

# Value Proposition of Measuring & Managing Carbon Emissions

*January 25, 2023*



**Steelcase**

## PART 1

- Why Care about Carbon?
- The Role of Certifications
- General Requirements of Certifications



**Mike Troupos**  
Vice President, Foresight Management

## PART 2

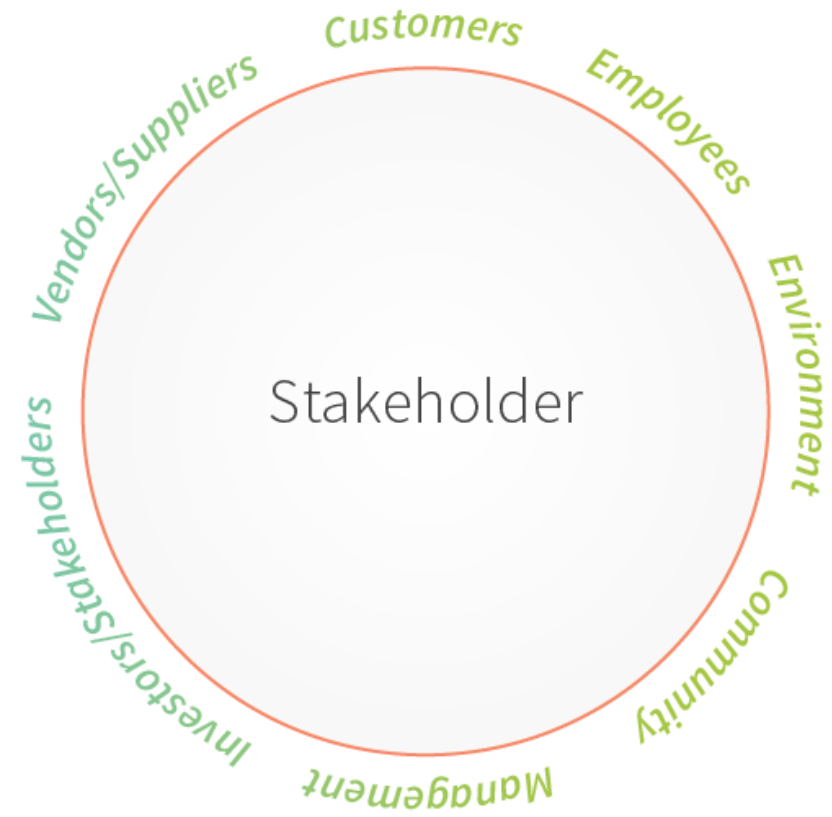
- Measuring Emissions
- Reporting Emissions
- Managing Emissions



**Averii Cumings**  
Sr. Sustainability Analyst, Carbon Strategy

# Part 1 | Why care about carbon?

## Shareholder



# Why care about carbon?

---

## SEC Mandates

On March 21, 2022 the SEC approved *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. This proposed rule would mandate public companies to report GHG emissions (Scope 1, Scope 2, & Scope 3) on their annual reports.



## Investors

"The evidence on climate risk is compelling investors to reassess core assumptions about modern finance. In the near future — and sooner than most anticipate — there will be a significant reallocation of capital."

– Larry Fink, CEO Blackrock, January, 2022



## Consumers

The next generation of consumers care – more than ever before — about the environmental and social impact of their purchases and plan to use their dollars accordingly.



How do you build TRUST with Stakeholders?

