Impact Pathways

SCOPE 3 PEER GROUP

Scope 3 Governance Framework & Tools

September 2026

About this report

Making meaningful progress on reducing scope 3 greenhouse gas (GHG) emissions is hard. It cuts across functions, geographies and supplier relationships in ways no single team can manage alone. We've seen that organizations making the most progress share something in common: they've built the internal conditions to sustain it. They have the right functions involved in decisions, and accountability that holds when priorities shift. Comprehensive governance means an organization can move on scope 3 consistently, not just when the right person is in the room. That's what this framework was built to support.

Through the Scope 3 Peer Group (S3PG) Governance Working Group, we worked with over 100 practitioners across sectors, geographies and organizational contexts to explore what it takes to build the internal alignment, cross-functional engagement, and accountability structures that turn scope 3 commitments into action. That work shaped a more nuanced picture of governance challenges at every stage of the journey, and that picture is what this framework is built on.

It was developed with and for the practitioners navigating these challenges. It's useful wherever your organization is today, whether you're just beginning or working to meet ambitious targets.

Our hope is that practitioners find something they can use: a clearer picture of where to focus, better tools for difficult conversations and a stronger value case for the people who need to hear it.

Scope 3 progress is hard. It is also necessary. We hope this helps.

Impact Pathways

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The Scope 3 Governance Working Group

The Scope 3 Peer Group (S3PG) is a cross-industry, global collective of those tasked with supply chain emissions reduction.

The Group aims to support faster and more confident action in a noisy, rapidly-changing and confusing space. We do this by signposting relevant support and activity, and benchmarking and sharing best practice, wherever it may be.

Impact Pathways is helping accelerate the transition to a regenerative future. We attract purpose-driven talent, provide evidence-based advice, and invest in impact solutions. With this, our global, impact-led consulting firm empowers organizations to create value for society while creating value for their business.

Impact Pathways has been facilitating the S3PG Scope 3 Governance Working Group since 2025.

With input from over 100 practitioners, we developed this framework with the help and support of many who work to reduce scope 3 emissions every day. We would like to specifically acknowledge the contributions of our working group members:

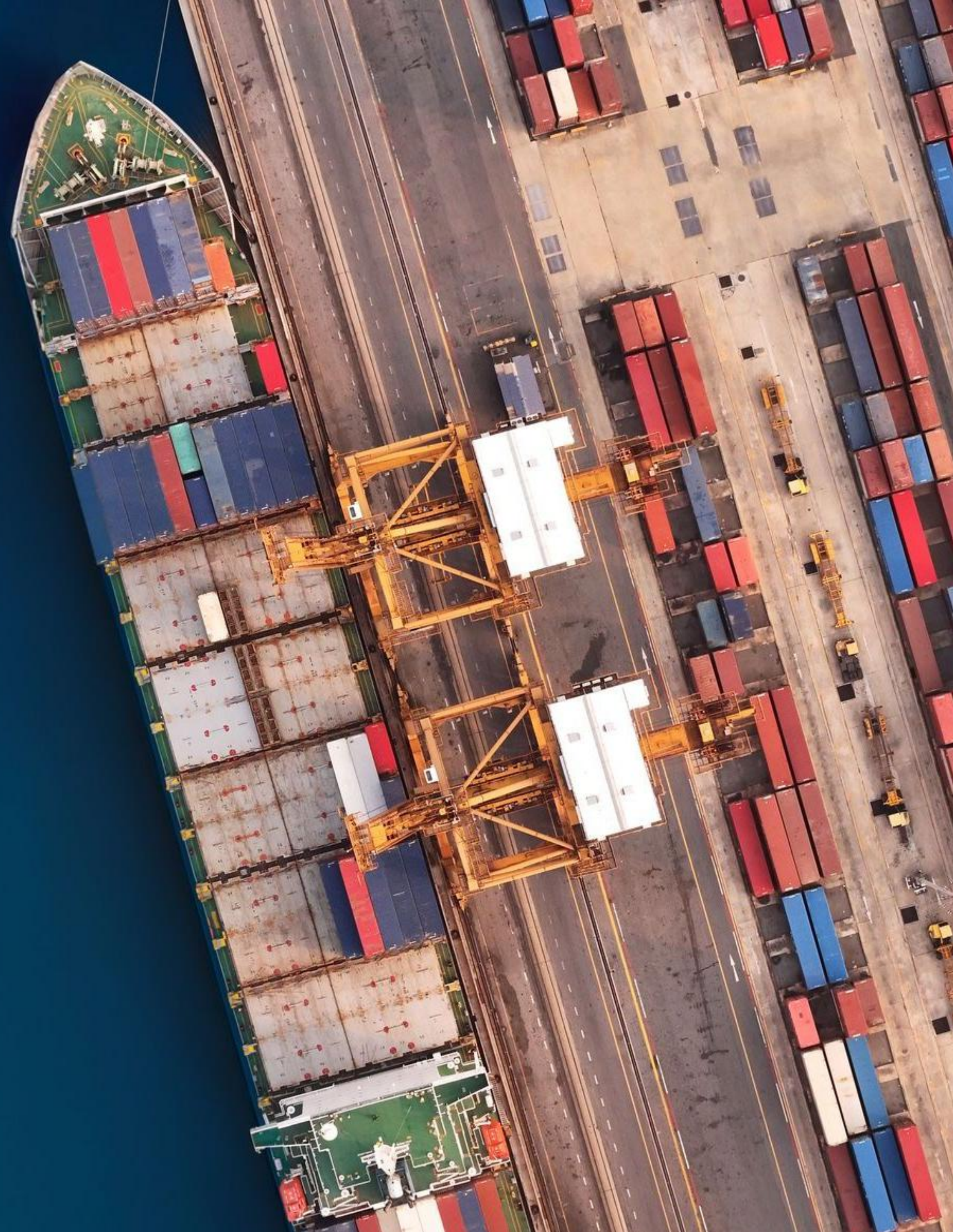
- Nicole Anderson Brodin, Sustainable Procurement Manager, Essity
- Arjun Arya, Environmental Sustainability Manager
- Andrew Baer, Head of Responsible Procurement, S&P Global
- James Lee, Sustainable Procurement Director
- Alissa Matthies Tamasi, Senior Manager Supplier Decarbonization
- Krista McGuire, Ph.D., Environmental Sustainability Strategy Manager
- Madyson Partenheimer, Global Sustainability Manager, Magnera
- Chris Perzan, President & Attorney, Kyndenos Environmental & Sustainability Law
- Matt Seiler, Scope 3 Upstream Transformation Leader
- Ana Serbanovic Mendes, Sustainable Procurement Lead
- Maxime Viger, Sustainability Director

The views reflected in this framework are those of the individual practitioners who contributed and do not necessarily represent the positions of their employers or organizations.

“Targets don't reduce emissions, people do. And people make better decisions when they have clear ownership, practical tools and the support to work across functions. That's why this governance framework and tools have been grounded in real world peer practice, drawing on the experiences of individuals and their organizations working through these challenges every day. When companies get governance right, scope 3 stops being a reporting exercise and becomes part of how the business actually operates. Ownership is clear, the right people are at the table, and climate commitments start turning into measurable progress.”

Bridget Ferrari

Chair, Governance Working Group, Scope 3 Peer Group



Introduction

The Scope 3 Governance Framework

Scope 3 progress can feel like an uphill climb.

Practitioners identified **internal commitment and governance identified as the most important factors** to accelerate their company's climate action over the next five years.

Source: Scope 3 Peer Group SBTi feedback July 2026

Done right, scope 3 governance is a business value driver

Addressing value chain emissions, or scope 3, can advance both sustainability and business performance.

STRENGTHEN SUPPLY CHAIN RESILIENCE

Understanding your scope 3 footprint means understanding your supply chain. That visibility becomes an asset when supply chains are disrupted, regulations shift, or markets move in ways that affect sourcing and operations.

UNLOCK COST SAVINGS

Decisions in procurement, logistics and engineering that reduce emissions can lower costs. Cross-functional visibility can lead to more of these win-win decisions.

PROTECT COMMERCIAL RELATIONSHIPS

Customers and investors are expecting action on scope 3, moving beyond scope 1 and 2 alone. Showing meaningful progress strengthens existing relationships and opens doors for new ones.

MANAGE RISK PROACTIVELY

Unmanaged scope 3 exposure creates financial, reputational and regulatory risk. Organizations that get ahead of it are better positioned than those responding after targets are missed or stakeholders ask questions.

STAY AHEAD OF REGULATION

Scope 3 reporting requirements are tightening across major markets. Organizations with clear governance structures are better positioned to demonstrate credible progress as regulatory scrutiny increases.

