

# BENCHMARK GENSUITE®

Your Mission is Our Purpose



## Best Practices & Practical Considerations for Establishing a Scope 3 Greenhouse Gas (GHG) Emissions Data Collection Strategy in a Changing Regulatory & Climate-Action Era

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Benchmark Gensuite

## Session Objectives & Agenda

*Best practices on how to take a differentiated approach to Scope 3 data collection and move up the Scope 3 maturity curve.*

*How to leverage existing supply chain and product stewardship processes and workflows to collect more accurate Scope 3 data.*

*The importance of technology in facilitating accurate Scope 3 data collection & lessons learned from real-life Scope 3 programs.*

### SESSION AGENDA

- Session Overview
- About Benchmark Gensuite
- The Scope 3 Imperative and the Challenges
- General Process for Getting Started
- Case Study & Key Learnings
- Engaging With Suppliers
- Thoughts for Maturing Your Approach
- Q&A





Unified EHS, Operational Risk, Sustainability & ESG Reporting Platform

**EHS**

- Safety
- Environment
- Occupational Health



**Sustainability**

- Sustainability / Climate
- Performance Mgmt.
- Disclosure Reporting



**ESG Reporting**

- Materiality
- Disclosure Reporting

**Operational & Risk**

- Quality
- Equipment Compliance
- Security

**Stewardship & Supplier Risk**

- Product Stewardship
- Supply Chain Engagement

**Integrated AI & Advanced Tech**



Top-Ranked by App Store Users



AI Solutions



Dashboards & Analytics



250,000+ Mobile App users!



Top Rated by Software Review Platforms



**Exemplary "Repeat Customer" record!**

1 in 3 new subscribers between 2021-23 championed by a user

Benchmark Gensuite® enables companies to implement robust, cross-functional digital systems for EHS, Sustainability, and ESG Reporting

**Comprehensive Software Solutions Suite**

- ✓ Built on best-practice workflows aligned with enterprise functional programs
- ✓ Integrated with the latest tech innovations
- ✓ Unified functionality across three key pillars, enabling additional insights to customers

**Cloud-Based, Single Version Software**

- ✓ Organically developed
- ✓ Readily configured & launched typically in <3 months
- ✓ Continuous evolution – never obsolete

**Streamlined Collaboration Platform**

- ✓ Supporting 400+ global subscribers
- ✓ 3M+ users across 35 industries and in 30+ languages
- ✓ Unlimited Users

**Engaging & Empowering Stakeholders**

- ✓ Real-time analytics & dashboards
- ✓ Cross-subscriber collaboration
- ✓ 95%+ subscriber retention rate






# Benchmark Gensuite® Sustainability & ESG

## Meet the Growing Demand for Sustainability & ESG Data, Action & Results




Managing and improving operational sustainability requires cross-functional engagement, transparency, and insights from across the enterprise. With our Sustainability solutions suite, corporate and functional leaders can compile investment-grade Sustainability / ESG data, drive action on projects, and deliver on Sustainability / ESG commitments.

- Track and analyze sustainability performance
- Manage Scope 1, 2, and 3 GHG Emissions
- Document & allocate offsets (e.g., RECs, EFECs, Carbon Credits)
- Engage the supply chain for supplier sustainability, due diligence & Scope 3
- Identify & execute decarbonization & sustainability initiatives
- Monitor progress toward Net Zero and other sustainability targets
- Disclose ESG performance in alignment with global frameworks
- Survey stakeholders and document materiality assessment results
- Document ESG risks and opportunities and assign ownership



