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Scope 3: Unmanaged Risk to Untapped Opportunity

Carbon Action Report 2025

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Forewords

As we launch this report at New York Climate Week and look toward COP30 in Brazil this year, the world is at a critical crossroads: cling to the old model and face increasing climate disasters and financial risk or embrace the shift to a net-zero economy.

Supply chains are critical. Upstream Scope 3 emissions are 21x higher than corporates' direct emissions. This presents a significant risk. Yet our analysis finds corporates can decarbonize supply chains with a 3-6x return on investment (ROI).

For this iteration of the EcoVadis Carbon Action Report, we are proud to collaborate with Boston Consulting Group (BCG), which provided invaluable expert insight and analysis.

Our message to business leaders: grasp the opportunity to be an early mover and reap the rewards.

Pierre-François Thaler
Co-Founder and Co-CEO,
EcoVadis

Climate change has become a financial and strategic reality for business leaders as physical and transition risks are already shaping outcomes for corporates, investors and society.

By 2030, corporates could face over $500 billion in global liabilities from potential carbon pricing of Scope 3 supply chain emissions. However, targeted actions to reduce supplier emissions can help to mitigate this risk and deliver real value.

This report, developed with EcoVadis, leverages climate data from more than 83,000 firms to lay out the business case for Scope 3 emissions reduction and identify five practical actions that enable corporates to manage their exposure and build resilience.

Climate risk in supply chains is a business risk for corporates. Leaders must act now to safeguard value and secure a long-term advantage.

Diana Dimitrova
Managing Director
and Partner, BCG

Executive summary

Headwinds from climate change are increasing, but supply chain emissions continue to be a blind spot

- Corporates are facing headwinds from climate change with up to 5% to 25% EBITDA at risk by 2050.
- With mandatory disclosures gaining prominence and investors increasingly pricing in climate risk, corporates are under growing scrutiny and must act now to align with a net-zero future.
- For several industries, Scope 3 supply chain emissions are the largest and least managed source of exposure - 21x greater than direct emissions on average.
- Yet, >90% corporates assessed through EcoVadis' Carbon Action Manager have no Scope 3 supply chain reduction targets.

The cost of inaction is high

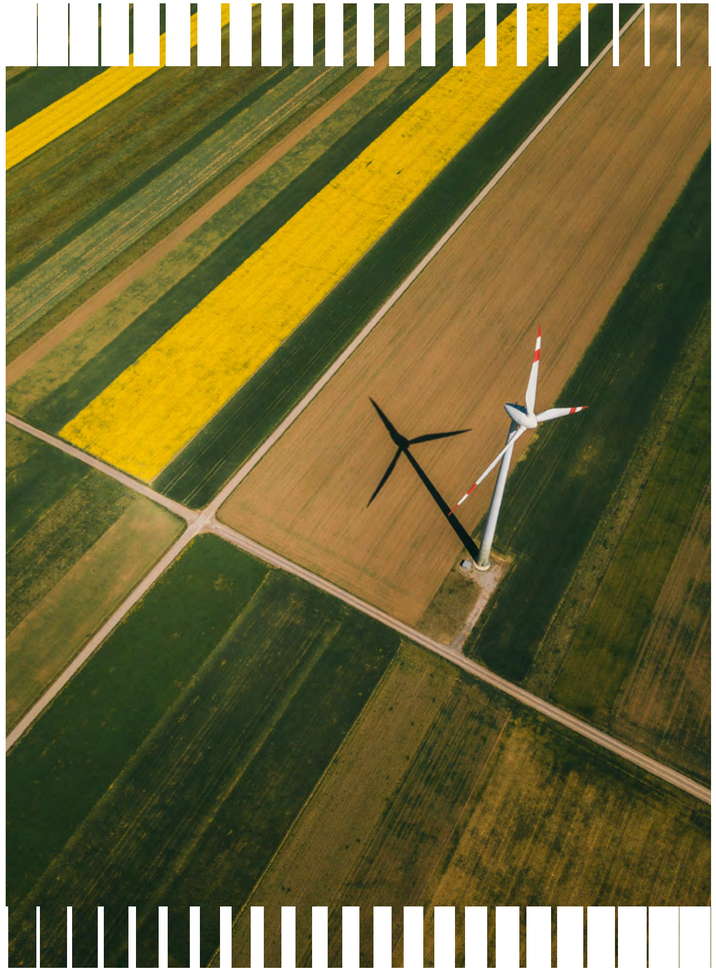
- By 2030, transition risk from Scope 3 emissions could drive >$500B in global annual liabilities from potential carbon pricing based on sample of firms reporting Scope 3 emissions to EcoVadis.
- Across industries, firms can reduce half of their emissions at a lower cost than potential carbon pricing at the EU ETS benchmark of $76 per metric ton.
- Investing in climate action for the supply chain today could achieve up to 3-6x ROI through loss aversion, avoiding costs from future carbon-price regulation.

Five impactful actions

- Five impactful actions enable corporates to move from ambition to delivery on Scope 3 supply chain emissions reduction:
  1. Engage suppliers
  2. Measure emissions
  3. Appoint a climate-aligned management team
  4. Develop a climate transition plan
  5. Allocate emission reduction budget
- Supplier engagement is the most impactful action, with corporates engaging their suppliers are 9x more likely to deliver Scope 3 targets.
- However, adoption of this driver remains low - only 1 in 3 engage with suppliers and 4 in 100 partner with suppliers.

Immediate priorities for corporates

- Establish a baseline for supplier emissions
- Segment and prioritize suppliers by emissions footprint and climate risk exposure to profit pools
- Launch a holistic supplier engagement program and activate targeted levers by segment
- Mobilize a lean climate team to set the climate agenda and ringfence a "seed" budget to kick-start action
- Begin integrating Scope 3 into wider business strategy, to lay foundations for net-zero transformation



Intensifying climate risks and the Scope 3 blind spot

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Climate risk is materializing across multiple fronts and increasingly translating into margin headwinds

In 2024, global temperatures averaged more than 1.5°C above pre-industrial levels for a full year for the first time, marking a pivotal shift in the climate trajectory. Since 2000, climate-related disasters have resulted in over $3.6 trillion in direct economic losses, and the impact is expected to grow exponentially beyond 1.5°C.

