

Closing the Scope 3 Emissions Gap

April 2025



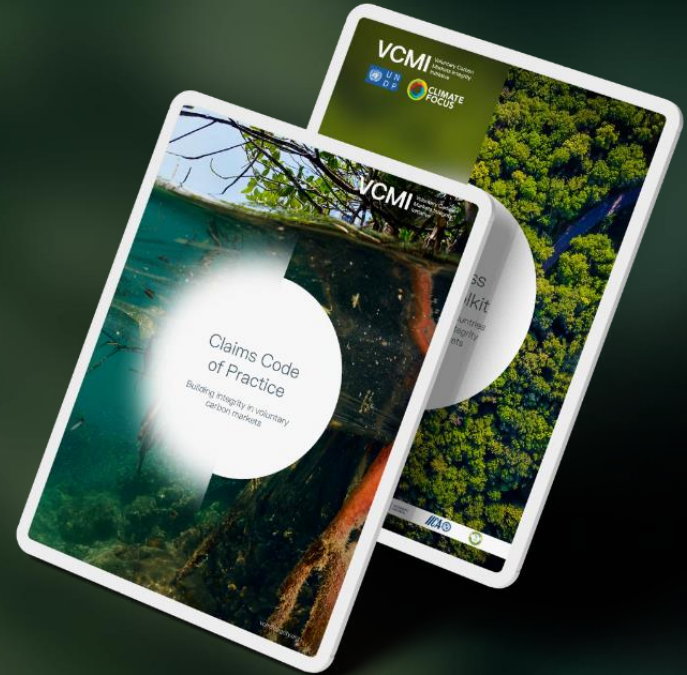
About VCMi

VCMi establishes standards for high-integrity carbon market use

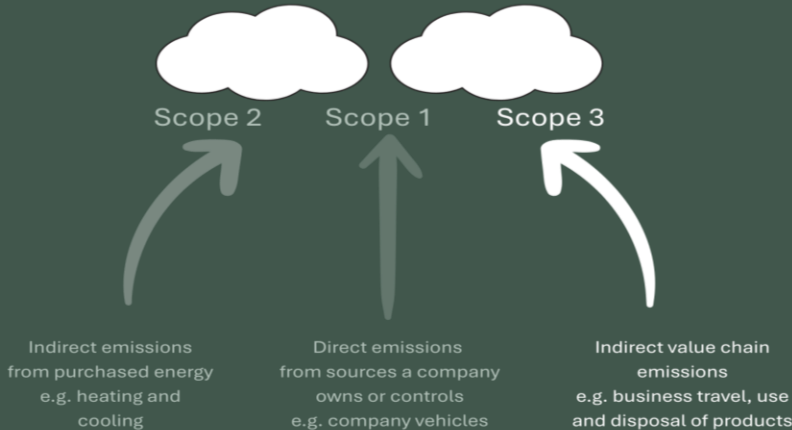
- Drives private sector investment to project-based emission reduction and removal
- Contributes to the \$1.3 trillion annual climate finance requirement
- Supports the goals of the Paris Agreement

Codes of Practice

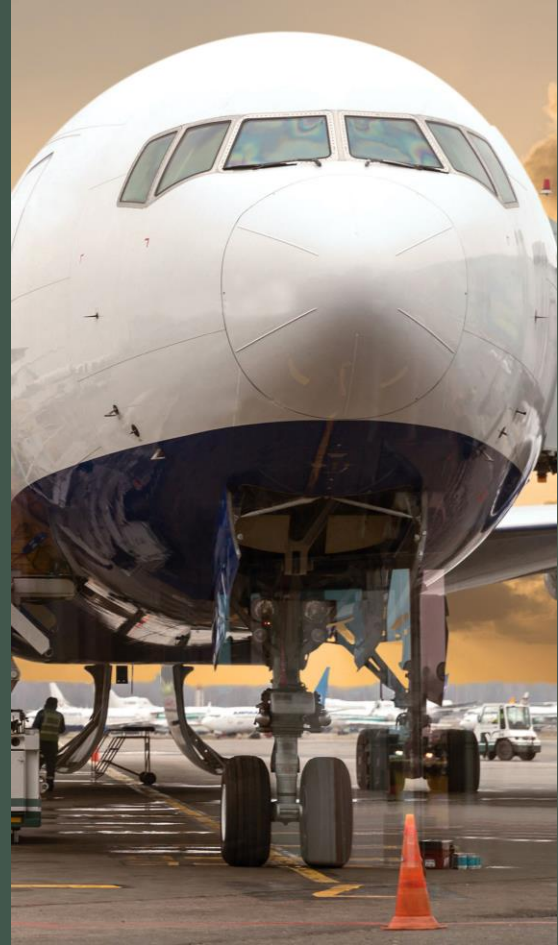
- Provide rigorous, science-aligned guidance to take credible and transparent climate action using high-quality carbon credits
- Align corporate climate action with accelerating progress to global net zero.