### *SUSTAINABILITY PERFORMANCE REPORTING*

-  Sustainability Reporting
-  Dashboards & Analytics
-  Goal Manager





### *SUSTAINABILITY IMPROVEMENT PROGRAMS*

-  Sustainability Projects
-  Sustainability Prospector
-  Credit Manager

### *SUPPLY CHAIN & PRODUCT SUSTAINABILITY*

-  Supplier Portal
-  Product Steward

### *ESG REPORTING & ENGAGEMENT*

-  Disclosure Director™
-  Responsio
-  Materiality Advisor
-  Risk Registry



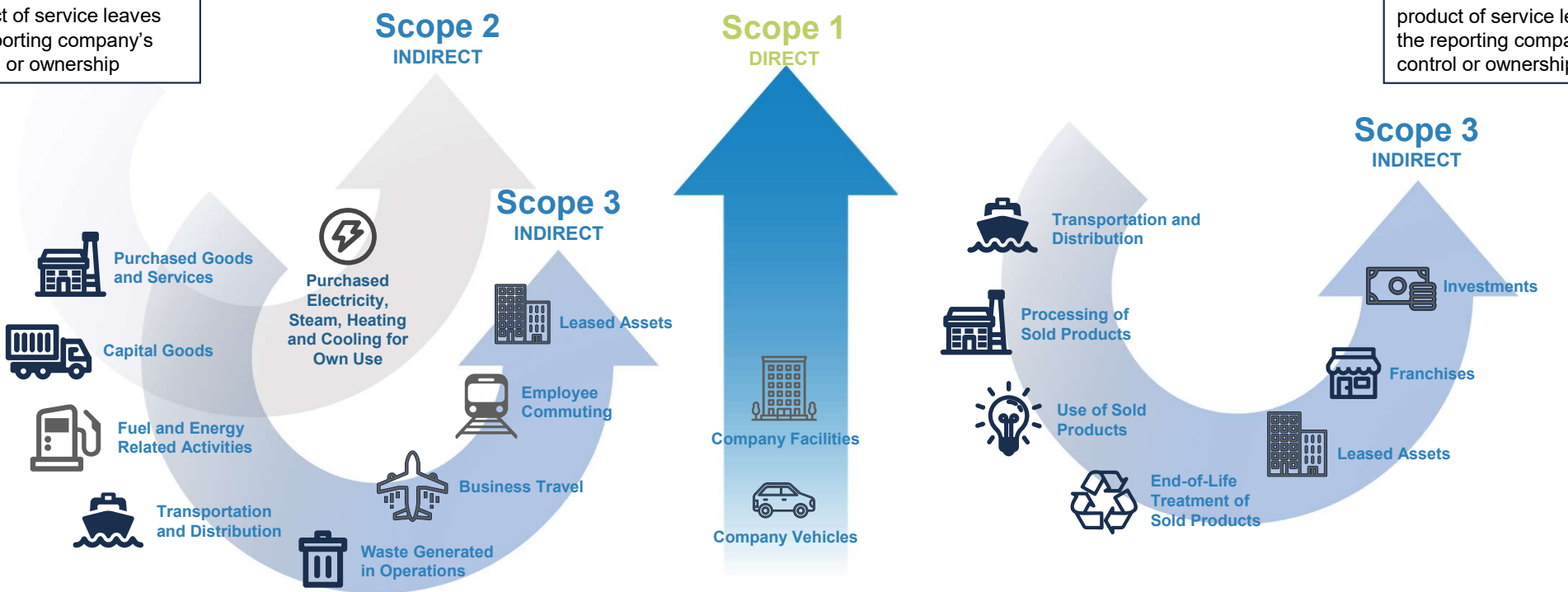
# Scope 3 GHG Emissions: Drivers & Challenges

# GHG Protocol – Emission Scopes

- CO<sub>2</sub>
- CH<sub>4</sub>
- N<sub>2</sub>O
- HFCs
- PFCs
- SF<sub>6</sub>
- NF<sub>3</sub>

**Upstream activities** involve emissions **before** a product of service leaves the reporting company's control or ownership

**Downstream activities** involve emissions **after** a product of service leaves the reporting company's control or ownership