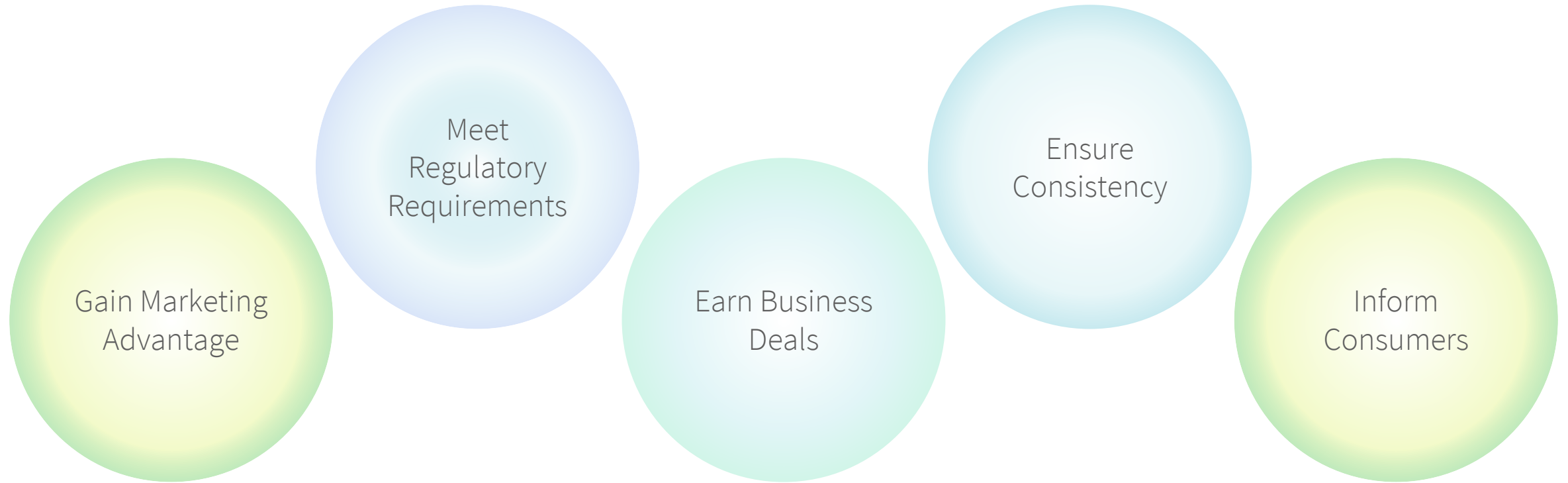


**Certifications**

**Reporting**

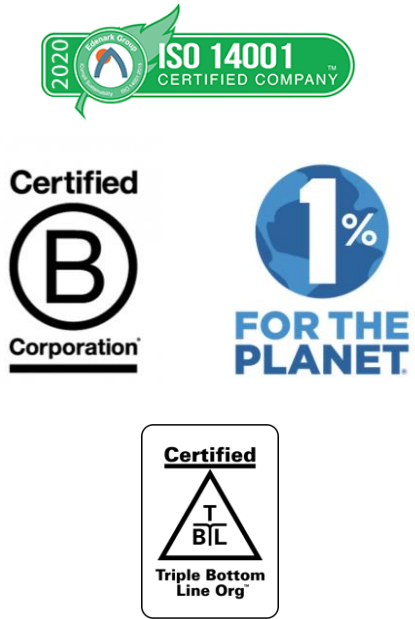
## Why pursue a product certification?

