

Report: Supply Chain Decarbonization - An Essential Step Towards Net-Zero

Developed by Schneider Electric's Sustainability Business in partnership with Women Action Sustainability (WAS), with support from the We Mean Business Coalition

Top 5 Takeaways

This report addresses the essential role that supply chain partners have in reducing carbon emissions, generated indirectly through upstream and downstream operations (Scope 3). The following takeaways feature survey responses from leaders across large and small-to-mid sized enterprises -- offering a view of Scope 3 hurdles and acceleration.

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1 **Alliances are key to achieving net zero**

Decarbonization planning with supply chain partners is progressing, but influence and leadership are required to speed up practices.

43% **57%**

- Survey respondents who have not calculated their carbon footprint (of these respondents, 94% represent large companies)
- Respondents who said they disclose Scope 3 emissions (this cohort has more mature practices than the overall global average - according to CDP, only 41% of companies are reporting supply chain emissions)

2 **SMEs continue to face unique Scope 3 challenges**

With small-to-mid-sized enterprises (SMEs) accounting for 90% of the world's firms (OECD), support provisions and engagement with these key spokes of the supply chain are essential.

25% **40%**

- SME respondents who have not analyzed the carbon footprint of their supply chain
- SME respondents who require financing to help them decarbonize their supply chain

3 **Regulatory compliance and stakeholder interest are driving adoption of practices**

Navigating the evolving regulatory landscape, while also implementing unified processes and practices across the supply chain, requires partnerships, resources and technology.

75% of survey respondents said regulatory pressures and stakeholder requirements are prompting their organization to initiate decarbonization planning with supply chain partners

4 **Financial institutions are a catalyst for change**

The financial sector provides access to the necessary investments and resources needed to adopt sustainable practices in businesses.

90% of a financial institution's downstream emissions are attributed to clients' operations

5 **Technology is pivotal to decarbonizing upstream and downstream emissions**

Digital solutions help establish intelligent energy systems to monitor and measure energy consumption and carbon reduction efforts within a business and across the partner ecosystem.

80% **33%** **6%**

- Survey respondents who said digitalization is a key enabler for supply chain decarbonization
- Respondents who have a system in place to measure their suppliers' carbon footprint
- Currently use digital tools to measure impact and progress

Research methodology



- Large global enterprises (>250 employees)
- Large national enterprises (>250 employees)
- International SMEs (<250 employees)
- National SMEs (<250 employees)
- National micro-SMEs (<10 employees)

Research for this report was conducted with representatives from more than 50 companies from a wide range of sectors and of varying sizes.

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The interconnectedness of supply chains has a ripple effect on decarbonization efforts – actions led by one entity influences the sustainability journey of others.

NET-ZERO EMISSIONS

“Our Net-Zero future depends on collective action and proven innovation. With an ecosystem already in place to support Scope 3 targets, and technologies readily available to decarbonize and reduce energy use – we’ve reached a tipping point. It’s time to connect the value chain in purposeful new ways...”

Gwenaelle Avice-Huet
EVP, Europe Operations, Schneider Electric

Scope 3: Supply Chain Decarbonization

Supplier Alliances

“The energy transition offers great opportunities for collaboration that we must seize. The contribution of companies to decarbonize is multiplied if we promote new alliances and collaborations throughout the value chain.”