The Scope 3 Governance Framework

In the context of scope 3 and decarbonization, governance is the organizational work that turns scope 3 ambition into consistent action. It spans the structures, processes and relationships that determine how an organization engages, decides and delivers on scope 3.

What this framework is
A practical guide for building the organizational conditions that allow scope 3 progress to happen consistently, whether or not a formal commitment is in place.

How the dimensions work together
The five dimensions are interdependent. Progress in one dimension tends to reinforce progress in the others.

Where practitioners have the most direct influence
Dimensions 1 and 2 are largely shaped by organizational and leadership decisions above the practitioner level. The tools in this framework focus on Dimensions 3, 4 and 5, where most practitioners can take direct action.

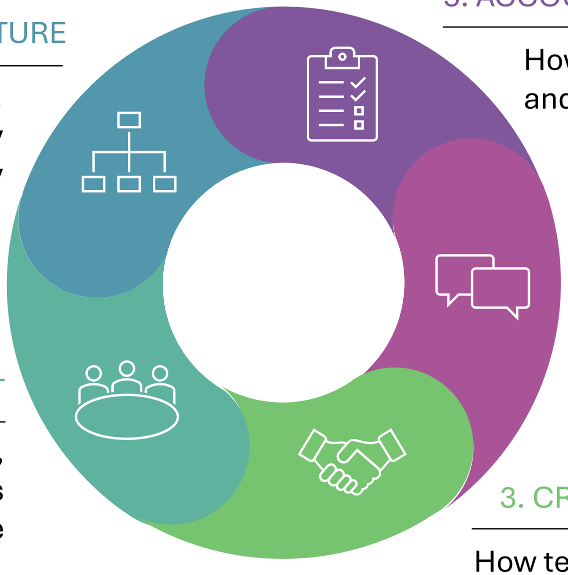
SCOPE 3 GOVERNANCE FRAMEWORK

1. ORGANIZATIONAL STRUCTURE

How scope 3 responsibilities, coordination and decision authority are organized across the company

2. LEADERSHIP & OVERSIGHT

How leadership sets direction, provides accountability and enables delivery over time



3. CROSS-FUNCTIONAL INTEGRATION

How teams engage, collaborate and make decisions across functions

4. SHARED LANGUAGE & MESSAGING

How scope 3 value, expectations and implications are understood across the organization

5. ACCOUNTABILITY & PERFORMANCE MANAGEMENT

How expectations are reinforced, enforced and used to guide decisions

Note: While the framework is focused on scope 3 emissions reductions, the concepts and tools in this framework may be applicable to other organizational challenges.

The framework reflects the experience of sustainability and procurement professionals working to advance scope 3 strategies within their organizations

THE PROCESS

1. **Working group established**
   The Scope 3 Peer Group convened a working group of sustainability and procurement practitioners to identify the most significant governance challenges they face in driving scope 3 progress.
2. **Governance dimensions identified**
   Through structured working sessions and 1:1 engagement with peers, the working group identified five dimensions of governance where organizations are most commonly challenged. These became the foundation of the framework.
3. **Tools developed collaboratively**
   Four practical tools were developed through iterative peer input, designed to be usable by practitioners while identifying where deeper engagement may be needed.
4. **Framework tested and refined**
   The framework and tools were pressure-tested during an in-person workshop with the working group and additional Scope 3 Peer Group members, ensuring they were practical and usable across different organizational contexts.

DESIGN CONSIDERATIONS

Flexible across different contexts

Designed to work across different organizational structures, regions and business models

Grounded in peer practice

Developed through direct input from sustainability and procurement practitioners navigating these challenges

Relevant at every stage of scope 3

Applicable whether an organization is working toward a commitment or has targets and is focused on achieving them

Practitioner influence varies

Focused on where most practitioners can take direct action, understanding that progress may rely on organizational conditions outside their remit.

Designed to evolve

The challenges practitioners face will shift as regulations, organizational models and expectations change and the framework may be updated accordingly.

How to leverage this framework for your own work

INTENDED AUDIENCE

This framework was designed for practitioners who are responsible for or contributing to scope 3 progress in their organizations. Throughout this framework, references to the 'scope 3 team' refer to whichever function or team holds primary responsibility for scope 3 in your organization (e.g., procurement, sustainability).

Note: The framework assumes the user has some familiarity with scope 3 but does not require prior experience with formal governance frameworks or deep technical expertise.

USE THE CHECKLISTS AS A STARTING POINT. The 'how to know when it's working' sections across each dimension give you a quick read on where your organization sits today. Use them to identify where the biggest gaps are. Treat them as a conversation starter rather than a full picture.

PICK ONE TOOL AND APPLY IT. Don't try to apply the full framework at once. Identify the dimension where you have the most immediate pain or opportunity, and start with the relevant tool. A focused first application is more useful than trying to do everything at once.

MAP YOUR ENGAGEMENT STARTING POINT. Completing *the Engagement Blueprint* for a priority scope 3 emissions driver gives you a concrete picture of which functions are most relevant, where conversations currently stand and where to start. It is often a low-lift initial step that can provide immediate clarity.

IDENTIFY ONE LEADERSHIP CONVERSATION TO HAVE. Use what you have learned from Dimensions 1 and 2 to identify the most important structural or leadership gap and frame a specific ask. Being concrete about what is blocked and why makes it a more actionable conversation.

SHARE THIS WITH A PEER. The framework was built by a community and works best when used as one. Sharing it with a colleague or peer and discussing where you each see the biggest gaps creates accountability and may highlight new perspectives.

Four practical tools for turning the framework into action

Each tool is designed to help practitioners address a specific challenge aligned with the dimensions of the framework. Grounded in real organizational experience, they provide enough guidance to get started while leaving room for practitioners to adapt them to their own context. They can be used independently or in sequence.

TOOL	OVERVIEW	TARGET OUTCOME
CROSS-FUNCTIONAL INTEGRATION		
TOOL 1: ENGAGEMENT BLUEPRINT	A table template to map a company's highest-emitting scope 3 categories to the business decisions, functions and roles behind them, helping you prioritize which functions to engage and where to start.	Prioritize which functions to engage on scope 3 and identify the best entry points to start the conversation.
TOOL 2: TRADE-OFF ROUNDTABLE	A step-by-step process guide, with prompts and common roadblocks, giving teams a shared structure to surface, discuss and document scope 3 trade-offs when competing priorities need to be resolved.	Bring the right people to the table with shared context to evaluate options and reach a documented decision.
SHARED LANGUAGE & MESSAGING		
TOOL 3: LANGUAGE BRIDGE	A set of structured prompts, a translation template and real-world examples to help practitioners communicate scope 3 in the language of the functions and roles being engaged.	Build a message tailored to a specific audience that connects scope 3 to their priorities and pre-empts likely objections.
ACCOUNTABILITY & PERFORMANCE MANAGEMENT		
TOOL 4: ACCOUNTABILITY ENGINE	A cascade diagram and supporting template that maps how scope 3 accountability flows from corporate goals to functional decisions and individual roles, surfacing where existing KPIs align with scope 3 efforts and where gaps or tensions exist.	Map a clear cascade with named owners and surface where existing KPIs align with or work against scope 3 progress.

Introducing PedalCo: the illustrative example used throughout this framework

PedalCo
BICYCLES

To help practitioners leverage this framework, we've created a fictional company to show how the tools can be used in practice.

- We'll trace the same business decision, whether to switch to lower-carbon aluminum, through all four tools included in this framework: *the Engagement Blueprint*, *the Trade-off Roundtable*, *the Language Bridge* and *the Accountability Engine*.
- Note: Although we're using PedalCo as an example, the tools are agnostic to sectors, company sizes, geographies and scope 3 categories. The specific outcomes and decisions will look different in your context.

COMPANY PROFILE

PedalCo is a publicly traded global bike manufacturer headquartered in Chicago, Illinois. Operations span multiple regions with a complex supplier base across materials, components and logistics.

Scope 3 commitment
PedalCo has a Science Based Target committing to a 30% absolute reduction in scope 3 emissions by 2030 against a 2019 baseline. The target was set at the corporate level but has not yet cascaded into functional objectives or KPIs.

Highest-impact scope 3 areas
Purchased goods and services, particularly aluminum used in frame manufacturing, represents PedalCo's highest-emitting scope 3 category and is the primary focus of the examples throughout this framework. Upstream transportation and capital equipment also appear in select examples.

Where scope 3 stands today
Cross-functional engagement on scope 3 is ad hoc and relationship-dependent. No function outside sustainability and procurement has a formal scope 3 responsibility or key performance indicator (KPI). A decision to switch to lower-carbon aluminum for frame manufacturing has stalled because procurement, product engineering and finance have not been able to align on the trade-offs involved (e.g., cost, performance, supply reliability).