Scope 3 emissions are a crucial part of the climate puzzle



On average, scope 3 emissions account for 75% of corporate carbon footprints¹



47%

Of companies with net zero commitments are 'well behind' on delivering their scope 3 targets, which is a 30% increase in three years¹



2025: 1.4 gigatons of CO₂e equivalent to Japan's annual emissions in 2022



2030: Set to grow fivefold to 7 gigatons of CO₂e approximately about double the combined emissions of the European Union in 2022.

MSCI (2023).



Barriers to scope 3 decarbonization



High costs and limited
access to low-carbon
solutions



Lack of supplier emissions
data and limited data
standardization



Minimal leverage over
indirect suppliers to
drive decarbonization

Companies are not reducing emissions fast enough and need tools to make progress on ambitious climate targets

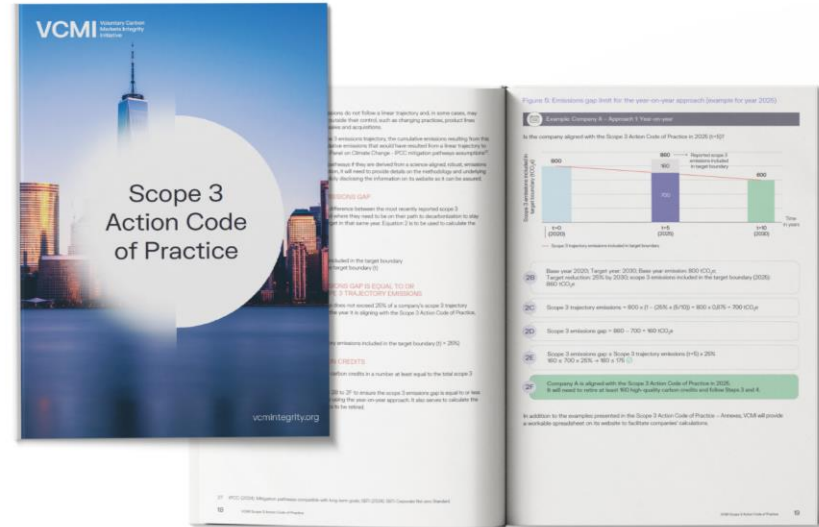


Scope 3 Action

The Scope 3 Action Code of Practice provides companies with a practical solution to close the scope 3 emissions gap.

VCMI's Scope 3 Action Code of Practice:

- A practical, high-integrity solution to 'close the scope 3 emissions gap'
- Dual approach combining direct emissions reductions and the use of high-quality carbon credits
- Enabling companies to continue taking action every year
- Blueprint for clear and consistent policy frameworks



The Scope 3 Action Code of Practice was developed through a robust process of consultation and methodology development

The development of the Scope 3 Action Code of Practice included input from:

- VCMI's Expert Advisory Group and Stakeholder Forum
- Public consultation run by BSI
- Road testing run by BCG and WBCSD



>600

Stakeholders involved in
the methodological
development of the Scope
3 Action Code of Practice



>150

Organizations and
companies participated in
the public consultation,
focus groups and road-
testing run by BCG and
WBCSD



>1000

Comments received
through the BSI-run beta
Scope 3 Claim public
consultation

Scope 3 Action: the Foundations

1

Comply with VCM Foundational Criteria

- Maintain and disclose a public GHG emissions inventory
- Set science-aligned near-term emission reduction targets and commit to reaching net zero emissions no later than 2050
- Demonstrate progress on financial allocation, governance, and strategy towards meeting a near-term emission reduction target
- Demonstrate public policy advocacy supports the goals of the Paris Agreement

Delivering Scope 3 Action

2

Demonstrate progress on near-term scope 1 and scope 2 targets and list scope 3 emissions reduction measures taken and impact achieved

3

Publicly disclose barriers in reducing scope 3 emissions and actions taken to remove current and anticipated barriers

Delivering Scope 3 Action

4

Ensure that the scope 3 emissions gap is not more than 25% of the total annual emissions reduction trajectory.
Use carbon credits to close the gap*

5

Ensure the scope 3 emissions gap is eliminated by 2040 after which carbon credits can transition to enable companies go above and beyond

*The Code requires companies to retire credits approved by ICVCM or Article 6.4. Interim options are provided until credits from those 'meta standards' are available.



Scope 3 Action

Code of Practice Key Features



Supports **near-term climate action**



Promotes **use of carbon credits** with guardrails



Sets **transparency requirements**



Complements **decarbonization**

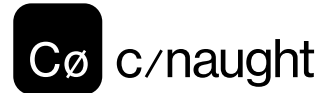


Requires companies to meet VCMI's **Foundational Criteria**



Have a
question?

Scope 3 Action Challenge Partners



Scan to download the Scope 3 Action Code of Practice

Download the Code



Get in touch with VCMI on:
info@vcmintegrity.org

Thank You

VCMI