# What's Fueling the Scope 3 Conversation?

## Regulatory Drivers



Emissions Accounting  
Regulations



Mandatory TCFD  
Disclosures



Carbon Markets

## Financial Drivers



Capital Markets



Executive Compensation



Rating Agencies



Operational Pressures

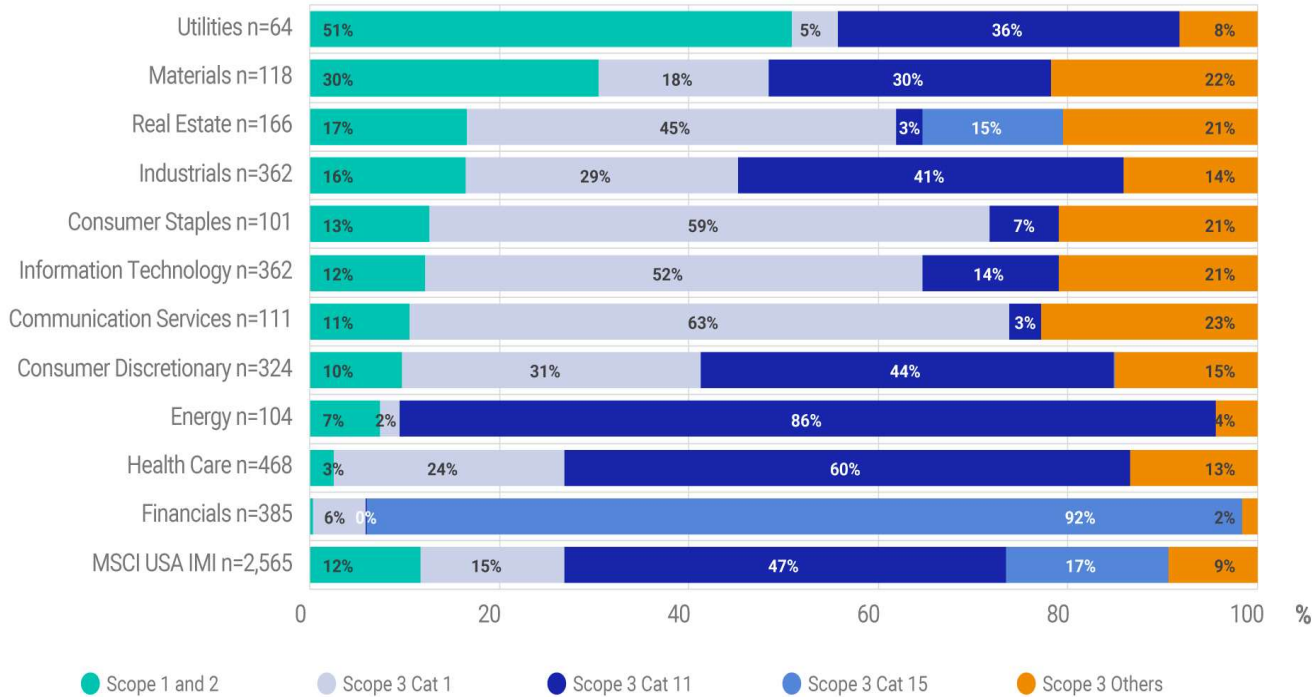




# Why Does Scope 3 Matter?

*Scope 3 emissions are a critical aspect of best-in-class emissions reduction targets – regardless of external pressures*

