Ecologi

The 3Rs Standard

Best practice guidance for corporate climate action

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Introduction

With only a few years left until the first major Paris Agreement milestone, the world faces a convergence of crises that place extraordinary demands on governments, civil society, and the private sector. Geopolitical instability, technological disruption, and widening inequality all dominate headlines. Yet amid these overlapping threats, the climate crisis remains the defining challenge of our time. According to the 2025 World Economic Forum (WEF) Global Risk Report, climate-related risks occupy the top four positions on the list of long-term global threats over a ten-year horizon. From physical risks such as extreme weather and ecosystem collapse to transition risks such as regulatory disruption and market volatility, the climate crisis permeates every dimension of modern life and economic activity.

Global risks ranked by severity over the short and long term

Risk categories

Technological | Geopolitical | Environmental | Societal

2 years		10 years	
1st	Misinformation and disinformation	1st	Extreme weather events
2nd	Extreme weather events	2nd	Biodiversity loss and ecosystem collapse
3rd	State-based armed conflict	3rd	Critical change to Earth systems
4th	Societal polarisation	4th	Natural resource shortages
5th	Misinformation and disinformation	5th	Misinformation and disinformation
6th	Pollution	6th	Adverse outcomes to AI technologies
7th	Inequality	7th	Inequality
8th	Involuntary migration or displacement	8th	Societal polarisation
9th	Geoeconomic confrontation	9th	Cyber espionage and warfare
10th	Erosion of human rights and/or civic freedoms	10th	Pollution

Source
World Economic Forum Global Risks Perception Survey 2024-2025

The scientific evidence in support of these concerns is unequivocal (IPCC, 2021). The climate system is approaching critical tipping points, beyond which damage may become irreversible (Lenton et al, 2023). In the past five years, observed global warming has increased faster than many climate model projections.

Record-breaking global temperatures, protracted droughts, and catastrophic flooding events have underscored how quickly the climate system is destabilising. These events have not only threatened lives and livelihoods but have also disrupted global food systems, intensified biodiversity loss, and eroded public health infrastructure. The Intergovernmental Panel on Climate Change (IPCC) now warns that without immediate and sustained global reductions in greenhouse gas (GHG) emissions, the 1.5°C target enshrined in the Paris Agreement will likely be breached within the decade.

Despite persistent attempts by vested interests to undermine this climate science, the overwhelming consensus is that the only viable response is a rapid transition to a net-zero economy by 2050. This transition must be rooted in science, equity, and systemic change. It demands coordinated action from governments, investors, consumers, and crucially, the business community.

What role does the private sector play?

The private sector is both a significant contributor to global emissions and a powerful engine for change. Companies influence every stage of the emissions lifecycle, from resource extraction and product design to transportation, consumption, and disposal of those products. As such, private sector engagement is critical to any credible pathway toward net-zero. Encouragingly, there is growing momentum within the business community. Thousands of organisations have committed to science-based targets or declared net-zero ambitions. Sustainability functions have moved from the margins to the mainstream, with climate considerations increasingly integrated into corporate strategy, investment decisions, and stakeholder engagement.

However, this growing ambition has not yet translated into the level of action required to meet global goals. Emissions continue to rise, and the gap between intention and impact remains substantial. Among the largest 2,000 global companies, only around 60% have set net-zero targets. And among small and medium-sized enterprises (SMEs), engagement remains far more limited: a recent study by the Federation of Small Businesses (May 2025) found that only 15% of UK-based SMEs have measured their carbon footprint[1], often the first step in an effective climate strategy.

