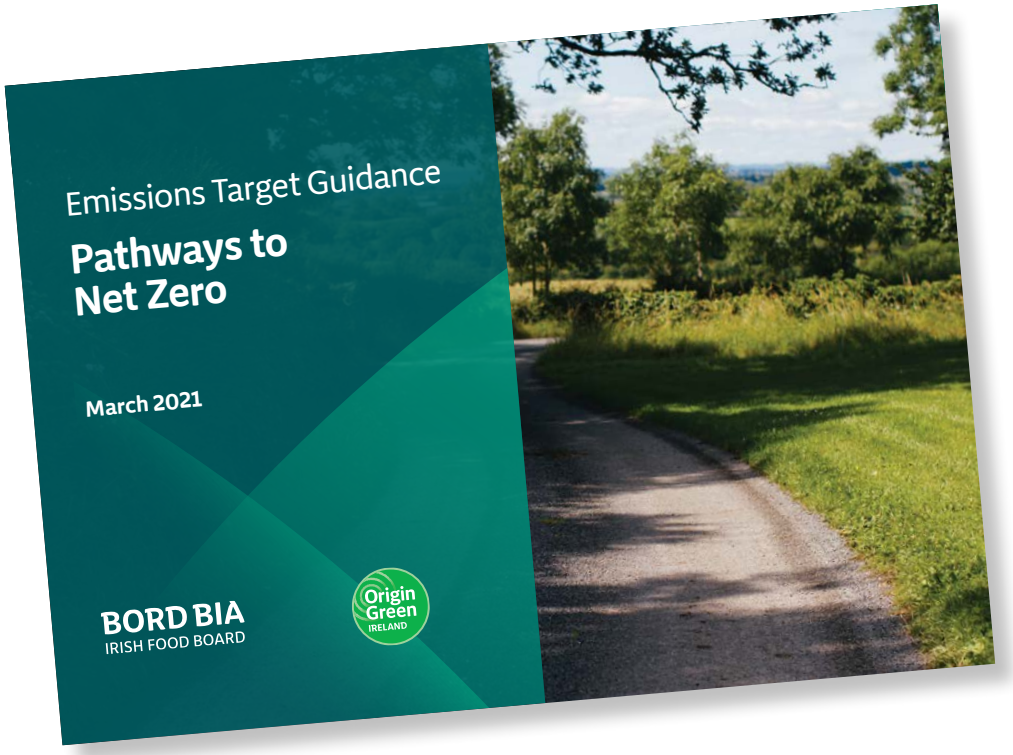
Experienced Origin Green mentors are on hand to offer emission support and guidance relating to the completion of their Origin Green plan. In addition, following the annual verification process the independent verifier will provide individualised sustainability feedback reports.

Sustainability Target Guidance:

Bord Bia has developed an emissions guidance document titled '**Pathways to Net Zero**' to ensure Origin Green member companies have the required sustainability knowledge to set credible emissions targets.

SBT Webinar Series:

Origin Green members can access all recordings and associated resources at OriginGreen.ie



4.2 Knowledge Bank

A knowledge bank of resources used to inform or complement the webinar series

BITCI	Progressing towards science-based targets	https://www.bitc.ie/wp-content/uploads/2020/10/BITCI-Report-Progressing-Towards-Science-Based-Targets.pdf
CDP	Carbon Pricing: CDP Disclosure Best Practice	https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/001/567/original/CDP-technical-note-carbon-pricing pdf?1523952114
CDP	CDP Global Chain Supply Report 2020	https://cdn.cdp.net/cdp-production/cms/reports/documents/000/005/554/original/CDP_SC_Report_2020.pdf?1614160765
CDP	Putting a Price on Carbon	https://www.cdp.net/en/research/global-reports/putting-a-price-on-carbon
Edelman	21st Annual Edelman Trust Barometer	https://www.edelman.com/sites/g/files/aatuss191/files/2021-03/2021 Edelman Trust Barometer.pdf
GHG Protocol	GHG Protocol Corporate Standard	https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf
IPCC	Climate Change 2021, The Physical Science Basis	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM_final.pdf
IPCC	Special Report: Global Warming of 1.5 °C	https://www.ipcc.ch/sr15/chapter/chapter-2/
MCC	The Carbon Clock	https://www.mcc-berlin.net/en/research/co2-budget.html
SBTi	Best Practices in Scope 3 Greenhouse Gas Management	https://sciencebasedtargets.org/resources/files/SBT_Value_Chain_Report-1.pdf
SBTi	Companies Taking Action	https://sciencebasedtargets.org/companies-taking-action
SBTi	Corporate Manual	https://sciencebasedtargets.org/resources/files/SBTi-Corporate-Manual.pdf
SBTi	Criteria and Recommendations	https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf
SBTi	Forest, Land, and Agriculture Science Based Target Setting Guidance (Public Consultation)	https://sciencebasedtargets.org/resources/files/FLAG-Guidance-Public-Consultation.pdf
SBTi	Foundations of Science-based Target Setting	https://sciencebasedtargets.org/resources/legacy/2019/04/foundations-of-SBT-setting.pdf
SBTi	How-To Guide for Setting Near-Term Targets	https://sciencebasedtargets.org/resources/files/SBTi-How-To-Guide.pdf
SBTi	Target Validation Protocol for Near-Term Targets	https://sciencebasedtargets.org/resources/files/Target-Validation-Protocol.pdf
SEAI	Business Grants and Supports	https://www.seai.ie/business-and-public-sector/business-grants-and-supports/

4.3 Contact Details

For further support, please reach out to Origin Green and Accenture colleagues

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