Estimated Total Value Chain Emissions Intensity per Scope and Category



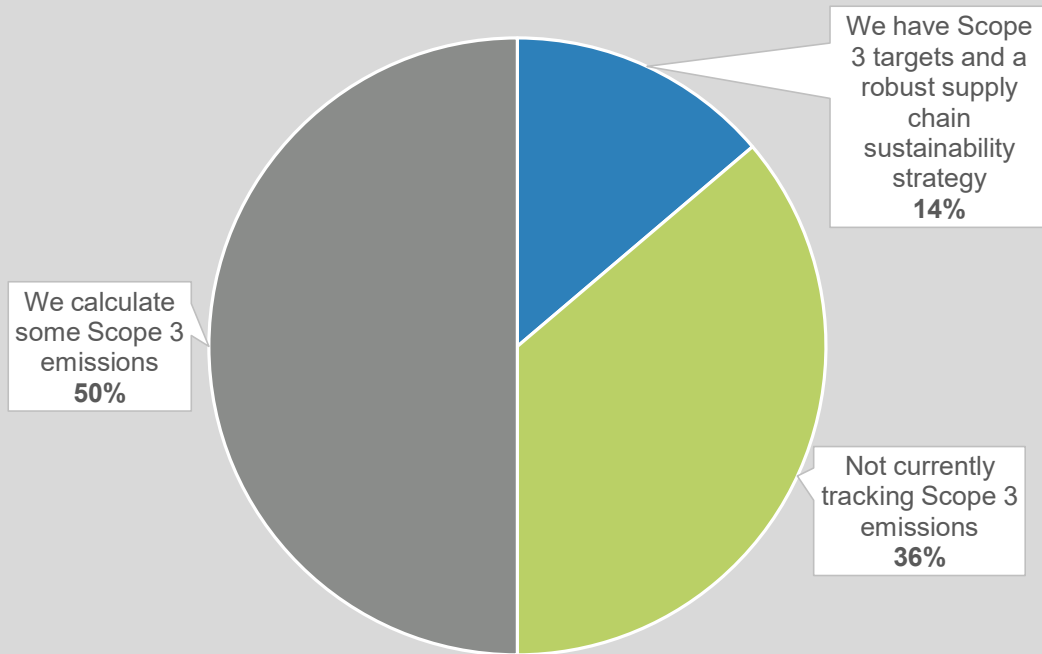
Source: MSCI ESG Research





## Scope 3 Data Collection Challenges

Where Are You On Your Scope 3 Journey?  
April 2023 Webinar Results; n=58



### Why is Scope 3 So Difficult?

- Estimations and assumptions
- Supply Chain Engagement
- Lack of Dedicated Resources
- Data Availability
- Lack of Methodological Clarity
- Emissions Factor Complexity

“US SEC may have softened SEC requirements that you’re off the hook with scope 3 emissions, however mostly likely still subject to CSRD for Scope 3 emissions”

*Simon Braaksma  
Senior Director, Royal Phillips &  
EFRAG Board Member*





## Implementation Best Practices: Scope 3 GHG Data Collection





# Scope 3 Case Study

# Scope 3 Subscriber Case Study

## About the Company



\$10B Global  
Media Company



10 Global  
Business Units



## Scope 3 Program Challenges

- Overstated emissions from GHG Protocol Scope 3 Evaluator
- Insufficient expertise to improve process
- Manual and time-intensive analysis

## Desired Outcomes

- Improve accuracy & visibility
- Leverage supplier-specific data where available
- Consolidate Scope 1, 2 & 3 data and generate charts & reports



## Enhanced Scope 3 Data Collection Approach: Year 1

### Planning

- Leveraged CDP Industry Averages & Supply Chain data for 50+ suppliers
- Benchmark technical experts assessed prior Scope 3 data and performed data modeling exercise

### Data Collection & Transformation

- Gathered spend transactions, facility square footage, travel & employee data, and sold good quantities across 10 business units
- HXE Partners provided technical subject-matter expertise for data classification, emission factors, and methodology support

### Execution

- Benchmark configured existing Sustainability Reporting module with 11 Scope 3 categories, emission factors from U.S. EPA, DEFRA, and CDP
- HXE Partners & Benchmark classified & processed ~\$8B spend records across two fiscal years into Sustainability Reporting
- Benchmark Data Scientists developed Scope 3 charts and reports via integrated Tableau analytics solution