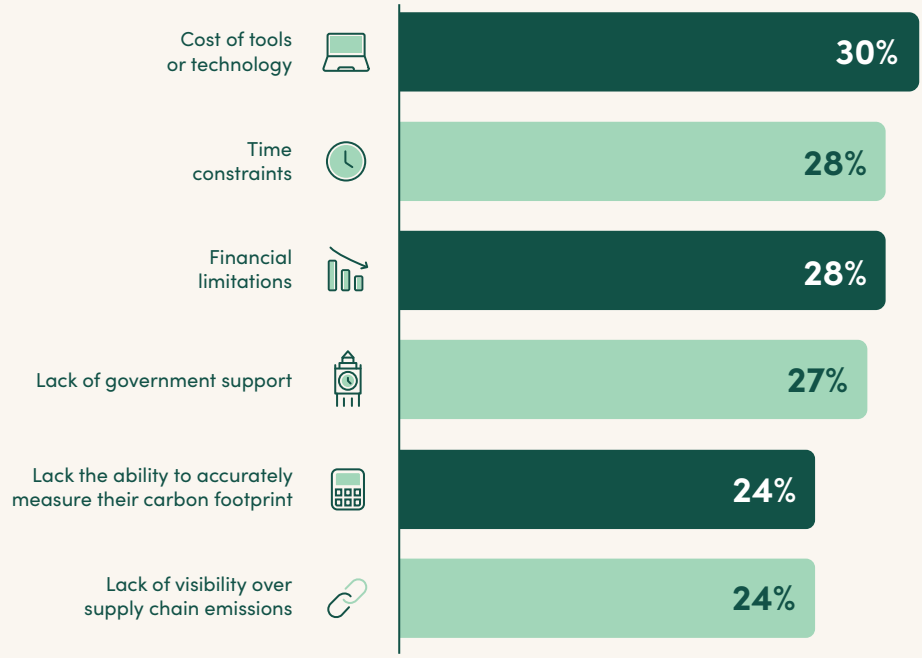
Several barriers help explain this persistent ambition–action gap. Many businesses, particularly SMEs, report confusion around evolving regulatory requirements and best practice standards. The proliferation of frameworks, tools, and verification schemes - while welcome - has also created complexity, making it difficult for companies to determine where to begin or what "good" looks like in practice. Uncertainty surrounding the credibility of voluntary carbon markets has further dampened enthusiasm for beyond-value-chain investments, even among companies willing to go further.

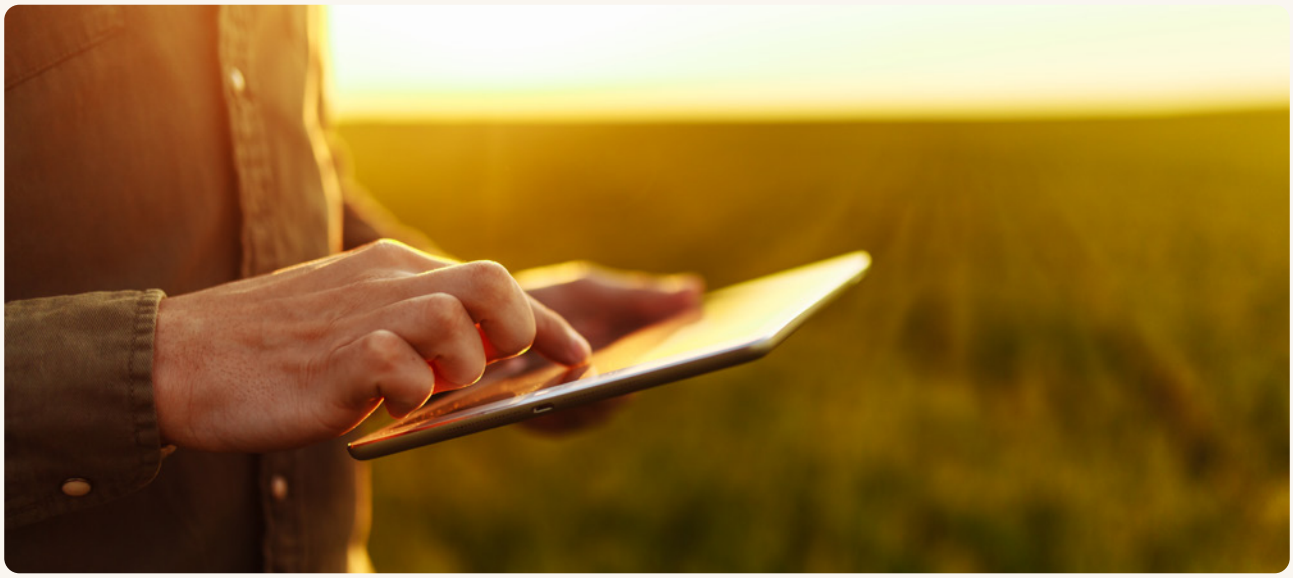
source [1]