Olalla del Río
Head of Sustainability and Energy Transition, Cepsa

SME Engagement

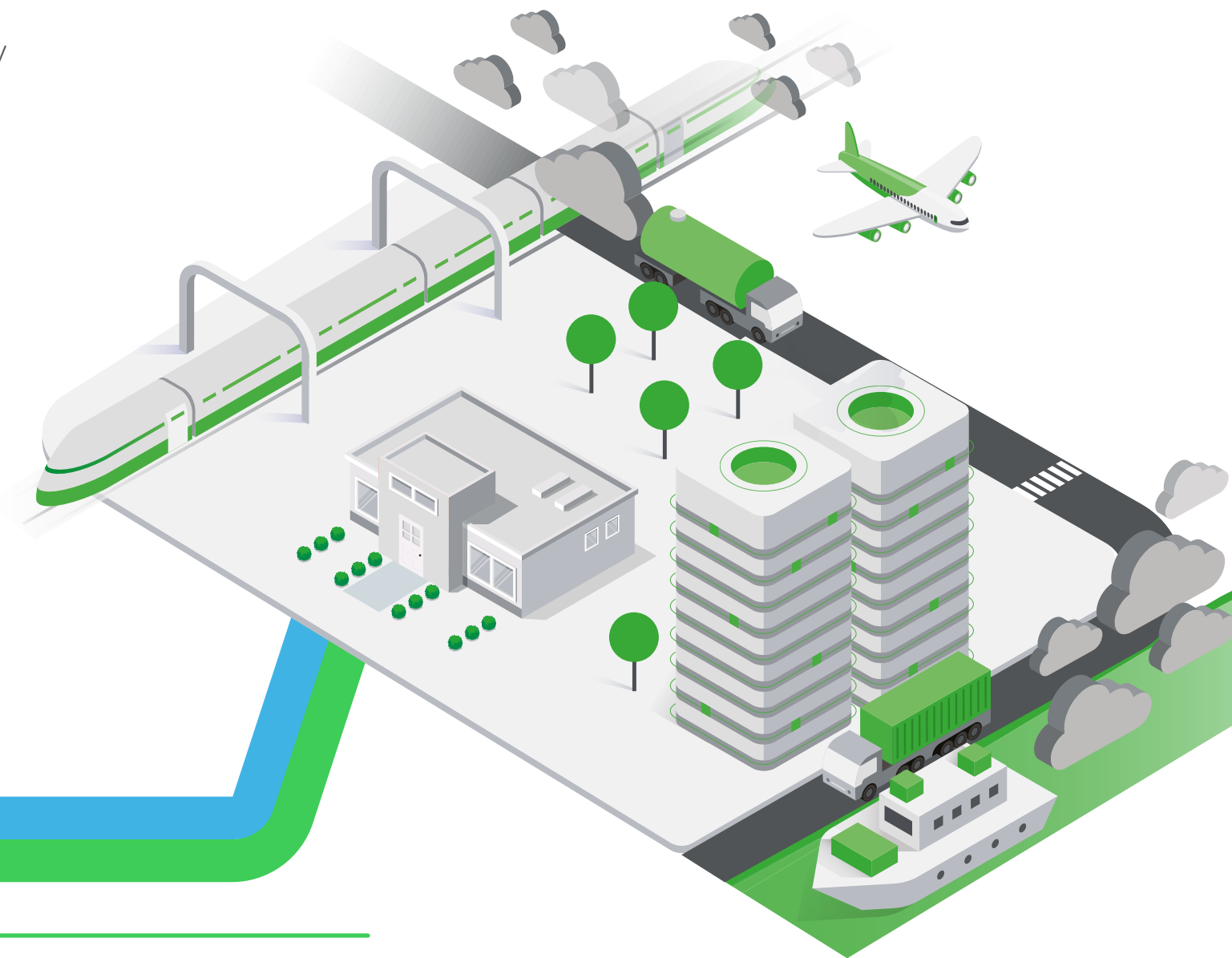
“Supply chain decarbonization is essential for the economy. Supporting **small-to-mid-sized enterprises (SMEs)** in this challenge is a priority today. Support in terms of knowledge, tools and access to financing is required.”

Monica Chao
President, Women Action Sustainability

Build, Act and Accelerate

Scope 3 practices across business ecosystems

[Learn more here](#)



Compliance

“The current regulation is focused on penalizing non-compliance. Regulatory changes should also support and favor areas that are developing and working effectively. The human effort to understand and generate consortia is very high.”

Roberto García Torrente
Sustainable Development Director, CAJAMAR



Finance

“Sustainability and profitability have to go hand in hand. It is essential to understand that we will either exist sustainably, or we won't exist.”

Javier Villanueva
CEO, Silken Hotels



Digital Technology

“Real-time data is a basic and indispensable tool for improving processes and efficiency. It is key to information management and traceability, allowing us to pinpoint the origin of our carbon footprint...”

Carles Navarro
Director General, BASF Spain

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