### *Key Project Partners:*



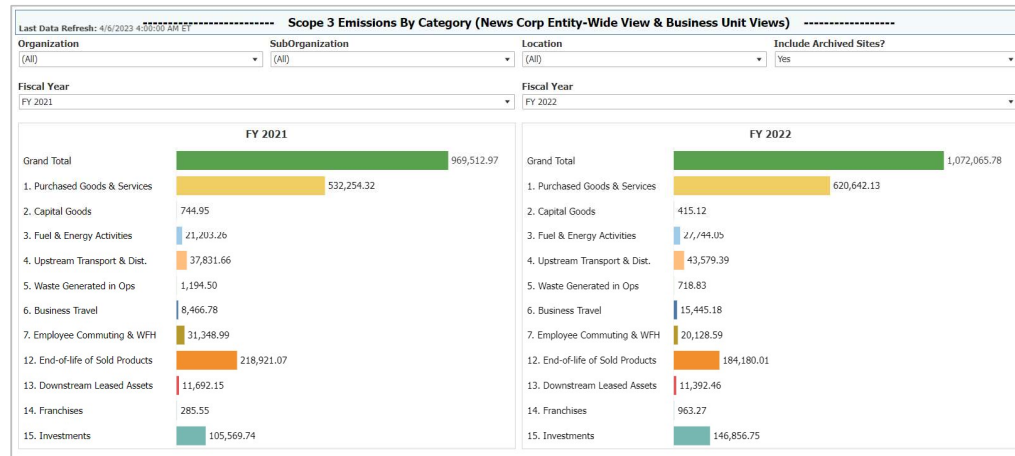
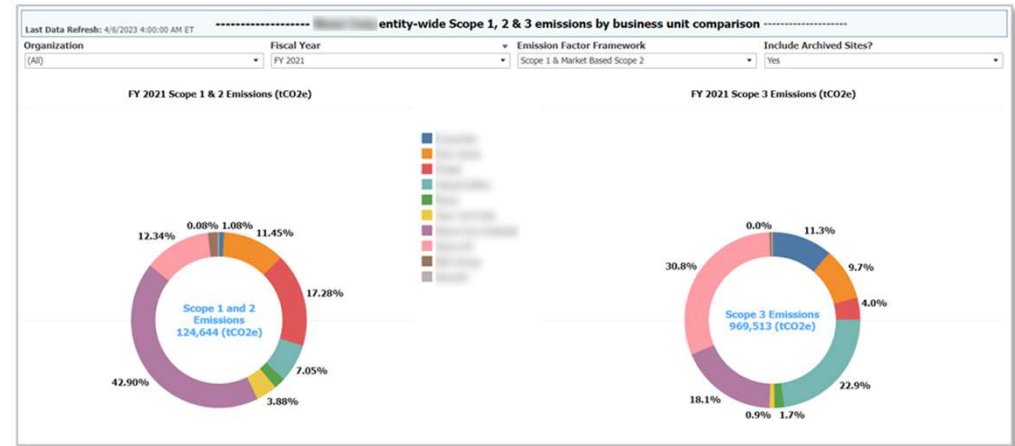
HXE Partners



# Scope 3 Case Study Year 1 Project Results

- Ability to restate baseline Scope 3 footprint by a reduction of ~1.4M MT CO2e (~60%) by using more precise Scope 3 classifications and emission factors from the CDP Supply Chain data
- Drill-down visibility to performance across 11 material Scope 3 categories, 10 business units, and geographies
- Auto-calculation of facility square footage kWh/GHG estimates and Category 3: Transmission & Distribution loss using publicly available factors

Report Results						
Usage Type	Scope 3 Emissions Total (Metric Tons CO <sub>2</sub> Equivalents)		Usage	Units		
Category 1: Purchased Goods & Services - Materials - Spend	10,198.39	13,772,569.98	Dollars			
+ Chemicals - Specialty chemicals	2,416.31	5,127,630.51	Dollars			
+ Metal smelting, refining & forming - Other non-ferrous metals	0.04	127.80	Dollars			
- Wood & paper materials - Pulp & paper mills	7,782.04	8,644,811.68	Dollars			
Business	Organization	Sub-Category	Reporting Year	Reporting Period	Scope 3 Emissions Total (Metric Tons CO <sub>2</sub> Equivalents)	Qty
		Supplier A	2022	June	0.77	763.50
		Supplier B	2022	June	2,183.35	1,340,706.37
		Supplier C	2022	June	1,314.44	1,649,340.96
		All Other Suppliers	2022	June	4,283.47	5,654,000.85
+ No Data Entered for Selected Usage/Sub Usage Types					0.00	0.00
<b>Total</b>					<b>10,198.39</b>	<b>13,772,569.98</b>