PedalCo is a fictional global bike manufacturer. All scenarios, decisions, targets and data points are hypothetical and used for illustrative purposes only.

Framework and tools

The Scope 3 Governance Framework

1. Organizational Structure

What it can do for scope 3

CONNECT TO DECISION MAKERS

Where the scope 3 team sits in the reporting structure influences who it has access to, what decisions it can shape and how seriously other functions take it.

A team buried several layers down will face different constraints than one with a direct line to the C-suite.

EMBED INTO WAYS OF WORKING

Without dedicated resources and a clear mandate, scope 3 becomes an add-on to existing roles rather than a core responsibility.

That limits both the quality of the work and the ability to sustain it over time.

FORMALIZE OWNERSHIP

Organizational structure determines who owns cross-functional coordination.

When no one is formally responsible for bringing functions together on scope 3, that coordination falls to whoever is willing to do it informally, which is fragile.

How to know when your organizational structure is working

Use these as a quick sense-check for your organization. How many can you say yes to today?

- ☐ Scope 3 sits within a function that has cross-functional visibility and a reporting line that gives it access to business decisions.
- ☐ There is at least one person with a clear mandate for scope 3 who has the time, resources and authority to do the work rather than fitting it around other responsibilities.
- ☐ Cross-functional scope 3 coordination is supported by defined roles or governance structures, not left to be figured out informally.
- ☐ When scope 3 requires a decision above the sustainability or procurement function, there is a clear path to get there.

→ **If you answered no to any of these**, the dimensions that follow become even more important.

Clear accountability structures, shared language and strong cross-functional integration can compensate for structural gaps. The evidence you gather from using the tools can help you make the case for structural change over time.

What practitioners can do

You may not be able to change your company's organizational structure, but you can strategically work within it and make the case for what needs to change.

WHAT'S WITHIN YOUR REMIT

- Understand where scope 3 sits in your organization
- Know which people and decisions you can reach and how much influence you have on decision-making
- Find allies within other functions who are open to coordination, even when the structure doesn't formally require it. *The Engagement Blueprint* can help you prioritize which functions to engage and when.

WHAT MAY BE OUTSIDE YOUR REMIT

- Changing reporting lines, creating new roles or allocating resources to scope 3
- Making key decisions such as how scope 3 is communicated to the board, whether a cross-functional steering committee is established or whether external commitments like science-based targets (SBTs) are set

BRIDGING THE GAP

- Name structural barriers specifically and collect evidence of what they are preventing. A general observation that "the structure isn't set up for scope 3" is hard to act on. A specific example, such as a decision that stalled because no one had the authority to make it, gives leadership something concrete to respond to.
- Frame the ask in terms of business risk or commercial impact rather than scope 3 ambition

2. Leadership & Oversight

What it can do for scope 3

DRIVE THE CONVERSATION

When senior leaders are actively engaged on scope 3, it changes the questions asked across the business, the pressure applied to functions to engage and the resources available.

The difference between scope 3 as a reporting exercise and a genuine business priority often comes down to whether leadership treats it as one.

MAINTAIN ACCOUNTABILITY

Cross-functional accountability for scope 3 is difficult to establish without leadership support.

Without a clear signal from the top, practitioners are asking functions to prioritize something their own leaders are not asking them to.

MAKE IT MANDATORY

External commitments like SBTs, CDP reporting and net-zero pledges are made at the leadership level. These commitments create the organizational mandate that practitioners need to drive progress.

Without them, scope 3 work can feel optional rather than necessary.

How to know when leadership and oversight is working

Use these as a quick sense-check for your organization. How many can you say yes to today?

- [ ] Senior leaders can speak to the company's scope 3 strategy and understand what it requires of the organization, not just what it requires of the sustainability and procurement teams.
- [ ] Scope 3 is included in board or executive reporting as a standing item, not just in annual sustainability reports and other disclosures.
- [ ] There is visible leadership sponsorship for cross-functional engagement on scope 3. Other functions know that scope 3 is a leadership priority, not just a priority for the scope 3 team.
- [ ] When scope 3 requires a cross-functional decision or resource allocation, there is an owner within leadership who can make or sponsor that decision.

→ **If you answered no to any of these**, meaningful progress is still possible.

The work you do across the other dimensions provides the framing, evidence and support that can help make the case for leadership engagement.

What practitioners can do

You may not be able to create leadership sponsorship, but you can build the conditions that make it more likely and make the case when the opportunity arises.

WHAT'S WITHIN YOUR REMIT

- Understand how leadership currently views scope 3. Whether they see it as a business risk or a reporting requirement and whether anyone at a senior level has explicit responsibility are important prerequisites to any conversation.
- Build trust with individuals one level above you to move priorities up the management chain rather than approaching senior leaders directly

WHAT MAY BE OUTSIDE YOUR REMIT

- Assigning an executive sponsor for scope 3 or if leadership actively champions scope 3 among their teams
- Whether the organization is held accountable for scope 3 progress at the leadership level, such as by the board or investors
- How resources and budgets are allocated to support progress

BRIDGING THE GAP

- Connecting scope 3 to what drives value for the business, whether that is regulatory risk, customer expectations, cost exposure, talent or reputation, tends to get you further than framing it as a sustainability priority alone.
- Repetition and education via forums that leadership already attends (like existing steering committees) can help keep senior leaders aware and engaged on scope 3

3. Cross-functional Integration

What it can do for scope 3

DRIVE LASTING CHANGE

Real progress requires operational change. It means suppliers engaged differently, products designed with emissions in mind and capital flowing toward lower-carbon alternatives.

None of that happens without the functions that own those decisions being genuinely and consistently involved.

MAKE IT A TEAM SPORT

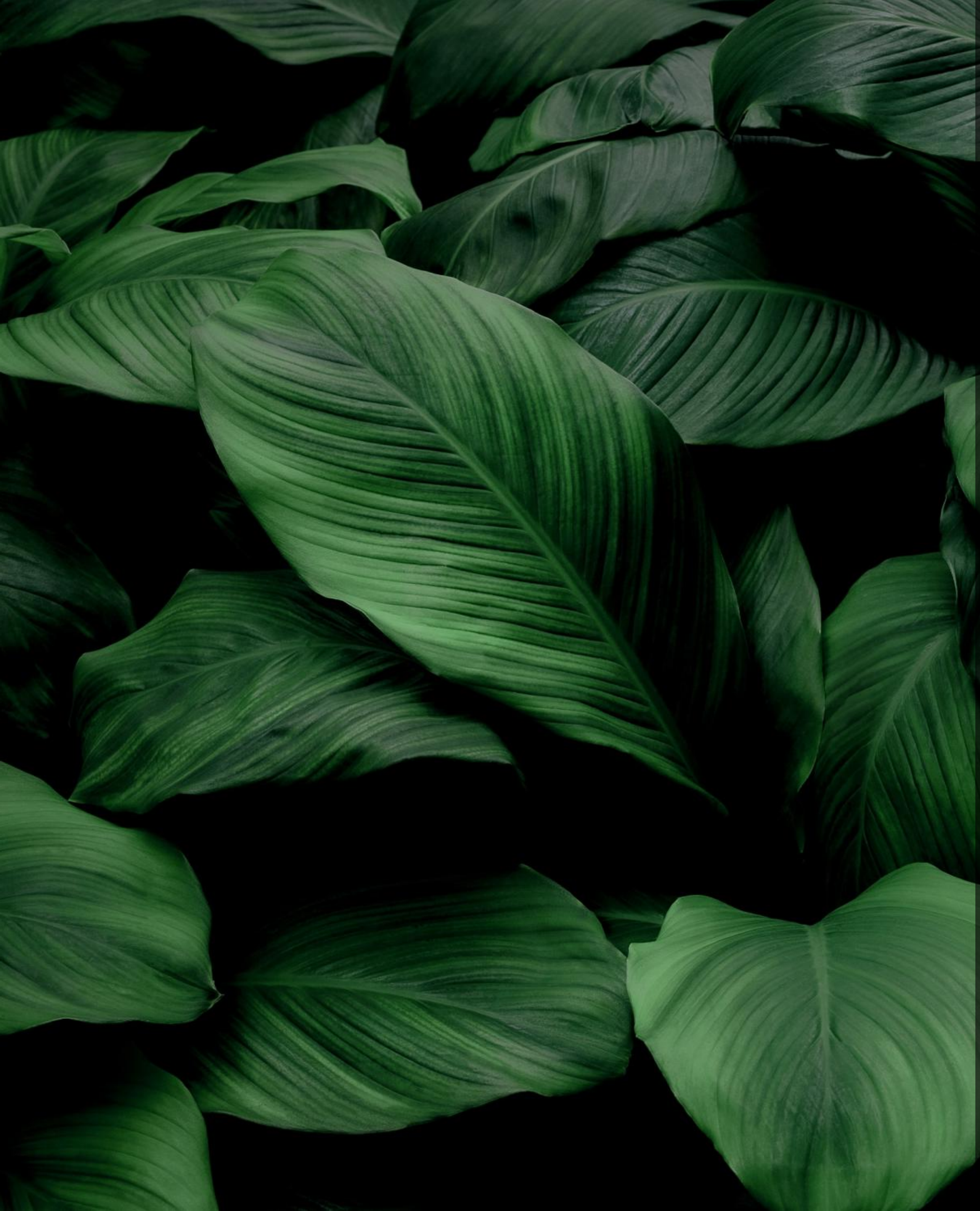
Most scope 3 impacts are shaped by everyday business decisions made outside the remit of the scope 3 team.