Business leaders face climate risk on two fronts: physical risks driven by the direct impacts of a changing climate, and transition risks arising from shifts in policy, markets and technology as the global economy transitions toward a low-carbon future.

Physical risks have intensified due to global inaction. Increased severity and frequency of climate disasters are straining operations and physical assets through:

- Revenue disruption from downtime and supply chain disruptions
- Capital expenditure required to climate-proof assets
- Operational expenditure inflation from increasing input prices and insurance premiums
- Price instability due to increased inflation rates driven by climate impacts

Transition risks are intensifying as regulation, capital and customer expectations reshape costs, demand and investment priorities. This is translating into:

- Rising compliance costs from carbon pricing and disclosure mandates
- Reduced market demand for high-carbon products
- Downsides from stranded assets for high- emission products
- Valuation pressure from increasing investor scrutiny

A. Physical risks

Acute

$3.6T

Economic cost of climate-related disasters since 2000

Chronic

5-25%

Annual EBITDA at risk by 2050 from climate-related business disruption

B. Transition risks

Policy & legal

>30%

Annual EBITDA at risk due to carbon pricing by 2030 for sectors in a rapid transition (e.g., Materials, Metals, Chemicals, Utilities)

Market

2.3x

Sustainability marketed products grew 2.3x faster than conventionally marketed products[1]

Technology

100%

Electricity generation consisting of low-emissions sources (renewables & low-carbon/abated) by 2050

Reputation

26%

Average shareholder value lost in the post-event year for a reputational crisis (e.g., Hurricane Katrina response)[2]

(1) NYU Stern Center for Sustainable Business, Sustainable Market Share Index; (2) Applies to "grey swan" events across various categories, 12% of which were environmental disasters and a further 60% were failures related to marketing/comms, governance/business practices, and product/service

Sources: WEF/BCG, The Cost of Inaction (2024); LSEG; WEF, Net Zero Industry Tracker (Nov 2023); AON/Pentland Analytics, Respecting the Grey Swan (2021); WEF/BCG, The Cost of Inaction (2024); LSEG; IEA, Net Zero Roadmap 2023; EU Copernicus Climate Service; Kotz, M., Kuik, F., Lis, E. et al., Global warming and heat extremes to enhance inflationary pressures (2024)

Markets are already pricing in climate risk

Climate risk has transitioned from externality to accountability. Investors are pricing in climate risk, holding boards to their fiduciary duty and executive teams accountable for delivering the transition.

Therefore, business leaders must act now to align with a net-zero future by defining a climate transition plan that is anchored by emissions data, climate risk and low-carbon investments.

It is essential that this transition plan covers all emissions generated by the firm, including Scope 3 supply chain emissions. While operational emissions have been the primary focus of early climate action, they account for only a fraction of a corporate's total exposure. Emissions generated across the value chain, particularly from upstream suppliers, often represent a significant share of the overall emissions footprint; however, only one in four corporates measure upstream emissions.

For corporates, these Scope 3 emissions remain a blind spot in transition planning and must be incorporated to reflect the full scope of climate-related risk and opportunities.

1) Based on publicly-listed Western European firms with market cap > EUR100M as of July 17, 2025 in the same industries as the 10 industries with highest Scope 3 emissions reported in EcoVadis data; (2) Formerly TCFD recommendations, which are now fully incorporated into ISSB/IFRS sustainability standards

Sources: WEF/BCG, The Cost of Inaction (2024); LSEG; FSB, Progress Report on Climate-Related Disclosures (2023); IFRS 'Jurisdictions representing over half the global economy by GDP take steps towards ISSB Standards' (2024)

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Current impacts on firms

Climate risk is already priced in...

1.3%

Average WACC discount for sustainability leaders with decreasing Scope 3 emissions intensity[1]

Investors are increasing scrutiny on emissions...

$222T

20% of global assets, representing $222T in assets, managed by 1,800 financial institutions supporting ISSB/IFRS disclosure standards[2]

Regulation on mandatory climate disclosures is growing...

55%

of global GDP covered by more than 20 jurisdictions taking steps toward mandatory ISSB-aligned disclosures

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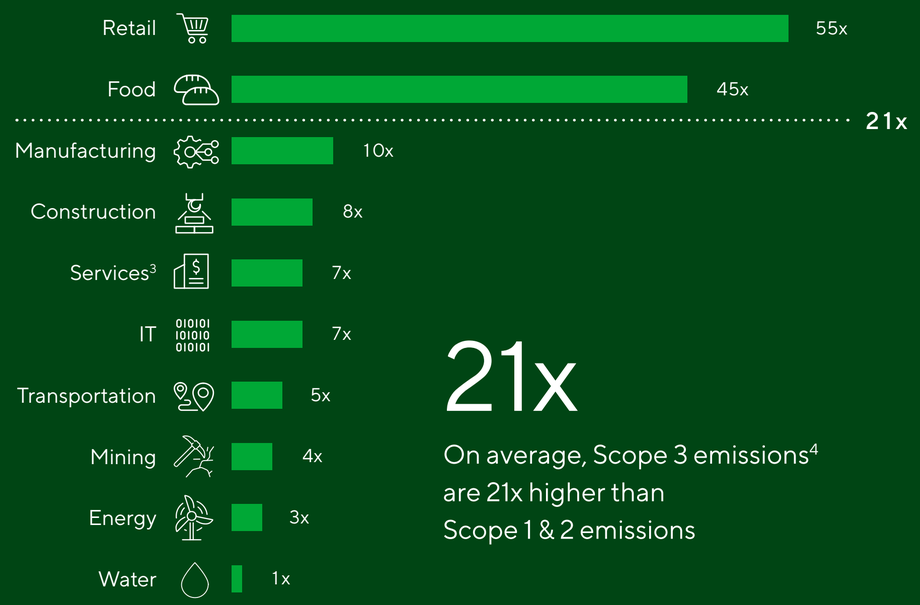
Scope 3 supply chain emissions multiplier vs. Scope 1 & 2 emissions[1,2]