Resource constraints present another challenge. Many smaller businesses lack the internal expertise, financial resources, or strategic clarity to build and implement robust climate strategies. Our 2025 Climate Commitments Survey amongst 1,400 UK businesses found that the cost of tools and technology (30%), time constraints (28%), financial limitations (28%) and the perceived lack of government support (27%) remain key barriers. Visibility and control over supply chain emissions also continue to be a hurdle for 24% of businesses, a figure that has risen by 6% since 2024, highlighting an area requiring greater focus and collaborative solutions. The result is often a patchwork of ad hoc initiatives, rather than a coherent, science-aligned roadmap toward emissions reduction and climate resilience.

Key barriers

faced around sustainability





The business case for corporate climate action

Navigating the complexities of taking credible corporate climate action to build a climate strategy also needs to deliver a return on that investment. There are key commercial and business benefits to a robust and long-term climate action plan.

Our 2025 survey revealed that 85% of businesses believe that investing in sustainability delivers positive business results and 82% of business leaders agree that climate action today equates to business success tomorrow, with 80% of businesses now viewing sustainability as core to business strategy.

The motivations are clear and increasingly business-focused: driving growth and new market opportunities (28%), protecting brand reputation (26%), and attracting/retaining customers (23%). This strategic importance is further evidenced by the 72% of businesses that have set sustainability targets (a 9% YoY increase) and the tangible benefits they report, including improved brand image (43%), increased productivity/innovation (40%), attracting more eco-conscious customers (39%) employee loyalty and/or motivation (35%) and, crucially, increased revenue or market share (33%, an 11% YoY jump).

As a result 42% of companies surveyed say they are on track to reach net-zero by 2050 or sooner - a 15% increase from last year. Nearly half (48%) have been measuring their carbon footprint consistently for several years (+12% YoY) and 39% of businesses report ongoing emissions reductions, with a further 34% having reduced in the past year.

57% of businesses are set to **increase** their investment in **sustainability** initiatives - a +16% YoY rise by 2030

85% (net agree) believe that **investing** in **sustainability** delivers **positive** business results

82% of business leaders agree that **climate action today** equates to **business success tomorrow**

80% of businesses now view **sustainability** as a **core** to business strategy

42% of businesses are now **on track** to reach **net-zero** by 2050 or sooner (+15% YoY)

48% **Nearly half** have been **measuring** their carbon footprint consistently for **several years**, (+12% YoY)

39% of businesses report **ongoing emissions reductions**, with a further 34% having **reduced** in the past year

Carbon credits

38% believe that carbon credits are a **useful tool** for **global climate action**

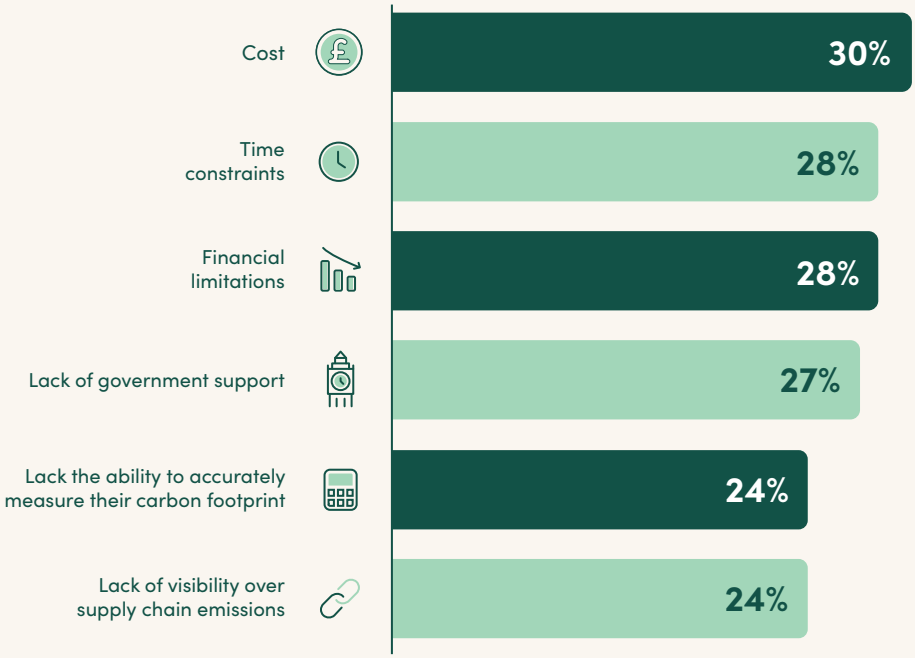
35% believe that carbon credits are **useful** for **mitigating emissions**