---



# Types of Certifications

## Company



## Building



## Product



## General Requirements for a Certification

---

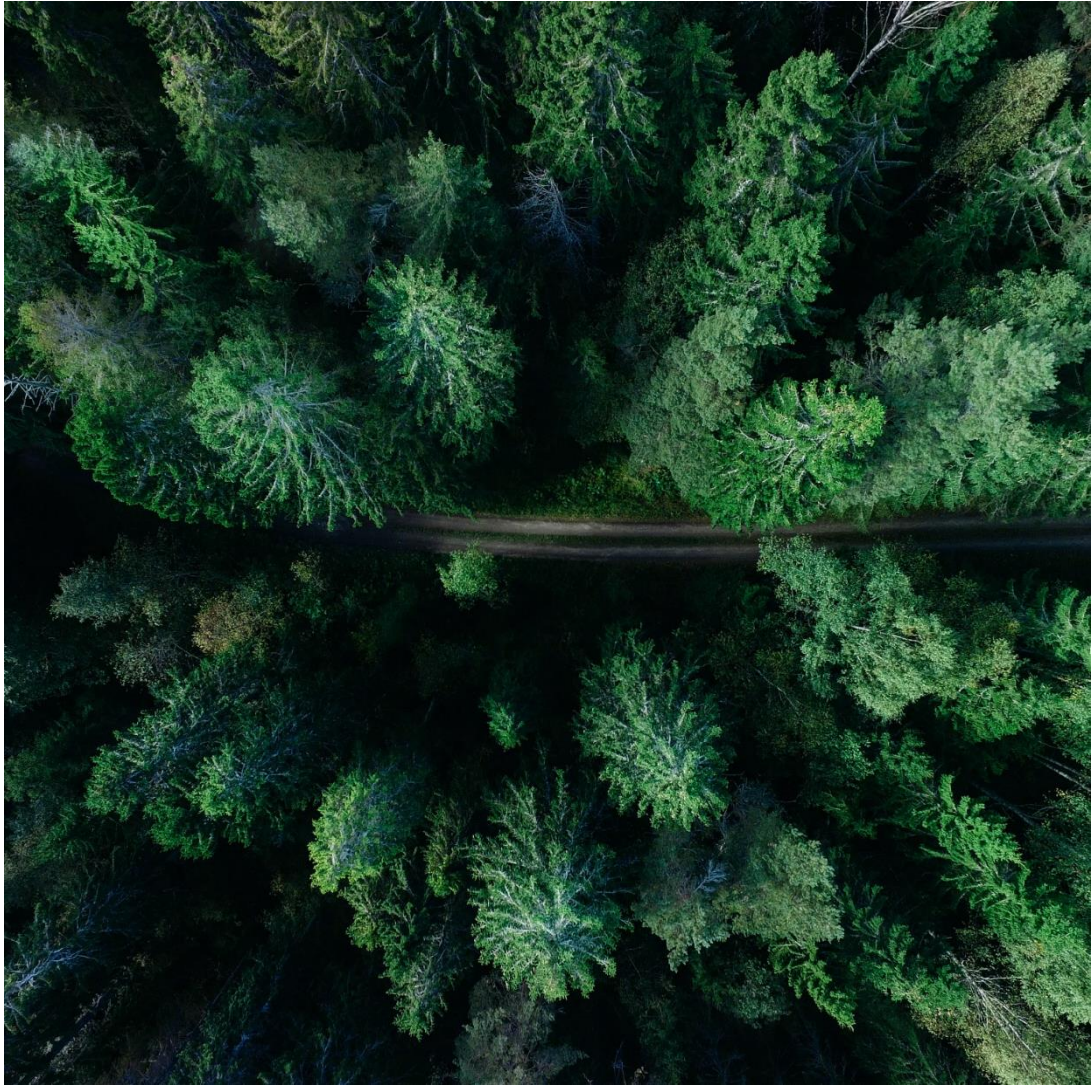
1. Measurement Component
2. Management Component
3. Goal Setting Component
4. Reporting Component

Generally, certifications are verified and issued by a third-party.