21x

On average, Scope 3 emissions[4] are 21x higher than Scope 1 & 2 emissions

Scope 3 emissions are 21x higher than direct emissions, yet remain largely unaddressed

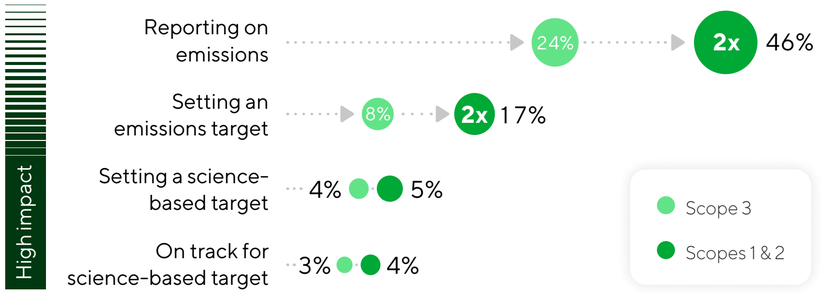
Corporate efforts on Scope 1 and 2 emissions have built early momentum. However, concentrating efforts only on direct emissions leaves a blind spot on Scope 3.

Scope 3 supply chain emissions are, on average, 21 times higher than Scope 1 and 2 combined. Just eight global sectoral supply chains account for more than half of global emissions[5] (embedded in raw materials and freight rather than final manufacturing).

As climate impacts accelerate, tackling Scope 3 emissions is critical for aligning with a 1.5°C pathway by 2035.[6] Yet only one in four corporates measure supply chain emissions – limiting transparency on both risks and opportunities.

The cost of inaction is high. For business leaders, overlooking supply chain emissions poses significant risks to enterprise value and leads to inefficient capital allocation.

Adoption rates of Scope 3 and Scope 1 & 2 practices across firms[7]



1 in 4

corporates measure Scope 3 supply chain emissions, and only 4 in 100 have a science-based target

(1) Assessed across latest submissions from 746 corporates who provided third party-verified Scope 1, Scope 2 and upstream Scope 3 emissions since 2020; (2) All emissions data in baseline has been verified by third parties i.e., a smaller dataset used to establish Scope 3 multipliers rather than full EcoVadis dataset; (3) Services covers financial services, insurance and professional services (4) Upstream Scope 3 emissions only; (5) BCG WEF analysis; (6) UN Environment Programme, Emissions Gap Report 2024; (7) Based on N = 34,313 Large, Medium and Small firms; Upstream Scope 3 emissions only

Sources: EcoVadis Carbon Action Manager data; EcoVadis emissions data

Cost of inaction is high

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Annual financial impact from supply chain emissions could exceed $500B by 2030

Upstream supply chain emissions now represent a direct and growing source of financial exposure – and the cost of inaction is rising.

EcoVadis and BCG analysis finds corporates could face an annual liability of over $500 billion by 2030, equivalent to 15 to 20% of the S&P500 cohort's current EBIT, from unmanaged Scope 3 emissions. This is based on pricing Scope 3 supply chain emissions above a 1.5°C-aligned threshold at $76 per tonne CO_2e, in line with the EU ETS benchmark.[5]

The impact is likely higher. The EU's 2030 climate plan anticipates carbon prices exceeding $120 per metric ton, and certain voluntary markets have surpassed $100.

Transition risks are already influencing cost of capital, growth access and competitive positioning. For example, sustainability leaders with decreasing Scope 3 emissions intensity enjoy a 1.3 percentage point premium in their cost of capital.

For business leaders, this reframes supply chain emissions from a compliance mandate to a material driver of financial performance and presents an opportunity to unlock returns.

Transition risks in action

- Value pool shifting toward low-carbon offerings
- Risking access to talent without climate leadership
- Increasing cost of capital for grey business models
- Restricting market access through low-carbon regulatory barriers (e.g., CBAM)

Transition risks from supply chain emissions for EcoVadis-assessed corporates[1]

>13Gt

>13Gt Scope 3 supply chain emissions captured by EcoVadis (equivalent to nearly 4x the EU's total GHG emissions in 2024)[2]

$500B+

Implied annual carbon liability for Scope 3 supply chain emissions by 2030 for EcoVadis respondents[3]

15-20%

An equivalent of 15-20% annual EBIT of the S&P500[4] at risk of dilution from climate transition risks from supply chain alone

(1) Latest Scope 3 emissions disclosure to EcoVadis between 2022-2025 from N=4,840 firms; (2) Data from European Commission, Quarterly greenhouse gas emissions in the EU, Q4 2024; (3) Carbon liability calculated by taking the total latest gross upstream Scope 3 emissions value for firms in Ecovadis data (13.2Gt CO2), assuming a required reduction of 50% by 2030 in line with the 1.5°C pathway, and applying a carbon price of €65/tCO_2e (the July 2025 EU ETS price), then converted to USD at €1=$1.17 rate; (4) Data from LSEG; (5) Converted to USD at €1=$1.17 rate;
Sources: EcoVadis emissions data

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Corporates can unlock 3–6x return through loss aversion