## Scope 3 Case Study – Key Learnings

### Challenges and Learnings

- **Data Integration Complexity:** different ERP systems and currencies.
- **Vendor Data Inconsistency:** inconsistent transaction information and varied naming for the same vendor
- **Spend Data Ambiguity:** unclear purchase descriptions and categorization issues
- **Emissions Factor Alignment:** Standardizing emissions factor selection and lack of supplier-specific emission factors
- **Large-scale Data Management:** Processing and aggregating approximately 100K+ rows of transaction data per year from over 25K+ distinct suppliers

### Best Practices

- Work with Procurement to **rationalize vendor lists** and standardize data needed for Scope 3 evaluations
- **Identify Tier 1 supplier list** or those with supplier-specific information to target for more specific information
- Utilize Data Integrators / Data Warehouses to **securely streamline data aggregation** across ERP systems
- **Leverage AI/Machine Learning** to help automate initial and future-year data categorization

## Scope 3 Classification AI Case Study

### About the Subscriber:



\$10B Global  
Media Company



10 Global  
Business Units



### Challenge/Objective:

- Classify transactions into CDP Supply Chain categories to apply correct emission factors
- 150,000 annual spend transactions from multiple ERP systems
- Inconsistent vendor names (e.g., American Express, AMEX Asia, etc.)

### Before AI

- Required weeks of consultant effort to manually classify transactions
- Assessment based primarily on transaction description

### AI-Enabled Results

- *150,000 transactions processed in ~35 minutes*
- Provided classification consistency year-over year
- Classified new vendors/transactions with high level of accuracy

#### Sanitized Excerpt:

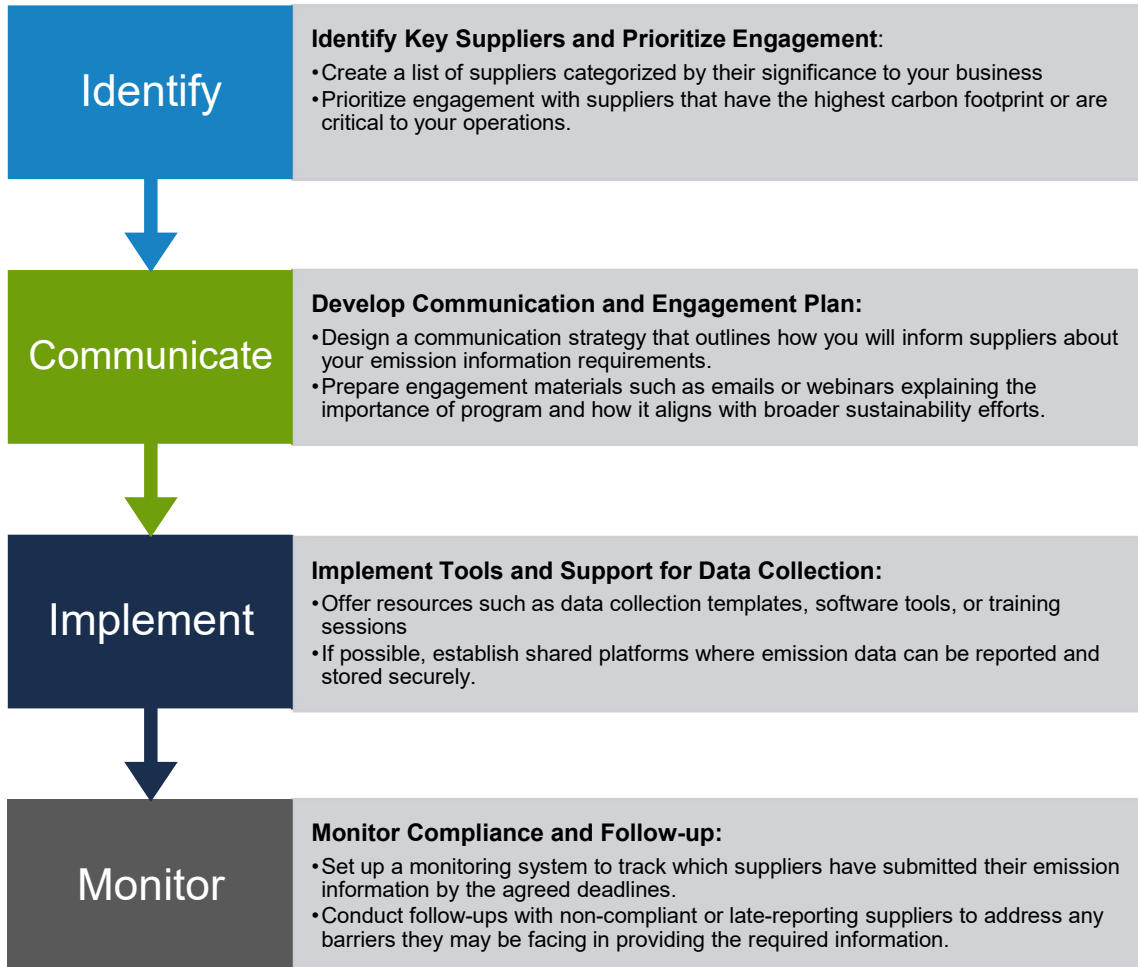
Vendor Name	General Ledger Description	Total Spend FY23	Final Recommendation Classification
Example Technologies B.V.	Production Data Centre & Internet fees	\$1,234.50	IT & Software Development - IT Services
EHTERS GROUP LLC	On-Line Advertising	\$7,624.60	Media, Telecommunications & Data Center services - Media





