

ADVANCING EMISSIONS TRANSPARENCY TO SUPPORT THE DECARBONIZATION OF MINERAL AND INDUSTRIAL SUPPLY CHAINS

YOU CAN'T MANAGE WHAT YOU CAN'T MEASURE

In today's global economy, business doesn't stop at the border and neither do emissions. Supply-chain emissions are generally four times greater than emissions from a company's direct operations.¹ Without insight into those emissions, it's impossible to meet sustainability targets, and it also puts your company in jeopardy of financial, operational, and reputational damage.

TO BE GREEN, YOU NEED TO BUY GREEN

Companies are looking for ways to lower emissions across their supply chains, including incorporating emissions targets into their buying decisions. However, while methods like life-cycle analysis and environmental product declarations exist, there is no consistency in data or reporting, and no framework which spans the entire supply chain. That means there's no universally accepted way to know the emissions intensity of products or materials.

THE SOLUTION: A STANDARD FRAMEWORK

COMET (the Coalition on Materials Emissions Transparency), an alliance launched by Rocky Mountain Institute, MIT's Sustainable Supply Chains initiative, the Columbia Center for Sustainable Investment, and the Colorado School of Mines, is working with financiers, producers, and buyers to create a standard greenhouse gas (GHG) calculation framework for mineral and industrial supply chains.

The COMET framework will:

- Provide guidance on calculating absolute emissions (Scopes 1, 2, and 3) from companies along the value chain
- Provide a way to calculate emissions intensities (i.e., the carbon footprints of materials as they are sold and continue their journey along the supply chain)
- Enable meaningful and profitable product differentiation for low-carbon materials
- Move all major capital providers, producers, and buyers forward on climate alignment together, de-risking first movers and ensuring that the developed framework is actionable

¹ <https://www.cdp.net/en/research/global-reports/global-supply-chain-report-2018>

THE IMPACT

By establishing a common reporting framework, COMET will help companies:

- Manage their sustainability targets and incorporate sustainability metrics into their procurement process
- Mitigate financial, operational, and reputational risks
- Be prepared for future climate policies and regulation
- Gain a competitive advantage by improving the environmental impact of their products

This standardized reporting framework will:

- Provide a foundation integrating environmental, social, and governance (ESG) reporting metrics
- Support and enhance existing initiatives for sustainable production, making GHG disclosure comparable, reliable, and widely accepted
- Root its calculation framework within the GHG protocol and help quantify sustainable production
- Develop a clear understanding of emissions from the production of key materials like steel, copper, and cement, which will provide insight into the carbon content of consumer products like cars, buildings, and phones

By joining COMET, corporations can help build an accounting framework with the power to organize buyers around purchasing low-carbon materials at scale. This will incentivize investment in sustainable means of production and lead to the installation of low-cost renewable power, a better return on investment, and protection against market downturns.

HOW YOU CAN HELP

COMET will work with corporate members to create a framework that will help them meet their sustainability goals and future-proof their operations. Working collaboratively with a team of cross-industry players, we will design a framework that will meet the needs of manufacturers, financiers, and buyers for verifiable, credible, universally accepted industrial emissions assessment.

The COMET effort is coordinated with other initiatives through the World Economic Forum, most noticeably the Mission Possible Platform's Green Steel initiative, where the COMET methodology will serve as a foundation for driving change in the iron and steel supply chain.

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PARTNERS