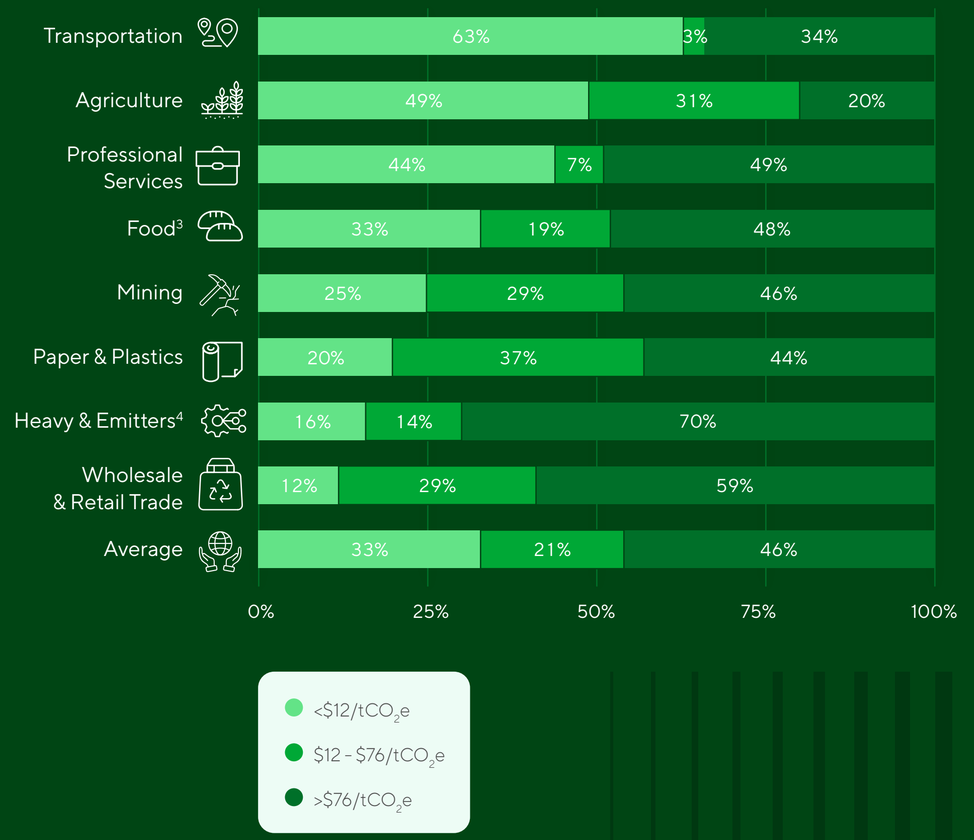
To de-risk supply chain exposure, corporates should proactively engage their suppliers to drive down emissions.

BCG analysis shows that firms can reduce supplier emissions by 50% on a cost-neutral basis (i.e., at or below $76 per metric ton CO_2e, in line with the EU ETS benchmark[1]). Notably, one-third of emissions can be reduced at less than $12 per metric ton, delivering returns of up to 6x on investment.

Firms that do not act risk driving exposure to carbon pricing and significant operational cost increases while facing competitors that take advantage by mitigating these costs. Those moving early on Scope 3 are already reshaping portfolios, reallocating capital, and in turn, establishing the foundations for the net-zero future .

With sourcing strategies and investment roadmaps now being locked, the decisions that determine enterprise value through 2035 are being made today. The time to act is now.

Distribution of decarbonization cost by sector[2]



1/3

of supplier emissions can be abated at <$12/$tCO_2e$

3–6x

Average potential ROI on supplier abatement measures across the portfolio[5]

(1) Converted from €65/tCO_2e to $76/$tCO_2e$ at €1=$1.17 rate;
(2) BCG Marginal Abatement Cost Curves (MACCs);
(3)Food marginal abatement lever costs based on FMCG marginal abatement cost (MACC) curves;
(4) Heavy emitters include cement, steel and chemicals;

(5) 3x ROI calculated as the ratio of the NPV of a carbon price at $76/$tCO_2e$ paid from 2030-2050 to the NPV of abatement measures at an average cost of $44/$tCO_2e$; 6x ROI calculated as the ratio of $12/$tCO_2e$ to the potential carbon price of $76/$tCO_2e$;

Sources: BCG MACC curves; BCG analysis

From ambition to delivery: Closing the Scope 3 gap

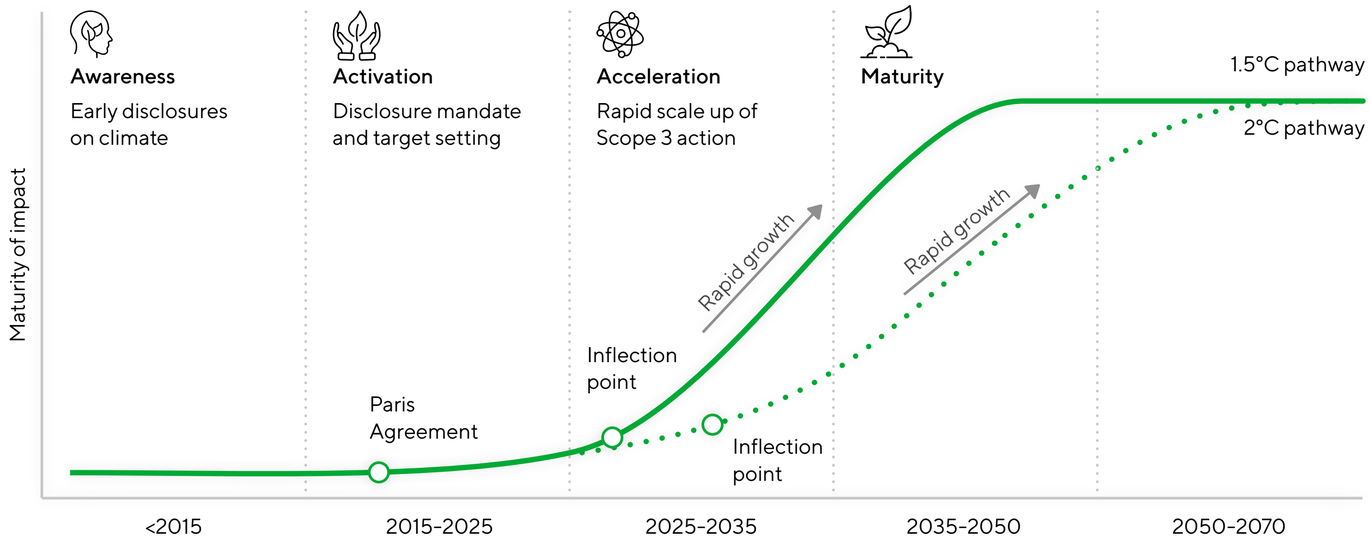
Despite the disproportionate impact of supply chain emissions, corporate action is behind the curve. Today, 90% of firms lack upstream targets and only one in four track Scope 3 supply chain emissions – driving significant risk exposure.