## So You've Started your Scope 3 Footprint... Now What?

## Engaging Suppliers for Scope 3 Data



# Approaches for Gathering Supplier Data for Scope 3

## Supplier-Level Data Collection with Allocation



## Product-Specific Emission Information Gathering



**Supplier-Specific Emissions Questionnaire**

GHG Emissions  
 Response Summary  
 Supplemental Documentation (Optional)

### GHG Emissions

**GHG Emissions**

- Does your company currently measure its annual carbon footprint? \*
- If your company measures its annual carbon footprint, have those results been externally verified? Provide details.
- Can you provide the carbon emissions associated with the goods and services you provide to Benchmark Gensuite? \*
- If available, please provide the total amount of scope 1 GHG emissions produced by your organization.  tCO<sub>2</sub>e
- If available, please provide the total amount of scope 2 GHG emissions produced by your organization.  tCO<sub>2</sub>e
- If available, please provide the total amount of scope 3 GHG emissions produced by your organization.  tCO<sub>2</sub>e
- If available, please provide the total amount of GHG emissions associated with the products and services you supply to Benchmark Gensuite.  kgCO<sub>2</sub>e  
This can be an aggregate of product carbon footprints, a mass-based allocation, or an economic allocation. Please provide details in the following question.
- If you have provided the total amount of emissions allocated to Benchmark Gensuite, please provide details of how these were calculated (e.g., summation of product carbon footprints, mass-based allocation, economic allocation, etc.).

**(Test) Product Sustainability Data Gathering - Scope 3**  
 Product Specific - Scope 3 Response

Survey Home  
 Response Summary  
 Supplemental Documentation (Optional)

### Survey Home

**Instructions**

- Click the 'Go to Item' button to answer Part-Level Questions for each item.
- Once completed, click the Save button to return to the Survey Home page to complete remaining Item responses.
- Part-Level Responses can be copied to pending/in-progress items once completed.
- After all Parts have questions answered and show as Complete, please go to the Summary page and finalize

Copy Part-Level Response(s)

Item/Part Number Item/Part Name	Supplier Item/Part Number	Status	
7182-8956 Calcium Chloride Dihydrate 12KG	<i>Not Specified</i>	<input type="text"/>	<a href="#" style="background-color: #333; color: white; padding: 2px 5px;">Go to Item</a>
9764-8754 Citric acid anhydrous F3500 Bag25kg	<i>Not Specified</i>	<input type="text"/>	<a href="#" style="background-color: #333; color: white; padding: 2px 5px;">Go to Item</a>
1463-1367 Gluconic acid 50% IBC1250kg	<i>Not Specified</i>	<input type="text"/>	<a href="#" style="background-color: #333; color: white; padding: 2px 5px;">Go to Item</a>