Sourcing, product design, logistics, risk management, regulatory affairs, finance and commercial teams all play a role in making progress.

KEEP IT REGULAR

Without structured cross-functional integration, engagement tends to be ad hoc and relationship-dependent.

When priorities shift or people move on, progress tends to stall.



“Scope 3 only moves when ownership is clear. The teams closest to the emissions need the mandate to act, not just a target handed to them. It's a cross-functional effort, so responsibility has to sit where the emissions actually live, close to the relationships and the real decisions. Once the right people have the authority to move, progress can follow quickly. Clear ownership is what turns ambition into action across the business.”

Nicole Anderson Brodin

Sustainable Procurement Manager, Essity

How to know when cross-functional integration is working

Use these as a quick sense-check for your organization. How many can you say yes to today?

- [ ] Scope 3 considerations show up in sourcing decisions, product specs and capital allocation, not just sustainability reporting.
- [ ] Teams outside the scope 3 team understand what scope 3 means for their work and own a piece of the decision-making.
- [ ] When conflicts arise between emissions goals and cost or operational constraints, there's a process to work through them, not just escalation or avoidance.
- [ ] Progress does not depend on an individual champion's relationships, actions or persistence.

If you answered no to any of these, the tools in this section are designed to help.

The Engagement Blueprint will help clarify who to engage and where to start. *The Trade-off Roundtable* gives you a structure for working through competing priorities when they arise.

Tool 1: The Engagement Blueprint

Prioritize functions for scope 3 engagement and start the conversation.

WHAT IT IS

A template to map high-emitting areas to the business decisions that drive them, the functions and roles that own those decisions and their current level of engagement on scope 3.

QUESTIONS IT ANSWERS

- Who has influence over our biggest emissions sources?
- Where is engagement strong, where has it stalled and where are the biggest gaps?
- Where is the best place to start, and what's the right moment to bring each function in?

BEST USED WHEN

- You have an estimate or hypothesis of where most of your scope 3 emissions are created.
- You know progress requires cross-functional collaboration but aren't sure where to start.
- You have some engagement in place but want to identify where it's working, where it's stalled and where the gaps are worth closing.

The Engagement Blueprint: a working template

Use this template to map your highest-emitting scope 3 areas and the specific emissions drivers within each, the business decisions and functions involved and current engagement with the specific individuals behind them. Add one row per emissions category and driver plus additional rows per function or role where more than one is involved. Make this your own and add columns as needed, such as meeting dates, timelines, or where each stakeholder's collaboration is required.

SCOPE 3 EMISSIONS CATEGORY	CATEGORY DRIVER	BUSINESS DECISION	FUNCTION	ROLE	NAME	SCOPE 3 INFLUENCE	CURRENT ENGAGEMENT	PRIORITY TO ENGAGE	POTENTIAL ENTRY POINT
Highest-emitting categories	*Specific material, input or service*	*Decision behind this driver*	*Function involved in or responsible for decision*	*Specific role within the function*	*Specific name of individual in the role*	• *High* • *Medium* • *Low*	• *Formalized* • *Ad hoc* • *Exploring* • *None*	• *High* • *Medium* • *Low*	*Upcoming decision, touchpoint or review?*

How to use the template

For each emissions driver, follow the steps to fill out the template.

1 SCOPE 3 EMISSIONS CATEGORY	1 CATEGORY DRIVER	BUSINESS DECISION	2 FUNCTION	2 ROLE	NAME	3 SCOPE 3 INFLUENCE	3 CURRENT ENGAGEMENT	PRIORITY TO ENGAGE	4 POTENTIAL ENTRY POINT
Purchased goods & services	Aluminum used in bike frames	Which aluminum alloy suppliers are selected and on what contract terms	Procurement	Category Manager, Raw Materials	John Smith	**High**	**Ad hoc**	**High**	Upcoming trigger:supplier contract renewal in Q4

1

START WITH YOUR EMISSIONS

Identify your highest-emitting or highest-spend categories.

For each one, name the specific driver within it, then ask: what business decision is behind those emissions?

2

MAP TO FUNCTIONS AND ROLES

Which team and role owns that decision?

Note: one category driver or business decision can involve more than one function and role. Give each its own row in the table.

3

ASSESS INFLUENCE AND ENGAGEMENT*

Score each role's influence over scope 3 and its level of current engagement.

This shows where influence is high but engagement is low, surfacing where to focus first.

4

FIND YOUR ENTRY POINT

Find the natural entry points to bring each role into the conversation.

Is there an upcoming decision, process or review?

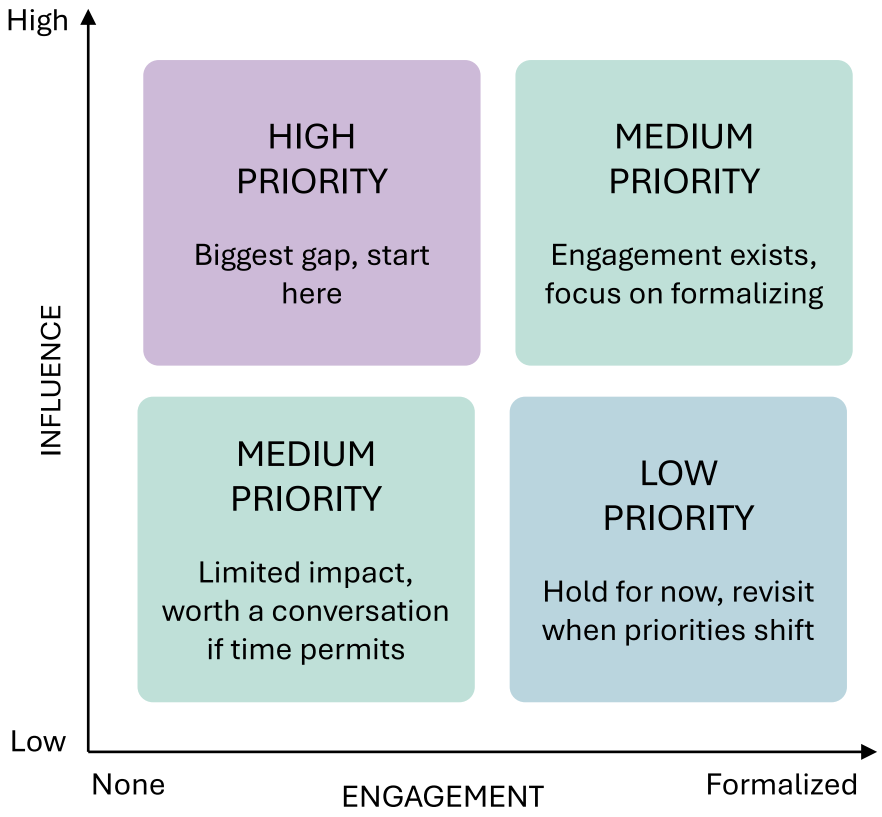
If no entry point exists yet for a prioritized function, that becomes your immediate next step.

*Refer to the next page for guidance on how to fill in these columns. Consistent scoring across roles is what makes the prioritization useful.

Supporting guidance

HOW TO DETERMINE YOUR PRIORITY TO ENGAGE

Compare each role's scope 3 influence against your current level of engagement with them to determine where to prioritize.



SCALE GUIDANCE

Use these considerations to score consistently across functions. Treat them as a starting point and adapt where needed to reflect your organization's size, structure and current state.

Influence: how much do this function's day-to-day decisions shape scope 3 outcomes?

- **High:** this function's decisions directly drive emissions outcomes (e.g., procurement controls which suppliers are selected and on what terms)
- **Medium:** this function shapes some emissions outcomes but isn't the primary driver (e.g., legal enables supplier requirements but doesn't control sourcing decisions)
- **Low:** limited direct influence over emissions outcomes (e.g., sales has minimal influence over upstream emissions)

Current engagement: how actively is this function involved in scope 3 discussions today?