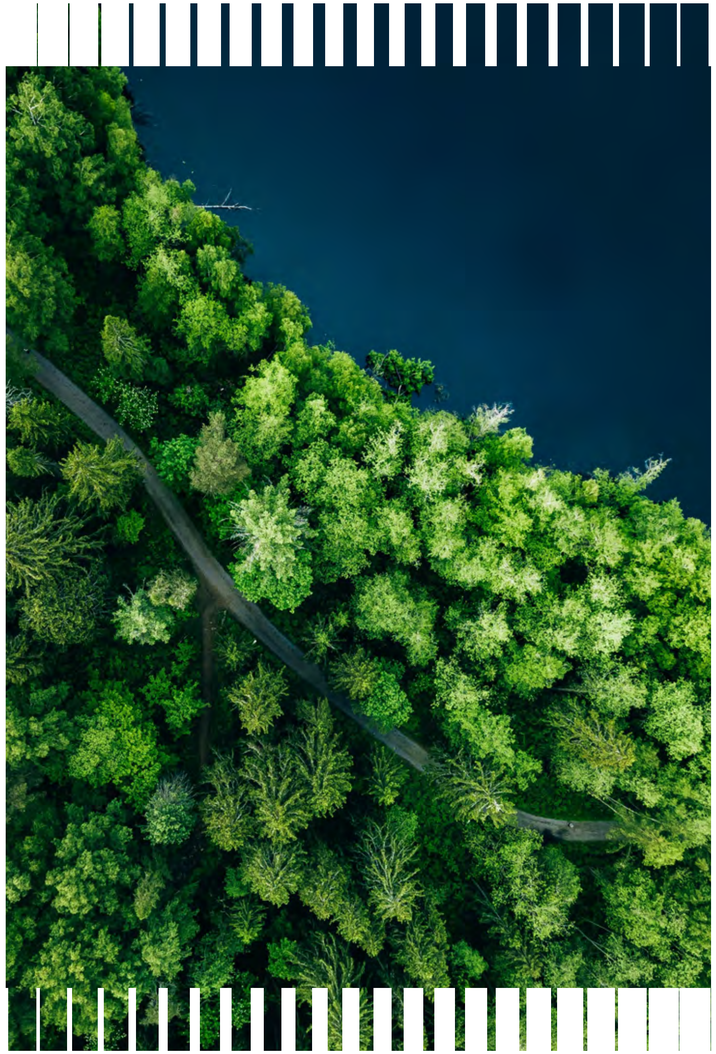
Securing the 1.5°C or even 2°C decarbonization pathway translates to a significant step change over the next 3-5 years, firmly within the next strategic planning cycle. As such, action on Scope 3 is at an inflection point.

It is essential to include Scope 3 climate action in this planning cycle to ensure alignment to climate targets, mitigate risks and unlock opportunities. Lack of action can cause firms to fall behind competitors that are able to mitigate carbon pricing impacts, leverage lower cost of capital, and position themselves as climate leaders to customers.

To support this planning cycle, BCG and EcoVadis analysis has identified five impactful actions that drive outcomes.

Illustrative overview of Scope 3 action and the upcoming inflection point





Five impactful actions for Scope 3 action

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Engaging suppliers is the single most impactful action to reduce Scope 3 emissions

Statistically significant actions	Increased likelihood of target delivery[2]
1. Engage suppliers Engage suppliers on ambition and need for climate action, and partner with suppliers to launch joint emissions reduction activities	9.0x
2. Measure emissions Set up a greenhouse gas (GHG) inventory,[3] with monitoring across operations (including product-level data as a late-stage action)	4.3x
3. Appoint a climate-aligned management team Establish a dedicated management team that sets and owns the company-wide low-carbon agenda	4.1x
4. Develop a climate transition plan Define a company-wide plan to transition to a low-carbon business model	2.7x
5. Allocate emissions reduction budget Allocate a dedicated budget to fund company-wide decarbonization initiatives	1.7x

Note

Other actions also contribute meaningfully to Scope 3 management. While they may not show statistical significance, this does not negate their value. Rather, it highlights that the five identified factors warrant immediate focus.

(1) R2 = 0.74, all p values < 0.005; (2) Increased likelihood shows how much more likely firms with the statistically significant action in place are to have a science-based Scope 3 target and be on track/ahead of track to achieve the target (3) For example, in accordance with GHG Protocol or other accounting standards
Sources: EcoVadis Carbon Action Manager data

However, adoption rates for impactful actions remain low

While cost-effective abatement opportunities exist and the business case is clear, most corporates have limited adoption of the statistically significant actions.

Just one in three corporates engage suppliers on climate, and only 11% collect primary data from them. While secondary data is a helpful starting point for planning and launching initial actions, relying on industry averages beyond this stage can obscure progress and prevent linking actions to measurable outcomes.

Measurement, planning and funding levers show similar gaps, with only 14% having a time-bound transition plan to transform to a low-carbon business.

With most firms now one to two five-year planning cycles away from critical 2035 climate thresholds,[1] business leaders must set clear priorities today to ensure delivery.

Corporates starting now are up to two years away from delivering measurable reductions - reinforcing the urgency to act now and prioritize high-impact actions.

Adoption rate in EcoVadis-assessed cohort[2]

All adoption rates are independent and represent the proportion of the total cohort who have implemented each activity

1. Supplier engagement	2. Emissions measurement	3. Management team	4. Climate transition plan	5. Emissions reduction budget
36% Engage suppliers on climate action	**33%** Monitor Scope 3 emissions in line with leading reporting standards	**57%** Have a dedicated climate management team	**30%** Have a time-bound plan to reduce emissions	**25%** Allocate a budget for emissions management
11% Engage and collect primary emissions data from suppliers	**27%** Developed a corporate-level GHG inventory	**20%** Have a dedicated team with compensation linked to emissions reduction	**14%** Have a time-bound plan to transform to a low-carbon business model	**9%** Allocate a budget for emissions management and have a plan to transform to a low-carbon business model
4% Collect primary data, partner with suppliers,[3] and select suppliers based on emissions	**7%** Monitor emissions in line with leading reporting standards, develop a GHG inventory and use product-level data			

