



Horizon Zero – Petrochemical Sector Working Group

Terms of Reference August 2022

We have entered the decisive decade for our planet, which will determine our ability to decarbonize the economy and ensure the planet can maintain a livable climate. To hit ambitious decarbonization targets, we need to quickly develop systems to make greenhouse gas (GHG) emissions visible and traceable across supply chains — starting with the highest-emitting industrial sectors.

RMI's **Horizon Zero** project aims to improve the quality and traceability of supply chain GHG emissions data. We are creating a GHG accounting framework to measure emissions at the product level as well as the technical architecture to effectively track emissions as they move through the value chain. Creating a framework for companies to understand their Scope 3 emissions will accelerate the transition to net zero, and first movers will reap the benefits of taking action to meet the demands of an increasingly climate-conscious customer base.

In the petrochemical sector, the initial focus of these efforts is on plastics. Plastics demand is projected to grow 50 percent by 2050. The plastics supply chain is responsible for 2 percent of global GHG emissions.

Decarbonizing the petrochemical sector relies heavily on low-carbon technologies, electricity decarbonization, improved process efficiencies, and end-of-life scrap collection and sorting. Horizon Zero will enable reliable tracking of product-level emissions data, from raw material to final product, to accelerate decarbonization.

To deliver on this vision, RMI is seeking representatives of plastics producers, plastics fabricators, buyers of plastic products (i.e., industrial or consumer packaged goods producers), industry associations, nonprofit organizations, and other relevant stakeholder groups to join this groundbreaking effort. At this critical stage, when time is of the essence and supply chain collaboration is crucial, we are convening and leveraging the collective knowledge of a working group of key stakeholders to advise petrochemical sectoral work in Horizon Zero.

Objectives

Horizon Zero is seeking Petrochemical Working Group members to inform the development of:

1. A harmonized Plastic Emissions Reporting Guidance for product-level emissions
2. Implementation guidance to provide actionable insights to plastic product buyers for accelerating sectoral decarbonization

Benefits to Participating Organizations

- Recognition in our communication materials as key stakeholders in the development of a globally harmonized product-level standard
- Being part of an impactful sectoral group that defines the leading position in petrochemical industry decarbonization

Responsibilities of Petrochemical Working Group Participants

Petrochemical Working Group participants will provide input and feedback based on their respective areas of expertise, including the petrochemical supply chain (with a focus on plastics) and GHG accounting. Participants are not expected to be experts in all areas but will contribute individual expertise into the collective group effort to effectively guide the petrochemical sectoral work for the Horizon Zero project. The responsibilities include:

- Providing input/feedback on the technical concepts and interventions in the Plastic Emissions Reporting Guidance, such as boundary setting, allocation rules, definition of scrap, etc.
- Providing insights/feedback on the design of the Implementation Guidance to translate the climate performance of products into actionable insights
- Sharing relevant market trends, supply chain knowledge, practitioners' perspectives, and other insights
- Providing links with other target stakeholders to support partnership development
- Participation in all meetings of the Petrochemical Working Group. If not able to participate, please provide requested input prior to or after the group's meeting, as requested by the group facilitator, RMI
- Providing all input and feedback in a timely manner, as indicated by the group facilitator, RMI

Structure and Governance

- For simplicity, this first group focuses on plastics.
- The working group comprises stakeholders representing the key perspectives of activating the climate differentiated plastic products market, including plastic producers (virgin plastics as well as mechanically or chemically recycled plastics), fabricators, plastic product buyers, and technical partners such as industry associations and nonprofit organizations.
- The group will convene monthly for one virtual meeting (approximately one to two hours) in Q4 2022 and Q1 2023, when the objectives are achieved.
- RMI may invite individual participants for bilateral meetings as needed.
- The working group is convened and facilitated by RMI.

Responsibilities of RMI

- Prepare drafts of the Plastic Emissions Reporting Guidance and the Implementation Guidance, collect and manage member feedback/input, and revise the drafts to ensure the quality of final deliverables
- Facilitate the Petrochemical Working Group's meetings to maximize use of individual members' expertise, encourage participation of diverse voices, ensure efficient use of time and resources, and help reach industry consensus
- Manage information sharing, planning, and communication to ensure effective operations of the group and minimize time and resource burden for participants

Joining the Petrochemical Working Group

We welcome and encourage participation in the Petrochemical Working Group, which initially targets plastics, from a diverse set of actors representing plastic producers, converters, recyclers, plastic product buyers, nonprofit organizations, field practitioners, and other relevant bodies.

To join, please contact Hao Wu, market activation manager (Hwu@rmi.org),
or **Joseph Fallurin**, petrochemical sector lead (jfallurin@rmi.org).

In your email, please provide a brief, one- to two-paragraph description of your interest in joining and relevant background and expertise.