- **Formalized:** structured process, regular touchpoints and defined roles
- **Ad hoc:** engagement happens but is relationship-dependent and inconsistent
- **Exploring:** early conversations started but no regular engagement yet
- **None:** no engagement today

Potential entry point: what is the natural moment to bring this function in?

- **Existing touchpoint:** an ongoing process already exists to embed scope 3
- **Upcoming trigger:** a known decision, review or planning cycle creates a natural opening
- **To be identified:** no entry point is obvious yet

The Engagement Blueprint in practice

PedalCo BICYCLES

The Engagement Blueprint was completed below for several of PedalCo's scope 3 emissions drivers. It shows how emissions category, function and starting point shape where to focus and how to engage. Use this as a reference when filling out your own template.

SCOPE 3 EMISSIONS CATEGORY	CATEGORY DRIVER	BUSINESS DECISION	FUNCTION	ROLE	NAME	SCOPE 3 INFLUENCE	CURRENT ENGAGEMENT	PRIORITY TO ENGAGE	POTENTIAL ENTRY POINT
Purchased goods & services	Aluminum used in bike frames	Which material specifications are approved for frame manufacturing	Engineering	Lead Product Engineer, Frames	Amy Chen	High	Exploring	High	Upcoming trigger: product redesign review in Q3
Purchased goods & services	Aluminum used in bike frames	Which aluminum alloy suppliers are selected and on what contract terms	Procurement	Category Manager, Raw Materials	John Smith	High	Ad hoc	High	Upcoming trigger: supplier contract renewal in Q4
Upstream transportation	Inbound freight logistics	Which freight carriers and shipping routes are contracted	Logistics	Freight & Logistics VP	Neel Shah	Medium	Exploring	Medium	Existing touchpoint: annual logistics planning cycle
Capital equipment	Manufacturing equipment	Which capital investments are approved in the annual budget	Finance	Manager, Finance / Capital Planning	Allison Hill	Low	None	Medium	Existing touchpoint: annual capital planning cycle

Once your template is filled out, let ‘priority to engage’ guide the sequencing. Start with high-priority roles where influence is strong but engagement is limited, and use the identified ‘potential entry point’ to time the conversation. *The Language Bridge* can help you shape those conversations once you know who to engage and when.

Practical considerations

Start narrow and build from there

Start with your highest-emitting categories, pick the specific drivers within them and work from there. A rough first pass at which functions and roles are involved is more useful than waiting until you have the full picture.

Where you are in the supply chain matters

A company closer to raw materials may find procurement and engineering have the most direct influence over emissions. A company closer to the end customer may find commercial, product and logistics teams more relevant. There is no universal function list. Use your position in the supply chain as a guide for where to focus.

Low engagement scores are a signal, not a failure

If current engagement across most functions comes back as 'ad hoc' or 'none,' that is useful information. It may mean that relationships need to be built before a more formal process can work, or that scope 3 hasn't been connected to what those functions care about yet. Before trying to move engagement to the next level, try to understand what is driving the low score.

Revisit the table as your business changes

Influence and engagement levels shift as priorities, personnel and structures change. Treat this as a living reference, not a one-time exercise. Once you've identified who to engage and where to start, *the Language Bridge* can help you frame the conversation in terms that resonate with the function.

Tool 2: The Trade-off Roundtable

Establish a shared structure for teams to surface, discuss and document scope 3 trade-off decisions.

WHAT IT IS

A five-step process guide for getting the right people in the room to work through trade-offs when function priorities conflict and document the decision process for the future.

QUESTIONS IT ANSWERS

- Where do function priorities currently conflict?
- When function priorities do conflict, how does the company reach a decision?
- How do we document the final decision so it can be defended and serve as a reference point for similar trade-off decisions?

BEST USED WHEN

- You’re dealing with a decision that involves more than one function, and it’s stalled because there is no shared process for working through the competing priorities.
- A scope 3-related decision keeps getting deferred because the trade-offs involved haven't been named or agreed on by the right people.

The Trade-off Roundtable: a step-by-step process

Steps 1 through 3 happen before the group convenes. Steps 4 and 5 happen in the conversation itself. How you work through each step will vary with the decision at hand and your organization's context.

	1 FRAME THE DECISION	2 MAP THE TRADE-OFFS	3 ASSEMBLE THE RIGHT PEOPLE	4 AGREE ON THE RULES*	5 DOCUMENT THE OUTCOME
Purpose	Get everyone aligned on what is being decided before the conversation starts.	Surface competing priorities before anyone starts advocating for a position.	Ensure the right expertise and authority is in the room, and everyone is prepared.	Agree upfront on how to make the decision so the process is clear before options are evaluated.	Create a record that prevents the same conversation from restarting later.
What it entails	Name the specific business decision at stake, the timeline for resolution and which functions need to be involved. If there is no shared understanding of what the decision is, that conversation needs to happen first.	Before the meeting, think through where functional priorities are likely to conflict. Work with the functions to name their tensions explicitly so the conversation starts with shared understanding rather than each function discovering them in the room.	Each participant comes prepared with their functional position, the relevant data and any constraints they are working within. Without the right people in the room with the right information, the conversation is likely to stall from the start.	Before evaluating options, align on which criteria take precedence when they conflict. Be clear about what level of decision can be made in the room versus what needs to be escalated.	Capture the decision, the rationale, what was deprioritized and who owns next steps. Include enough context that someone reading it at a future date can understand why the decision was made.
What good looks like	A clear, agreed-upon statement of the decision to be made, the deadline and the functions that need to be involved.	A written list of the trade-offs at stake before the conversation starts. Each function has seen it and understands their position.	All participants are in the room, have reviewed the trade-offs and come with the information needed to evaluate options.	Agreed criteria for the decision and clarity on escalation. Everyone knows the rules before options are presented for discussion.	A documented outcome with rationale, named owners for next steps and a clear record of what was deprioritized and why.

*Note: There is no standard set of rules. Which criteria matters and where the escalation is needed are specific to your organization and the decision at hand.

Prompts to guide you through each step

Use these questions to prepare for the conversation and to keep it on track once you are in the meeting. You don't need to work through every question, just what is relevant to your situation.

1

FRAME THE DECISION

- What is the specific decision we need to make, and what happens if we don't make it?
- By when does this need to be resolved, and what is driving that timeline?
- Which functions need to be in the room, and do they have the authority to make this decision?

2

MAP THE TRADE-OFFS

- Where do the priorities of each function conflict?
- Are there any trade-offs that are non-negotiable for any function?

3

ASSEMBLE THE RIGHT PEOPLE

- Does each participant understand why they are in the room and what is being asked of them?
- What data or information does each function need to bring to evaluate options on the table?

4

AGREE ON THE RULES

- Which criteria matter most when evaluating options, and who decides that?
- What is the threshold for escalation if agreement cannot be reached in the room?

5

DOCUMENT THE OUTCOME

- What was decided and what was the rationale?
- What was deprioritized, and why?
- Who owns each next step, and by when?

The Trade-off Roundtable in practice

PedalCo
BICYCLES

Use this illustrative example as a reference for what each step produces in practice. PedalCo is working through whether to switch to lower-carbon aluminum for its bike frame manufacturing, a decision that requires procurement, product engineering and finance to align.

1 FRAME THE DECISION	• Decision: can PedalCo switch to lower-carbon aluminum alloy for frame manufacturing to support its scope 3 SBT? Must be resolved before next quarter's sourcing commitments. • Who needs to be in the room: Procurement (CPO, Category Manager), Product Engineering (VP, Lead Engineer), Finance (VP Finance).
2 MAP THE TRADE-OFFS	• Finance vs. Procurement: the 12% cost premium on lower-carbon aluminum versus the supplier options and contract terms available. • Product Engineering vs. Procurement: performance and qualification requirements versus supplier reliability and switching costs. • Finance vs. Product Engineering: margin impact versus the time and cost of qualifying new lower-carbon materials.
3 ASSEMBLE THE RIGHT PEOPLE	• Procurement brings: supplier options, pricing comparison and contract flexibility. • Product Engineering brings: material performance specs and qualification timeline. • Finance brings: margin impact analysis and budget constraints.
4 AGREE ON THE RULES	• Cost premium up to 10% can be approved at this level. Anything above escalates to the CFO. • Performance specs cannot be compromised. Any lower-carbon material must meet existing standards before adoption.
5 DOCUMENT THE OUTCOME	• Decision: phased transition to lower-carbon aluminum over 18 months, keeping the annual cost premium within the 10% threshold. • Deprioritized: full immediate switch due to cost and qualification timeline. • Next steps: Procurement to shortlist qualified suppliers by end of Q2. Finance to reassess margin impact at mid-year budget review.

Practical considerations

Not every trade-off needs the full process

Use judgment. A low-stakes decision between two people may not need a formal roundtable. Reserve this structure for decisions where competing priorities are significant and the outcome needs to hold.