High impact

(1) 2035 is the next milestone after 2030 to be included in NDC targets (UN Environment Programme, Emissions Gap Report 2024); (2) N=7,659 Large and Medium firms who were asked about at least three of five key actions in their most recent two EcoVadis Carbon Action Manager surveys; (3) Partnering with suppliers focuses on launching joint actions to reduce supplier emissions while engaging on climate action is focused on communication of ambition and need for change
Source: EcoVadis Carbon Action Manager data

Immediate priorities for corporates

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Immediate priorities for corporates

1. Establish a baseline for supplier emissions
2. Segment and prioritize suppliers by emissions footprint and climate risk exposure to profit pools
3. Launch a holistic supplier engagement program and activate targeted levers by segment
4. Mobilize a lean climate team to set the climate agenda and ringfence a "seed" budget to kick-start action
5. Begin integrating Scope 3 into wider business strategy, to lay foundations for net-zero transformation

Playbook for corporates: Action on Scope 3 starts with supplier engagement and is sustained through operating model enablers

	Measure and engage	Set emissions target	Deliver on target
Strategic actions	Measurement and supplier engagement maturity gap	Define a transition plan	Define abatement strategy for risk and opportunity hotspots	Transform to a low carbon business model; scale "green" portfolio
	Engage with suppliers	Prioritize suppliers based on emission-risk matrix and business impact	Implement climate-linked selection criteria	Partner with suppliers to reduce emissions, based on existing maturity
	Measure supply chain emissions	Leverage primary data to measure Scope 3	Establish GHG inventory across operations	Establish product-level emission footprint
Operating model enablers	Establish a lean climate action team to steer climate ambition	Allocate "seed" budget to kick-start the net-zero transition plan	Establish firm-wide emissions KPIs - report to Board	Embed climate risk and opportunities in key business processes

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Supplier engagement

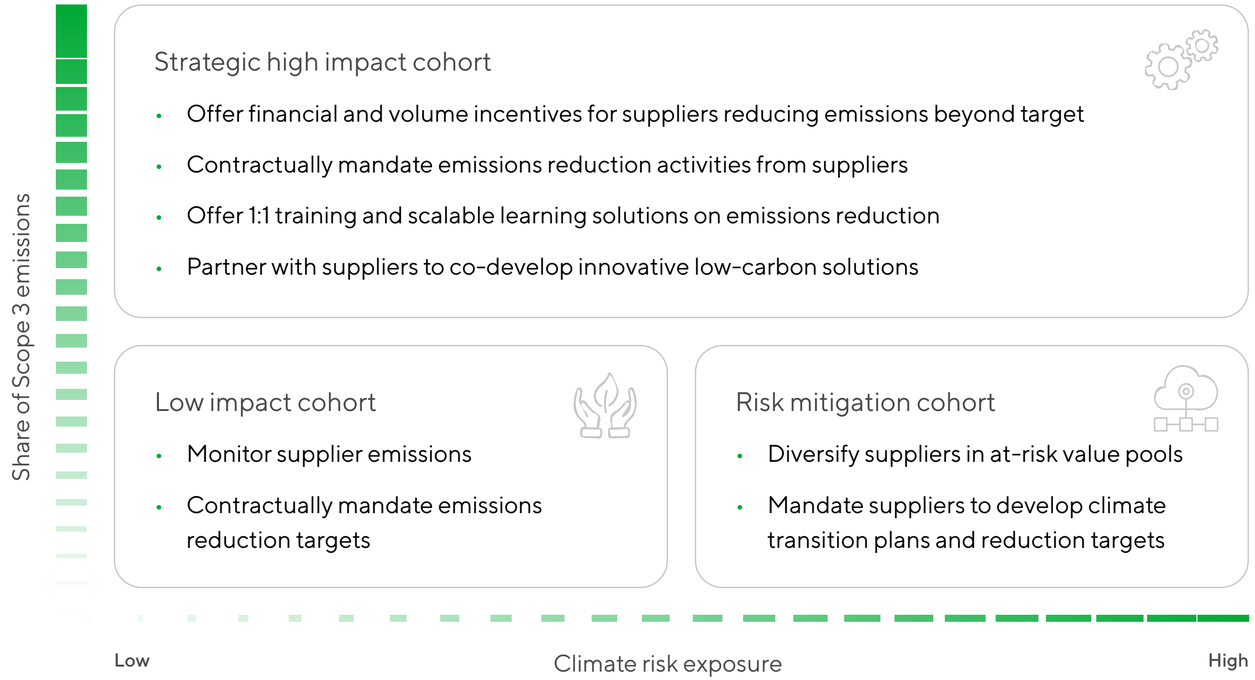
Prioritize supplier interventions based on emissions footprint and business risk

Establish supplier baseline emissions with primary data. If unavailable, use industry averages as a starting point

Identify climate risk exposure for the key supply chain segments in focus

Map supplier emissions to profit pools, strategic business segments and KPIs

Supplier engagement matrix



Operating model

Integrate Scope 3 into the operating model

		Mobilize climate action	Define transition aspiration	Embed and sustain change
Corporate stakeholders & strategic imperatives	Executive team Finance Supply chain Sustainability Board	■ Mobilize lean climate team & ringfence "seed" budget ■ Kick-start company-wide emissions reporting ■ Prioritize & segment suppliers based on estimated climate risk ■ Map climate risks & opportunities & connect with stakeholders ■ Drive accountability to catalyse & cascade climate action	■ Position climate transition at heart of long-term strategy ■ Incorporate climate into financial processes & investor communications ■ Launch supplier action & select suppliers based on emissions ■ Undertake flagship initiatives & position priorities internally ■ Secure shareholder value by monitoring performance against net-zero aspirations	■ Reshape business portfolio & drive green growth ■ Develop financial advantage via climate transition ■ Partner with suppliers to develop low-carbon solutions across lifecycle ■ Embed climate ambition through internal engagement & execution
Foundational enablers	Governance Business process Control	■ Update board charter with climate risk & opportunities ■ Integrated climate as part of strategic planning (five-year plans) ■ Align executive compensation with climate-linked KPIs	■ Operationalize executive steering committee ■ Create a culture of climate risk awareness & innovation ■ Integrate climate risk & opportunities with board reporting	■ Apply climate criteria to steer capital allocation & projects ■ Fully integrate climate risk & opportunities with decision-making ■ Integrate climate-linked KPIs across organization

Appendix

Acknowledgements

This year's Carbon Action Report is the product of a strategic collaboration between BCG and EcoVadis.