PART 2 | Measuring & Managing Carbon Emissions

---

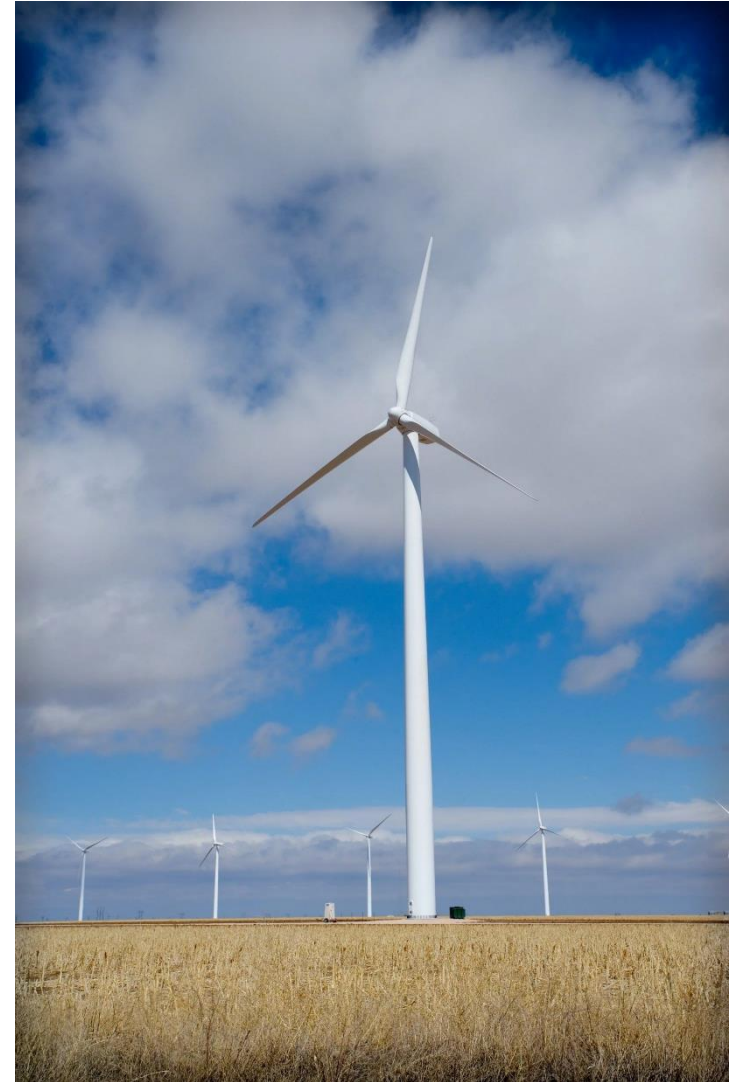


## Benefits of Measuring Emissions

---

- Manage GHG risks
- Identify reduction opportunities
- Boost competitive advantage
- Protect and improve your company's reputation
- Get ahead of upcoming regulation
- Participate in GHG markets
- Attract and retain employees

Chapter 2: GHG Protocol Corporate Standard, <https://ghgprotocol.org/corporate-standard>