Running this process well takes preparation

Functions often need to be briefed on the decision on the table and why their input matters before the conversation can be productive. In some organizations, getting the right people aligned and prepared takes as much effort as the conversation itself.

No existing escalation process means @tep 1 will take longer

If your organization doesn't have a clear sense of who has decision authority on scope 3 trade-offs, expect to spend more time on framing before you can even convene the right people.

Document outcomes even for small trade-offs

The discipline of capturing rationale and not just the decision is what prevents the same debate from resurfacing at a later date. Build the habit early, even when the stakes feel low.

Where other tools can help:

- Step 1. Not sure who needs to be in the room? *The Engagement Blueprint* can help you identify which functions and roles have the most influence over the decision at hand.
- Step 2. The *Audience Translator* (Component 1 of *the Language Bridge*) can help you understand each function's priorities and language before you map the trade-offs.
- Before Step 4. Consider using *Breakdown Diagnostics* (Component 2 of *the Language Bridge*) to anticipate where priorities are likely to conflict and how to get ahead of them. If agreement on criteria cannot be reached in the room, that is a signal the discussion may need to be escalated before the conversation can move forward.

4. Shared Language & Messaging

What it can do for scope 3

ALIGN MOTIVATION

When scope 3 is framed in terms that connect to what a function already owns and is measured on, it stops feeling like an external ask and becomes part of how they think about their own work and what they are trying to achieve.

MAKE IT UNDERSTANDABLE

Scope 3 teams cannot drive this alone. Having partners within other functions who understand scope 3 and can connect it to their own priorities is what enables it to show up in the right conversations and decisions across the business.

CONNECT TO THEIR REALITY

Shared language and messaging cut across all the other dimensions. Cross-functional integration, accountability and leadership engagement all depend on people being able to connect scope 3 to their own work and priorities.

“Shared language is what makes scope 3 land. Scope 3 doesn't live inside one team, so nearly every function needs someone who understands what it means for their specific role. But people don't need to become experts. They need someone who can meet them in their own terms and show them how emissions tie to the decisions they're already making. When the connection to business strategy is clear and you speak the language of the function, progress happens across the business rather than in a silo.”

Madyson Partenheimer

Global Sustainability Manager, Magnera

How to know when shared language and messaging is working

Use these as a quick sense-check for your organization. How many can you say yes to today?

- [ ] Functions you need to engage can explain scope 3 in their own terms: not in sustainability language, but in terms of cost, risk, customer expectations or operational decisions.
- [ ] When you walk into a conversation with a new team, you have a clear sense of what they care about and how scope 3 connects to their work before the discussion starts.
- [ ] Scope 3 conversations don't keep stalling at the same objections. When they do stall, you know why and have a way to get ahead of it next time.
- [ ] You have at least one person in each key function who can carry the scope 3 message to their own team in language that resonates there.

If you answered no to any of these, *the Language Bridge* is designed to help.

It helps you understand what each function cares about, identify where conversations are stalling and build messages that land.

Tool 3: The Language Bridge

Communicate scope 3 in language that resonates with the functions whose support is needed to make progress.

WHAT IT IS

Three modular components that help practitioners communicate scope 3 in terms understood by the functions they need to bring along: Audience Translator, Breakdown Diagnostics and Narrative Builder.

QUESTIONS IT ANSWERS

- Audience Translator: what does my audience care about, and how do I translate scope 3 into terms that resonate with them?
- Breakdown Diagnostics: where is my message likely to fail, and how do I get ahead of it?
- Narrative Builder: what does my message need to include to be compelling?

BEST USED WHEN

- You need to engage a function but don't yet know what they care about or how to connect scope 3 to their priorities.
- You've had some conversations with another function, but discussions keep stalling at the same objections or the message isn't landing consistently across different teams.

How to use the tool

The Language Bridge has three components. You don't need to use all three every time. Reach for the component that fits where you're stuck. The pages that follow walk through each one in practice.

Audience translator

Start here when

You don't yet know what this function cares about, or past conversations haven't clicked.

What it does

Builds a profile of a function's priorities, pressures and language, then maps where scope 3 connects to what they already care about.

Breakdown diagnostics

Start here when

You understand the function's priorities, but the message keeps stalling at the same objections.

What it does

Identifies why a conversation is breaking down and how to get ahead of it before it happens again.

Narrative builder

Start here when

You know the audience and their likely objections and just need a sharper message for a specific conversation.

What it does

Assembles a message tailored to the specific type of conversation: a cold introduction, an existing relationship, a stalled follow-up or an inbound interest.

PedalCo BICYCLES

EXAMPLE

Before approaching finance about the aluminum decision, the procurement lead uses this to understand that finance is focused on margin protection and supplier cost risk, not emissions.

Finance keeps raising the 12% cost premium as a blocker. The procurement lead identifies a KPI conflict. Because finance is measured on margin, the lead reframes it as the cost risk of inaction.

The procurement lead uses this to build a message for the VP of Finance that frames lower-carbon aluminum not as a cost increase but as a risk management decision ahead of the next quarterly review.

Component 1: Audience Translator

Many scope 3 conversations fail because the message was built for the communicator, not the audience. This component helps you step into your audience's shoes before you prepare any communication materials. The goal is to understand what each function already cares about so you can connect scope 3 in their terms.

Build an audience profile

Before preparing any message, answer these questions about the function you're trying to engage. Some of this you may already know from existing relationships or shared planning processes. For anything you're less sure of, it's worth having an informal conversation with your leadership or a colleague who works closely with that function before you reach out directly.

What is this function accountable for and measured on?

Think about what success looks like for them: what are they trying to achieve this quarter or year, and how are they measured on it? Finance is measured on margin and cost. Product Engineering on product performance and timelines. Logistics on delivery reliability and carrier costs.

What pressures are they currently navigating?

Cost pressures, deadlines, competing priorities, a new system rollout. Understanding the specific pressures they're under right now helps you time your ask well and frame scope 3 as something that works with their priorities rather than adding to them.

What is their current relationship with scope 3?

Are they aware of it but unsure where they fit in? Do they see it as outside their remit entirely? Are they open but unsure where to start? Understanding their starting point shapes how you open the conversation and what you lead with.

Note: If you're not yet sure which functions to focus on, *the Engagement Blueprint* can help you prioritize before working through this tool.

Component 2: Breakdown Diagnostics

This component helps practitioners anticipate where scope 3 messages are most likely to break down with a specific audience, so resistance can be diagnosed and addressed before it shows up in the conversation.

Name the breakdown

Identify what is blocking the conversation. Start by asking: what is the real reason this conversation isn't moving? The categories below cover the most common patterns, but your situation may not fit neatly into one. If it doesn't, use these as prompts to name your own version.

BREAKDOWN CATEGORY	DESCRIPTION	PedalCo BICYCLES *EXAMPLE*
KPI conflict	Scope 3 progress works against function incentives	Finance is measured on margin. A 12% cost premium to switch aluminum suppliers creates a direct conflict, since their incentive is to block it, not enable it
Competing priorities	They agree scope 3 matters, but not enough to act on it right now	They're mid-way through a system rollout, or it's the end of quarter. Timing is the issue, not the principle
Lack of resources or support	They want to help but don't have the budget, team capacity, or mandate to act	A logistics team that agrees transport emissions matter but has no budget for route optimization and no sign-off from their director
No shared goal or north star	There's no enterprise-level objective that pulls functions toward the same outcome	When scope 3 is only owned by sustainability, other functions have no reason to prioritize it. This is a governance gap, not a messaging one, and it signals the need for leadership engagement
Framing mismatch	The message is being delivered in sustainability language to someone who thinks in operational or financial terms	Talking about emissions reductions to someone whose entire world is cost per unit. The data may be right but the translation is missing

Determine how to overcome it

Once you have named the breakdown, work through the following questions:

- What is driving the breakdown? Can you resolve it yourself, or does it need sign-off, escalation, or action from someone else?
- Does your message need to be adjusted or reframed? Or does something structural need to change first?
- Is there a better moment for the conversation, like an upcoming planning cycle, budget review or decision where scope 3 is already on the table?
- Is there someone closer to this function, such as a peer or a senior champion, who could open the door or carry the message better?

Component 3: Narrative Builder

You now know your audience and have diagnosed the likely pushback. This component gives you a structure to build a scope 3 message tailored to the specific situation and audience, helping move from awareness to action.

Identify the type of conversation

The same message doesn't work across all contexts. How you open, what you lead with and what you ask for depend on the situation you're walking into.

Cold introduction

First time raising scope 3 with this function.

Lead with their world, not yours. Don't open with targets or data. Open with a question about a challenge they're already navigating that connects to scope 3.

Stalled follow-up

You've had this conversation before, and it didn't progress.