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[Data Privacy Statement](#)

# Product-Related Emissions

Product Steward Inventory  
 Bill of Material

Hide Data Filters

Item/Part Name: P-98120-11 Bag 18# 2BNX40 Nat Miracle x  
 Reporting Year: 2023

Show Data  Include Inactive Item/Part  Search by Parent BOM name

Bill of Material Export to PDF Export to Excel

Item/Part/Substance Name	Level	Item/Part Number	Type	Total Natural Gas	Total Propane	Purchased Electricity	Total Hazardous Waste	Recycled Non-Hazardous Waste	Total Non-Hazardous Waste (excluding recycled waste)	Waste Water	Water Consumption	Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions	Total GHG Emissions
▼ P-98120-11 Bag 18# 2BNX40 Nat Miracle	1	10008441	Item	4,990.00 therms	487.50 gallons	150,700.00 kwh	131.30 metric tons	56.10 metric tons	67.90 metric tons	10,566.88 gallons(US)	22,296.12 gallons(US)	29.30 Metric Tons CO2 Equivalents	49.74 Metric Tons CO2 Equivalents	0.00 Metric Tons CO2 Equivalents	79.04 Metric Tons CO2 Equivalents
1020 GOC	2	10004059	Item	4,990.00 therms	0.00 gallons	150,700.00 kwh	0.00 metric tons	56.10 metric tons	67.90 metric tons	0.00 gallons(US)	0.00 gallons(US)	26.50 Metric Tons CO2 Equivalents	49.74 Metric Tons CO2 Equivalents	0.00 Metric Tons CO2 Equivalents	76.24 Metric Tons CO2 Equivalents



Questions & Comments?



## Session Takeaways



- Scope 3 is about progress, not perfection!
- Start somewhere, then evolve and mature your data collection process over time
- Identify trusted partners for subject matter expertise, advisory services, & data



# BENCHMARK GENSUITE®



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## Biographical Information

**Amanda Petzinger, Vice President  
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Amanda Petzinger is VP of Sustainability, Stewardship, Supply Chain, and ESG Solutions at Benchmark Gensuite. In this role, Amanda and her team ensure the continual evolution of Benchmark's Sustainability+ solutions in alignment with subscriber, market, and regulatory needs; provide best practice insights and thought leadership in the Sustainability space; and manage Benchmark's internal ESG programs and initiatives.

Amanda also has 16+ years of expertise supporting Benchmark Gensuite subscribers in their quest for Sustainability & EHS operational excellence and supporting Eco Treasure Hunt events for identifying energy, water, and carbon reduction projects

Amanda received her bachelor's degrees in Management Information Systems and Spanish from Xavier University in 2010, with summa cum laude distinction.

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Randy Burgdorf is the Director of Stewardship and Supply Chain Solutions at Benchmark Gensuite, a leading provider of cloud-based software solutions for environmental, health, safety, sustainability, quality, security, product stewardship, and responsible sourcing. Randy has been with the company for seven years, supporting numerous customers with their implementation of the tools and driving product innovation and enhancement.

Prior to his current role, Randy spent four years in the Subscriber Relationship Management team, where he supported a portfolio of over 60 businesses across various industries and regions. A majority of his customers were highly focused on topics such as REACH, RoHS, California Prop 65, PFAS, and other responsible sourcing initiatives such as Conflict Minerals as well Supplier & Product Sustainability. Randy helped them navigate the complex and evolving regulatory landscape, leverage the Benchmark Gensuite tools to manage their compliance obligations, and demonstrate their commitment to sustainability and social responsibility.

As the Director of Stewardship and Supply Chain Solutions, Randy leads a team of product experts who are responsible for developing, maintaining, and enhancing the Benchmark Gensuite tools that address the needs of product stewardship and responsible sourcing professionals. He works closely with the community of subscribers, partners, and industry associations to identify best practices, emerging trends, and new requirements that shape the product roadmap and vision. He also oversees the delivery of product training, support, and consulting services to ensure customer satisfaction and success.