EcoVadis provided the core dataset for the analysis, sharing data for more than 83,000 firms with over 133,000 carbon ratings, offering an in-depth view of corporate climate action and emissions performance worldwide.

BCG conducted statistical and data-led analysis to identify the most impactful drivers of Scope 3 performance and to surface broader patterns in emissions management and supplier engagement across the global sample using both EcoVadis' datasets and third-party data. EcoVadis completed additional analysis around the climate maturity of participating firms and gathered relevant case studies.

EcoVadis and BCG collaborated on all other aspects such as synthesizing findings, refining recommendations, and writing and designing the report.

BCG

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Appendix: Adoption rates of Scope 3 action by region

	Regional View					Country View				
Action	Europe[1]	North America[2]	Asia-Pacific	Africa & ME	Latin America	United Kingdom	France	Germany	USA	Japan
Scope 1 and 2 reporting and targeting[3]										
Reporting Scope 1 and 2	48%	40%	47%	40%	34%	55%	49%	46%	41%	52%
And set Scope 1 and 2 target	17%	15%	17%	13%	6%	26%	18%	18%	15%	29%
And target is SBTi-aligned	6%	5%	4%	2%	1%	11%	6%	6%	7%	10%
And are on track/ahead of schedule to deliver target	4%	4%	2%	1%	1%	7%	4%	4%	5%	7%
Scope 3 reporting and targeting[3]										
Reporting Scope 3	25%	19%	19%	19%	15%	32%	33%	24%	22%	32%
And set a Scope 3 target	8%	6%	6%	5%	2%	14%	11%	9%	7%	12%
And target is SBTi-aligned	4%	3%	3%	1%	1%	8%	4%	4%	4%	7%
And are on track/ahead of schedule to deliver target	3%	3%	2%	0%	1%	6%	3%	3%	3%	5%
Supplier engagement[4]										
Engage suppliers on action	42%	34%	27%	23%	12%	52%	55%	40%	32%	35%
And collect primary data from suppliers	16%	12%	8%	6%	5%	10%	14%	14%	8%	12%
Collect primary data, form partnerships, select on emissions	6%	2%	2%	2%	1%	3%	5%	5%	2%	2%
Measurement[4]										
Monitor Scope 3 emissions in line with leading standards	39%	25%	24%	18%	19%	48%	44%	35%	31%	35%
And have a GHG inventory	33%	24%	18%	15%	17%	42%	37%	29%	27%	23%
And collect product-level data	10%	2%	5%	4%	5%	5%	8%	10%	5%	3%
Management[4]										
Have a dedicated climate team	59%	60%	55%	34%	34%	72%	66%	58%	56%	69%
And compensation is linked to emissions	23%	21%	17%	7%	10%	31%	24%	18%	20%	26%
Climate transition plans[4]										
Set an action plan to reduce emissions	37%	26%	29%	20%	18%	26%	32%	36%	23%	41%
And have a plan to transform to a low-carbon business	20%	12%	12%	9%	6%	14%	20%	20%	9%	17%
Decarbonization[4]										
Allocated a budget for decarbonization activities	27%	23%	22%	18%	17%	30%	37%	25%	21%	29%

1. Based on N=34,313 large, medium, and small firms who have submitted multiple emissions reports to Ecovadis; 2. Based on N=7,659 large and medium suppliers who were asked about at least three of five key actions

Appendix: Adoption rates of Scope 3 action by sector

Action	Manufacturing	Construction	Transportation	IT	Retail	Services[1]	Agriculture	Healthcare	Water	Energy	Mining	Hospitality	Real Estate	Education
Scope 1 and 2 Reporting and Targeting[2]														
Reporting Scope 1 and 2	46%	37%	42%	48%	52%	53%	24%	47%	38%	61%	40%	47%	69%	44%
And set Scope 1 and 2 target	16%	12%	12%	20%	21%	23%	4%	12%	11%	26%	14%	22%	38%	25%
And target is SBTI aligned	5%	4%	4%	11%	6%	11%	2%	3%	3%	14%	2%	15%	18%	0%
And are on track/ahead of track to deliver target	3%	2%	3%	8%	4%	7%	2%	1%	3%	11%	2%	9%	8%	0%
Scope 3 Reporting and Targeting[2]														
Reporting Scope 3	22%	18%	20%	36%	30%	34%	5%	29%	15%	36%	18%	26%	49%	25%
And set a Scope 3 target	7%	5%	6%	13%	9%	14%	1%	6%	3%	16%	4%	11%	23%	6%
And target is SBTI aligned	3%	2%	2%	7%	4%	8%	1%	1%	2%	9%	1%	9%	15%	0%
And are on track/ahead of track to deliver target	2%	2%	2%	5%	3%	6%	0%	1%	1%	8%	1%	6%	5%	0%
Supplier Engagement[3]														
Engage suppliers on action	36%	35%	31%	39%	40%	34%	13%	28%	27%	52%	49%	44%	50%	25%
And collect primary data from suppliers	17%	13%	9%	7%	1%	0%	13%	9%	13%	14%	23%	14%	0%	0%
Collect primary data, form partnerships, select on emissions	5%	5%	2%	3%	1%	0%	0%	0%	2%	3%	12%	5%	0%	0%
Measurement[3]														
Monitor Scope 3 emissions in line with leading standards	32%	28%	28%	40%	39%	33%	0%	26%	26%	49%	30%	26%	61%	25%
And have a GHG inventory	27%	23%	23%	34%	34%	28%	0%	21%	26%	44%	28%	21%	56%	25%
And collect product level data	11%	7%	6%	1%	1%	0%	0%	0%	10%	11%	12%	3%	0%	0%
Management[3]														
Have a dedicated climate team	59%	50%	53%	61%	57%	52%	44%	40%	60%	69%	81%	56%	94%	38%
And compensation is linked to emissions	22%	18%	16%	21%	16%	16%	6%	11%	18%	45%	58%	23%	28%	0%
Climate Transition Plans[3]														
Set an action plan to reduce emissions	43%	37%	32%	12%	3%	1%	19%	26%	48%	69%	58%	45%	0%	0%
And have a plan to transform to a low carbon business	20%	18%	17%	7%	2%	0%	13%	6%	21%	46%	40%	19%	0%	0%
Decarbonisation[3]														
Allocated a budget for decarbonisation activities	25%	20%	24%	28%	27%	23%	6%	15%	16%	52%	51%	23%	50%	25%