35% believe that carbon credits **must** be **high quality**

28% believe that carbon credits are implemented **after** direct **emissions reductions**

Barriers

and sectoral needs



Sector expertise

73%

(net agree) of businesses viewing **carbon footprint measurement** and **emissions reduction guidance** as more valuable if sector-specific, rising to **80%** (net agree) if **endorsed** by their industry body.

It is within this context that **Ecologi,** the UK's most trusted climate action platform, introduces this protocol - a comprehensive framework for supporting corporate climate leadership across all sectors, with a particular emphasis on empowering businesses with between 50 and 2,000 employees. Building on rigorous stakeholder consultation and informed by internationally-recognised standards, the protocol defines what best practice looks like today and how it must evolve over time.

At its core is the **3Rs Framework**

Reduce your emissions

- Measure your Scope 1, 2, and 3 emissions
- Target short-term and long-term science aligned emissions reduction
- Act to achieve the reduction targets.

Restore our planet

- Develop an Oxford Principles-aligned strategy for Beyond Value Chain Mitigation
- Compensate for unavoidable emissions through funding verified carbon avoidance and removal credits
- Contribute to global climate goals by funding broader restoration projects philanthropically, like nature-based restoration projects.

Report your progress

- State your GHG inventory and reduction plans transparently
- Communicate your story and climate commitment to stakeholders
- Advocate for wider sector action.

This framework provides the infrastructure for the **Ecologi Progressive Pathway,** a maturity model that enables companies to plot a structured path towards net-zero, track progress, benchmark performance, and increase ambition over time.

Together, the framework and maturity model provide businesses with a clear, practical pathway to develop, operationalise, and continuously improve their climate strategies and the criteria to enable external review and **Certification** at each level.

The guidance document is designed to align with global goals, such as the Paris Agreement and key global standards and frameworks, including:

- The **GHG Protocol Corporate Standard** and its guidance on Scope 2 and 3 accounting
- **ISO 14064-1** for GHG measurement and reporting
- The **Science Based Targets initiative (SBTi) Net Zero Standard** for setting credible emissions reduction targets
- The **Oxford Principles for Net Zero Aligned Offsetting** for managing voluntary carbon credit portfolios over time
- SBTi's **Above and Beyond** report on Beyond Value Chain Mitigation (BVCM)

It also contributes towards broader ESG frameworks and impact measurement platforms, including **B Corp** and **EcoVadis**, to ensure businesses can meet the growing expectations of investors, consumers, regulators, and employees.

This Protocol is intended for corporate sustainability professionals, finance teams, and internal decision-makers charged with delivering on climate commitments. While its structure and principles are globally relevant, it has been designed with the specific needs and constraints of the UK market in mind, particularly those businesses with between 50 and 2,000 employees.

The goal is not to add to the complexity, but to simplify it, distilling best practice into a structured, accessible, and actionable roadmap. It aims to help businesses understand not just what they must do, but why it matters, how to approach it systematically, and when to take each step.

The chapters that follow will define Ecologi's approach in detail, outlining certification criteria, focus areas, and a progressive pathway toward credible, cost-effective, and high-impact climate action. By fostering transparency, comparability, and integrity, the Ecologi Protocol aims to support a growing cohort of businesses in taking meaningful action, helping build the foundation for a resilient, net-zero economy and cultivate an Earth where people and planet thrive.