**Organizations are encouraged to consult the GHG protocol corporate standard when performing a GHG inventory.**



# Three Categories of Emissions

## Scope 1

Direct emissions from company facilities and company transportation

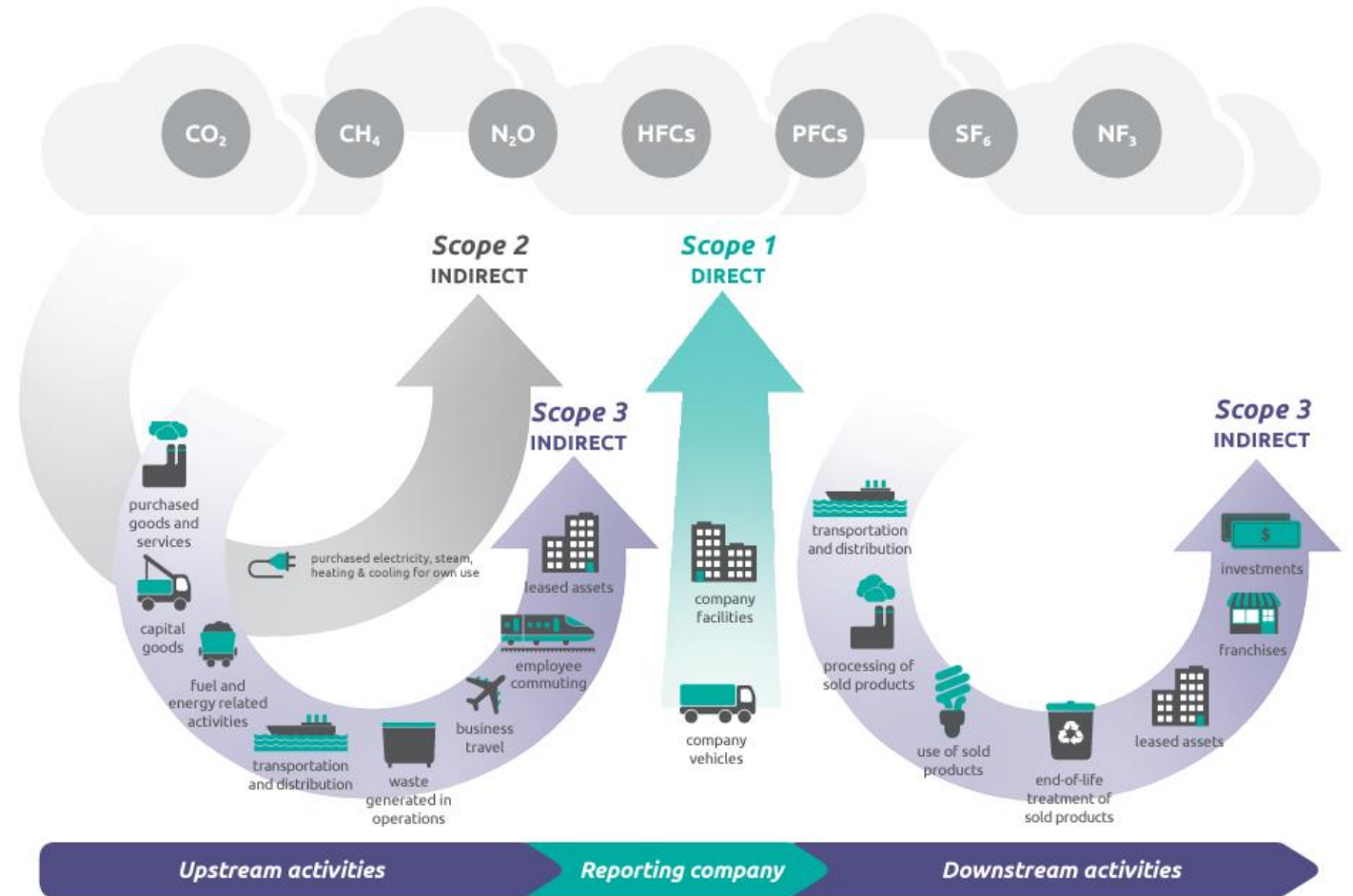
## Scope 2

Upstream indirect activities such as purchasing electricity, heating and cooling

## Scope 3

Upstream and downstream activities throughout the company value chain

Figure [1] Overview of GHG Protocol scopes and emissions across the value chain



When reporting emissions publicly, it is best practice to include:

- Description of the company and inventory boundary
- Information on emissions, such as:
  - Scope 1 and 2
  - Base year
  - Calculation methodologies
  - Exclusion and justifications
- Optional: Information on scope 3 emissions and performance

# An increasing number of countries are mandating emissions reporting.



**United Nations**  
Global Compact



## Steelcase reports annually to CDP, formerly known as the Carbon Disclosure Project.

Other methods of public disclosure include:

- Sustainability website page
- Annual/sustainability report



CDP, What we do, <https://www.cdp.net/en/info/about-us/what-we-do>

## Public is best practice.

Description of targets should:

- Include base and target year
- Be ambitious
- Be absolute GHG emissions reductions
- Cover global operations
- Address all three emissions scopes



## What are Science-Based Targets?

---



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science-based targets provide a **clearly-defined pathway** for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.

SBTi, How it works, <https://sciencebasedtargets.org/how-it-works>

# Overview of Steelcase's Carbon Strategy

	Carbon Neutrality		Absolute GHG Emissions Reduction			Engagement
Description of goal:	Continue investing in carbon offset projects to maintain carbon neutrality for our direct operations	Continue investing in renewable energy equivalent to 100% of our global electricity consumption for our direct operations	50% absolute emissions reductions	14% emissions reductions for business travel	14% emissions reductions for waste generated in operations	80% of suppliers by emissions set science-based targets
Target year:	2030					2025
Emissions covered:	Scope 1 + 2 Emissions			Scope 3 Emissions		

## The SBTi invites SMEs to submit targets through a streamlined target validation route exclusive to SMEs

When setting targets, SMEs:

- Bypass the initial stage of committing
- Bypass the standard target validation process
- Immediately set targets
- Are not required to set targets on their scope 3 emissions



# Q & A