1. Services includes Professional, Scientific, Administrative, Financial, and Insurance services; 2. Based on N=34,313 large, medium, and small firms who have submitted multiple emissions reports to Ecovadis; 3. Based on N=7,659 large and medium suppliers who were asked about at least three of five key actions

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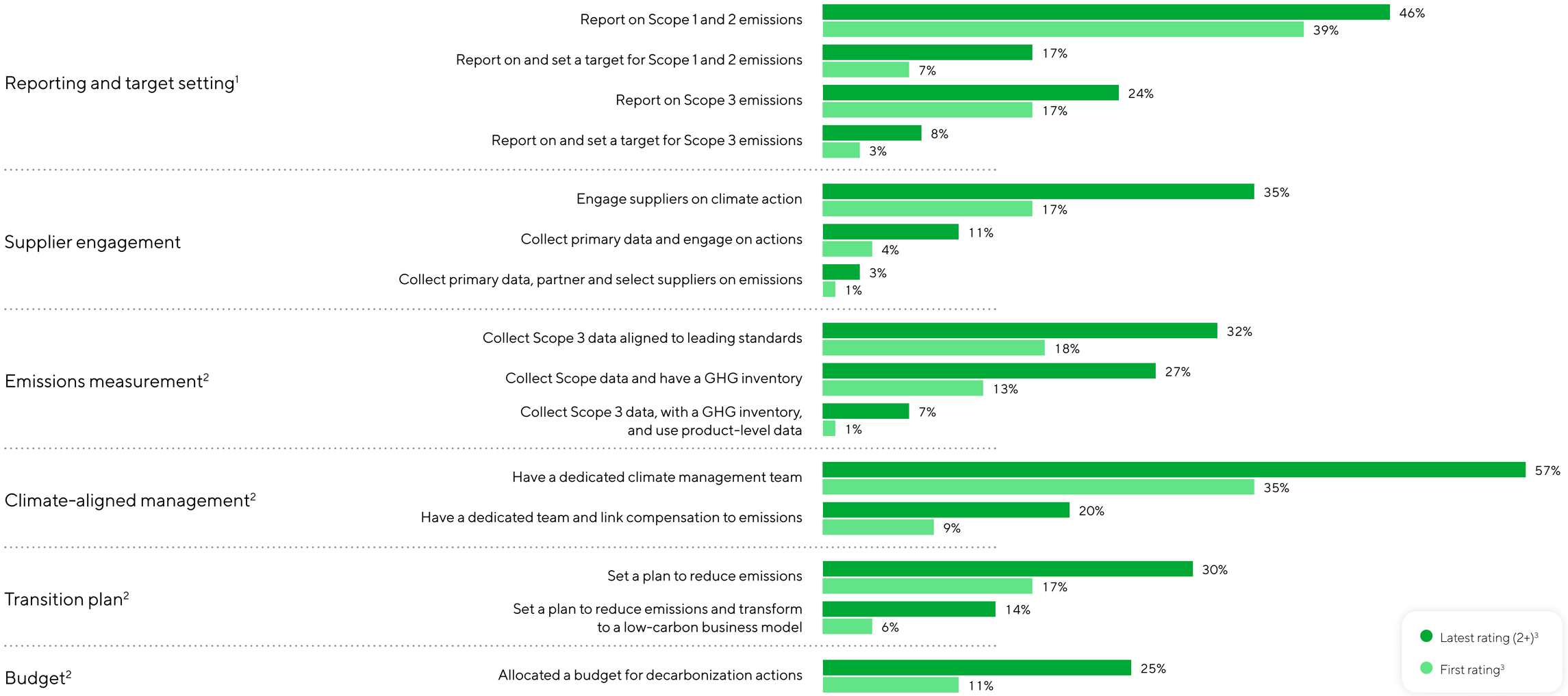
Appendix: Adoption of all Scope 3 actions has improved since first review



(1) Based on N=34,313 large, medium, and small firms who have submitted multiple emissions reports to Ecovadis; (2) Based on N=7,659 large and medium suppliers who were asked about at least three of five key actions (3) First rating shows the proportion of firms who demonstrated each strength in each action in their first rating from EcoVadis. The latest rating shows the proportion of firms who demonstrated each strength in their most recent rating from EcoVadis. By showing the change from first rating to latest rating, we can assess the change in adoption rates over time for the same cohort of firms

About EcoVadis

EcoVadis is a purpose-driven company embedding sustainability intelligence into business decisions worldwide. Its trusted, actionable ratings help organizations of all sizes comply with ESG regulations, cut GHG emissions, and enhance sustainability across 220 industries in 185 countries.

About Carbon Action Manager (CAM)

This report draws in part on data from the EcoVadis Carbon Action Manager (CAM), a comprehensive solution for turning Scope 3 ambitions into measurable supply chain results. Powered by supplier-specific primary emissions data, CAM streamlines carbon risk and maturity assessments, simplifies data collection, and supports suppliers with tailored guidance.

Discover how the Carbon Action Manager powers five critical actions identified in this report.

About Boston Consulting Group (BCG)

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we help clients embrace transformation to benefit all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse global teams bring deep industry expertise and a range of perspectives that spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and digital ventures. We work collaboratively across the firm and with our clients to help them thrive and make the world a better place.