Acknowledge the stall directly and name what's changed. Name what has changed: new data, a customer signal or a regulatory development. That change is what makes the conversation worth picking up again.

Existing relationship

You know each other, but scope 3 hasn't come up yet.

Use the relationship as the entry point. Reference something you know about their current priorities and show specifically how scope 3 connects to that.

Inbound interest

They've come to you, or the topic is already on their agenda.

This is your best opening. Meet them where they are, answer what they're asking and use the moment to expand the conversation.

Component 3: Narrative Builder

You now know your audience and have diagnosed the likely pushback. This component gives you a structure to build a scope 3 message tailored to the specific situation and audience, helping move from awareness to action.

Assemble the core narrative elements

A strong scope 3 message typically includes these four elements. The order and emphasis will vary by audience and situation. Use these as a starting point.

	NARRATIVE ELEMENT	EXAMPLE: PEDALCO TO FINANCE
1	**Hook: connect to their world** Start with something they care about: their KPI, their operational challenge or an upcoming decision. Not scope 3.	“Raw material costs have been one of our biggest margin pressures this year. I want to walk you through how our aluminum sourcing strategy connects to that.”
2	**Anchor: show the connection** Explain specifically how scope 3 relates to that. Use their language. Numbers and specifics land better than principles.	“Suppliers who can't demonstrate emissions reductions are facing cost pressures from regulation, customer requirements and financing conditions. That creates pricing risk on our core materials that is worth factoring in.”
3	**Ask: be clear and specific** What exactly do you need from them, and by when? The more specific the ask, the easier it is for someone to say yes. 'Your support' is not specific enough to act on.	“We need a cost threshold approved by the end of Q2 so procurement can evaluate alternatives in this sourcing cycle.”
4	**Close: pre-empt the main objection** Name the most likely pushback and address it before they raise it. It signals that you've thought through their perspective, which can reduce defensiveness.	“I know the 12% premium is the sticking point. Here's what the cost curve looks like over three years as supply scales.”

Practical considerations

Start with their business priorities, not yours

Scope 3 conversations land when they connect to something the other function is already trying to achieve (e.g., cost reduction, supplier resilience, regulatory compliance or customer retention). Understanding which of these drives value for that specific function and individual is the starting point, not the message itself.

You are not always the right messenger

Sometimes an ally within the function you're trying to reach can land the message more effectively than you can. Identifying and equipping those internal advocates is often more valuable than perfecting your own pitch.

Timing matters as much as the message

A well-framed message delivered at the wrong moment likely won't land. Whether you introduce scope 3 into an existing conversation, a budget cycle, a supplier review or a product launch matters as much as the message itself.

Not every barrier is a messaging problem

If the same conversation keeps stalling despite different approaches, it is worth asking whether the barrier is structural rather than a matter of framing. That’s a signal to look again at Dimensions 3 and 5, rather than continuing to refine the pitch.

5. Accountability & Performance Management

What it can do for scope 3

EMPOWER DECISION MAKERS

Scope 3 targets are often set at the company level. The opportunity lies in connecting them to the teams and roles whose decisions drive emissions, so it is clear where to focus and who can move things forward.

INCENTIVIZE PROGRESS

Scope 3 progress tends to accelerate when it's connected to how people are measured and rewarded. Tying it to the priorities teams are already recognized for turns it into work they are motivated to advance.

MANAGE THE MANAGERS

Middle management sits between leadership targets and the operational decisions that drive emissions, which makes it the layer where clear ownership can turn ambition into action.

“Setting a KPI isn't the same as making it matter. A scope 3 target can exist on paper and still go nowhere if it isn't tracked and managed across the organization. What changes things is when it lands somewhere leadership watches, so it's prioritized and resourced. You can influence what the KPI is, but not always how it's measured or weighted. When the individuals who control budgets and resources are also held accountable, the target turns into real progress.”

Andrew Baer

Head of Responsible Procurement, S&P Global

How to know when accountability and performance management is working

Use these as a quick sense-check for your organization. How many can you say yes to today?

- [ ] The people who own the decisions that most influence your scope 3 emissions are named, and they know they own them.
- [ ] There is a clear line from the corporate scope 3 target to the functional objectives, team KPIs and individual roles that deliver it.
- [ ] Scope 3 progress doesn't depend on one person. If your current scope 3 lead moved roles tomorrow, the work would continue.
- [ ] The functions that most influence scope 3 outcomes are measured on it, not just asked to support it.

If you answered no to any of these, *the Accountability Engine* is designed to help.

It provides a clear picture of where ownership sits today and where it needs to be.

Tool 4: The Accountability Engine

Translate corporate scope 3 ambition into clear team-level ownership and accountability structures.

WHAT IT IS

A two-part tool. The Decision Cascade maps how scope 3 accountability flows from corporate goals down to functional decisions. The Accountability Map identifies where ownership sits today versus where it should sit.

QUESTIONS IT ANSWERS

- Decision Cascade: how do scope 3 goals currently cascade from my corporate target to the teams and roles that influence it most?
- Accountability Map: where does ownership of scope 3 reside today, and where are the gaps between who should own it and who actually does?

BEST USED WHEN

- You have scope 3 ambition, whether or not it's a formal target, but no clear responsibility for delivering it below the leadership level.
- Engagement exists, but progress depends on individual motivation rather than formal accountability. You want to understand where ownership needs to be clarified and formalized.

Component 1: The Decision Cascade

The Decision Cascade translates your corporate scope 3 goal into the chain of decisions that will deliver it and names who owns each layer. Work down from the top, one scope 3 decision at a time. Where a business decision involves more than one function, each function needs its own cascade.

CASCADE LAYERS

CORPORATE GOAL
the scope 3 target set at the company level

↓

BUSINESS DECISION
the specific decision that drives emissions in this area

↓

FUNCTION OBJECTIVE
the relevant objective the function needs to commit to in order to deliver on the business decision

↓

TEAM OR INDIVIDUAL KPI
the metric that tracks progress against the function objective

HOW TO BUILD THE CASCADE

1. **Prioritize which scope 3 areas to focus on**
   Start with your highest-emitting categories and the drivers within them, or where you have the most influence. *The Engagement Blueprint* can help you identify these.

2. **Identify the specific change desired**
   Name the specific scope 3 action you're working toward at the business decision level.

3. **Map what needs to happen at each layer**
   Work down from the corporate goal: what does each layer need to look like for the desired change to happen?

4. **Identify which functions and roles own each layer and name them**
   For each layer, who owns that decision? Be specific about the role, not just the function.

5. **Check that each owner has authority to act at their layer**
   Ownership should reside with the person who has the authority to act at each layer. In some organizations, one person may own more than one layer.
   Practitioners may not always have visibility into who holds decision-making authority at each level. If that is the case, it is worth raising the question with leadership as part of the broader governance conversation.

Component 2: The Accountability Map

Once the Decision Cascade is clear, understand where scope 3 accountability currently sits and where the gaps are.

For each role in your cascade, identify how that role's performance is currently measured or assessed. Where KPIs exist, assess whether scope 3 connects to them.

KPI MAPPING		EXAMPLE
Aligned	Scope 3 progress also advances their KPI	A logistics manager measured on fuel cost per unit, so reducing emissions and reducing cost point in the same direction
No connection	KPI has nothing to do with scope 3	A product engineer measured purely on performance specs, so scope 3 is not part of how success is defined for their role
Tension	KPI creates a direct conflict with scope 3 progress	A category manager measured only on cost savings per unit, for whom switching to a lower-carbon but more expensive supplier works directly against their incentive

You may not always know how someone is measured, particularly outside your immediate team. A direct conversation with the function itself may be needed. *The Language Bridge* can help you facilitate these discussions.

Once you've completed the mapping, reflect on:

Where alignment already exists

Scope 3 may already connect to how someone is measured, which means the case for action is easier to make.

Where the tension is highest

Understanding the conflict is the first step to addressing it. Use *the Language Bridge* to help navigate those conversations.

Where you don't have the information

Gaps in your knowledge tell you where you need to build relationships or have conversations before ownership can be formalized.

PedalCo BICYCLES

The Accountability Engine in practice: Scenario 1

In a company where scope 3 **IS NOT** embedded in business objectives and KPIs, function and individual objectives are more focused on cost savings and maintaining business continuity.

CURRENT STATE: SCOPE 3 NOT EMBEDDED IN OBJECTIVES AND KPIS (HOW BUSINESSES OPERATE TODAY)

What is the scope 3 target set at the company level?

CORPORATE GOAL

30% reduction in absolute scope 3 emissions by 2030 vs. 2019 baseline, aligned to SBT

What is the specific decision that drives emissions in this area?

BUSINESS DECISION

Framing: Purchased goods and services represents 60% of the target, with aluminum 45% of that.
Decision: which aluminum alloy specs are used in frame manufacturing, and which suppliers provide them?

