

REQUEST FOR PROPOSALS

SCOPE 3 EMISSIONS MEASUREMENT

1. ABOUT IIGCC

IIGCC is the European membership body for investor collaboration on climate change. We are an investor-led network of more than 300 asset owners and managers from 22 countries, representing over €37 trillion in assets. Our mission is to mobilise capital for the low carbon transition and to ensure resilience to the impacts of a changing climate by collaborating with business, policy makers and fellow investors.

2. INTRODUCTION

IIGCC's Paris Aligned Investment Initiative was launched in May 2019, with the aim of exploring how investors can align their portfolios to the goals of the Paris Agreement. More than 110 IIGCC members, representing over USD 33 trillion in AUM have engaged in the initiative to date. The conclusions of the work were brought together in the [Net Zero Investment Framework](#) published in March 2021, which provides recommended methodologies and approaches for measuring portfolio and asset alignment, and managing a portfolio to achieve alignment over time.

The Framework recommends that investors should measure material Scope 3 emissions related to their investments, and in particular for high emitting companies. However, there is no established definition of materiality and measurement of many categories of Scope 3 emissions is not undertaken consistently on the basis of robust agreed methodologies. This is also a relevant issue for assessment of companies' emissions and emission reduction targets required in the Climate Action 100+ Benchmark.

3. PROJECT OBJECTIVE

The aim of this project is to assess:

- a) current approaches for determining materiality of Scope 3 emissions, and
- b) existing methodologies used to measure scope 3 emissions in different categories and for different sectors.

The project should then make recommendations as to:

- a) an approach or criteria for determining materiality, and set out the material categories of scope 3 for high impact sectors as identified in the NZIF on the basis of this approach/criteria
- b) the best in class or optimal methodology(s) for measuring material scope 3 emissions that can be used to assess the emissions footprint of high impact companies and to set forward looking emissions reduction targets

4. SCOPE AND APPROACH

Information-gathering process

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This project should be conducted primarily through secondary research using available datasets, studies and literature, and supplemented by interviews with relevant experts, including companies in high emitting sectors, emissions data providers, and NGOs.

The study should consider, but not be limited to, the following sources and providers of approaches to materiality/measurement:

- GHG Protocol / WRI
- CDP
- SBTi
- Transition Pathways Initiative
- Trucost
- Sustainalytics
- Beyond Ratings
- Bloomberg
- Thomson Reuters
- MSCI
- South Pole
- Partnership for Carbon Accounting Financials
- EU Technical Expert Group
- GRESB
- Arabesque
- ISS

5. Deliverables

The deliverable should consist of a concise report addressing the components set out below. It be succinct, clear and in plain English. Visuals (charts, schemes) are preferred over lengthy text but data should be well contextualised. The deliverables should include a document providing the information set out in the attached excel spreadsheet, based on the recommended approach to defining materiality and optimal methodology identified.

1. Introduction

The introduction should provide the context for the study, objectives and the process undertaken to conduct the analysis.

2. Materiality

This section should provide an overview of potential approaches to determining materiality that are currently used by third parties, and any alternative approaches that could be used taking into account the five criteria for assessment set out in the NZIF (impact, rigour, practicality, accessibility, accountability).

The section should assess the advantages and disadvantages of the different approaches identified to make recommendations as to how materiality of Scope 3 emissions should be determined.

This section should then set out how this approach translates into guidance for investors and companies to assess materiality and calculate Scope 3 emissions for each high impact sector (see Appendix B of the Net Zero Investment Framework).

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This section should highlight specific challenges and issues in relation to different sectors, sub-sectors, and types of company within a sector that might affect the determination of materiality.

3. Measurement

This section should provide an overview of current methodologies for measuring or estimating the 15 categories of scope 3 emissions, including:

- An overview of the GHG protocol guidance and key gaps which allow for differentiation among methodologies based on the protocol
- An assessment of current methodologies used by third parties to measure/estimate and account for Scope 3 emissions in carbon footprinting and target setting, and the main methodological choices/points of differentiation
- An assessment of issues relevant to specific sector contexts that may influence choice of methodology/estimation technique

The section should then make recommendations as to the optimal methodology, including key components of an optimal methodology and identification of the current best in class approach according to the assessment of recommended components.

4. Sectoral Assessment

Complete spreadsheet or similar template

6. TIMELINE

We expect the work to commence in August 2021 and are looking to conclude the project by end of October.

A detailed timeline will be developed and agreed upon after a consultant has been appointed.

7. RESOURCING

The approximate budget available for this project is [£30,000 excluding VAT]. The proposal should indicate the necessary resource to complete the project, broken down by activity and component.

8. HOW TO SUBMIT A PROPOSAL

Please send your proposal via email to Oliver Grayer ograye@iigcc.org and Daisy Streatfeild dstreatfeild@iigcc.org by close of business 16 August.

Your proposal must include details of proven experience and knowledge of emissions accounting and familiarity with the methodologies of various providers. Examples of previous or similar work is welcome.

9. QUERIES

For any questions regarding the project, please contact Daisy Streatfeild dstreatfeild@iigcc.org

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