What does each relevant function need to commit to to deliver on the business decision?

Use *the Engagement Blueprint* to determine priority functions

FUNCTION OBJECTIVE

	PROCUREMENT	PRODUCT ENGINEERING
FUNCTION OBJECTIVE	Achieve cost savings targets and maintain supplier performance across the raw materials category	Deliver product specifications that meet performance, timeline and cost targets
TEAM OR INDIVIDUAL KPI	• Cost savings per unit (tension) • Supplier on-time delivery (tension) • Supplier quality scores (no connection)	• Spec compliance (no connection) • Time to market (tension) • Cost per unit (tension)

How is progress against the function's objective measured?

Use *the Language Bridge* to identify shared KPIs. Where trade-offs exist, *the Trade-off Roundtable* can help functions work through them together.

TEAM OR INDIVIDUAL KPI

PedalCo BICYCLES

The Accountability Engine in practice: Scenario 2

In a company where scope 3 **IS** embedded in objectives and KPIs, function and individual objectives can focus on changing design and materials used in products to lower emissions from the source.

INTEGRATED STATE*: SCOPE 3 EMBEDDED IN OBJECTIVES AND KPIS (WHERE BUSINESSES NEED TO MOVE)

What is the scope 3 target set at the company level?	CORPORATE GOAL	30% reduction in absolute scope 3 emissions by 2030 vs. 2019 baseline, aligned to SBT	
What is the specific decision that drives emissions in this area?	BUSINESS DECISION	**Framing**: Purchased goods and services represents 60% of goal, with aluminum 45% of that. **Decision**: which aluminum alloy specs are used in frame manufacturing, and which suppliers provide them?	
What does each relevant function need to commit to to deliver on the business decision? Use *the Engagement Blueprint* to determine priority functions	FUNCTION OBJECTIVE	**PROCUREMENT** Source raw materials that meet cost, quality, and lower-carbon criteria across the category	**PRODUCT ENGINEERING** Deliver product specifications that meet performance, timeline, cost, and lower-carbon material requirements
How is progress against the function's objective measured? Use *the Language Bridge* to identify shared KPIs. Where trade-offs exist, *the Trade-off Roundtable* can help functions work through them together.	TEAM OR INDIVIDUAL KPI	• % of aluminum spend from suppliers meeting lower-carbon criteria (aligned) • Cost savings per unit (tension, still exists but is now balanced against emissions criteria) • Supplier quality scores (no connection)	• % of frame models with approved lower-carbon material specifications (aligned) • Spec compliance including lower-carbon criteria (aligned) • Time to market (tension, still exists)

*Note: Reaching this state depends on leadership and HR embedding scope 3 into objectives and KPIs. The tool surfaces the gaps and evidences the case. It does not make these changes itself.

Practical considerations

Start with one business decision, not five

Trying to map accountability across all scope 3 categories at once tends to produce something too broad to act on. Pick the one or two highest-emitting or highest-influence areas and build the cascade there first. A specific, imperfect cascade is more useful than a comprehensive one that sits on a shelf.

Treat the cascade as a living document

The cascade will have gaps and rough assumptions, especially early on. What matters is having a starting point that can be refined as you learn more. Revisit it on a regular cadence as your understanding of ownership and KPIs develops and as scope 3 becomes more embedded across functions.

Ownership without authority is fragile

Be specific about what ownership means at each layer: what decisions the owner is accountable for, what they need to make progress and who can clear the obstacles they'll face. A name in a box means little if that person doesn't have the mandate or resources to act.

Escalation is part of the process

Understanding where KPIs conflict with scope 3 or where ownership gaps exist gives you something concrete to bring to your leadership. The goal is not to solve it yourself, but to name it clearly enough that it becomes a shared problem rather than one owned by the scope 3 team alone.

Note: incentives determine how scope 3 is integrated into decisions

Incentives shape whether scope 3 goals translate into action. However, this is an area where scope 3 teams have limited direct influence, as incentive structures are generally controlled by leadership and human resources. This page is included to provide context on why incentives matter and how they connect to the broader governance framework.

WHY INCENTIVES MATTER AND WHY THEY ARE HARD

The Accountability Engine can clarify who should own scope 3 at each layer. Even with clear ownership, progress can stall if the people responsible aren't measured or rewarded in a way that makes scope 3 a real priority. When scope 3 competes with a KPI that directly affects someone's performance review, the KPI tends to win.

COMMON MISALIGNMENT PATTERNS

Reasons incentives work against scope 3 progress:

- **Direct conflict.** The incentive rewards behavior that increases emissions (e.g., volume bonuses that push higher-emission freight).
- **Crowding out.** Scope 3 is not on the scorecard, so it loses to what is on the scorecard, even when there's goodwill.
- **Horizon mismatch.** Annual incentives do not align with multi-year scope 3 decisions, creating a structural tension between short-term reward and long-term progress.

WHERE THE LEVERAGE TENDS TO BE

- **Executive incentives.** Tying senior leader compensation to scope 3 outcomes tends to have an outsized effect: it changes the questions asked and the pressure applied across every level below.
- **Middle management gap.** Middle managers own the day-to-day decisions that drive emissions. When their KPIs don't include scope 3, they're being asked to prioritize it without a formal reason to do so.

CONNECTION TO DIMENSIONS 1 & 2

Incentives fall within the Organizational Structure and Leadership & Oversight dimensions of the framework, where decisions on how scope 3 is prioritized, resourced and reinforced are made.

- **Dimension 1: Organizational Structure** Whether scope 3 ownership is formally embedded in roles and reporting lines.
- **Dimension 2: Leadership & Oversight** Whether leadership actively sponsors scope 3 and creates the conditions for incentive alignment across functions.

WHAT PRACTITIONERS CAN DO

Build the case by documenting where KPI conflicts are causing stalls and framing the ask in terms of business risk rather than sustainability ambition. *The Language Bridge* can help translate that case into terms each function and its leadership already care about.

"This framework was built specifically to improve Scope 3 governance. But we've come to recognize its value extends well beyond that challenge. Organizations are navigating an extraordinary amount of change right now, and that demands real agility. A structure that gives you clear ownership, a shared decision process and accountability that holds under pressure isn't specific to emissions — it's exactly what's needed to govern the other cross-functional challenges organizations are facing today, AI use among them."

Nancy Gillis

Senior Advisor, Supply Chain Agility, Impact Pathways Lead, Innovation & Strategy, Scope 3 Peer Group

Where to go from here

Scope 3 governance is built over time, not in one step. Start where the need is greatest and let the tools build the momentum.

LEVERAGE THE FRAMEWORK

Start where the need is greatest. Pick one dimension, apply the tool(s), and build from there.

MAKE THE TOOLS YOUR OWN

The tools are starting points, not fixed templates. Adapt them to your context.

SHARE FEEDBACK

Informed by peers, for peers. Tell us what worked, what didn't and where it fell short.

CONTINUE THE CONVERSATION

Share the framework with another practitioner or colleague.

Working with Impact Pathways

This framework is designed to give practitioners enough to get started. For organizations looking to go further, Impact Pathways works alongside scope 3 teams to apply the framework in practice.

To learn more, visit our website or connect with us on LinkedIn.

STRUCTURED ASSESSMENT

Analyzing where your organization sits across the five dimensions, what is working, where the gaps are and what to prioritize

FACILITATED WORKSHOPS

Bringing the right people together to work through specific dimensions or tools, including cross-functional sessions using *the Trade-off Roundtable* or *the Accountability Engine*

HANDS-ON SUPPORT

Working alongside your team to apply *the Engagement Blueprint* or work through *the Language Bridge* for your highest-priority scope 3 areas

ONGOING ADVISORY

Supporting your team as you build the internal conditions for scope 3 progress over time

About the authors

PRIMARY AUTHORS

CHRIS HAGLER

Co-Founder & CEO, Impact Pathways

Email: Chris.Hagler@impactpathways.com

DIPTI PATEL

Director, Impact Pathways

Email: Dipti.Patel@impactpathways.com

SHAWN BUCKLEY

Associate Director, Impact Pathways

Email: Shawn.Buckley@impactpathways.com

MCKENNA BARNEY

Associate Director, Impact Pathways

Email: McKenna.Barney@impactpathways.com

CONTRIBUTING AUTHORS

BRIDGET FERRARI

Chair, Governance Working Group, Scope 3 Peer Group

Email: Bridget.Ferrari@takeda.com

NANCY GILLIS

Lead, Innovation & Strategy, Scope 3 Peer Group

Email: Nancy@scope3peergroup.com

Impact Pathways is helping accelerate the transition to a regenerative future.

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For more information contact
Chris.Hagler@impactpathways.com