The Ecologi 3Rs Framework and Progressive Pathway

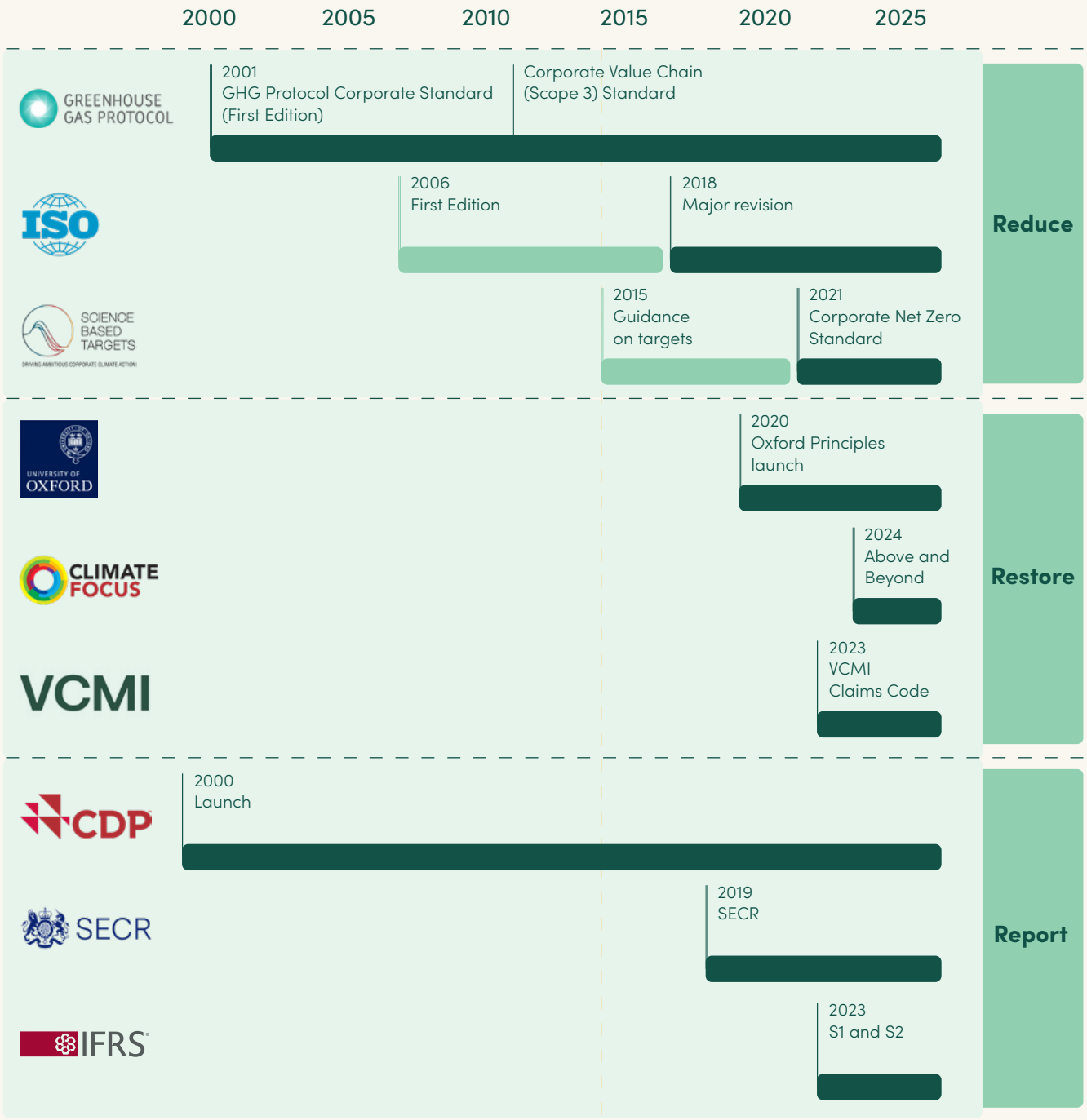
Addressing the complexity of climate action

For many businesses, particularly small and medium-sized enterprises (SMEs), the pathway to meaningful climate action can feel inaccessible.

The field is often dominated by technical language, evolving standards, and a proliferation of acronyms that leave newcomers overwhelmed. Even those with the will to act frequently report being unsure where to begin or how to prioritise action in a credible, cost-effective, and operationally feasible manner.

One explanation for this widespread confusion is that the ecosystem of climate standards has grown significantly since the early 2000s. What began as voluntary carbon footprinting using the Greenhouse Gas (GHG) Protocol and CDP disclosures has evolved into a dense architecture of overlapping guidance, standards, certifications, and regulatory requirements.

This evolution since 2000 is captured in the graphic below;

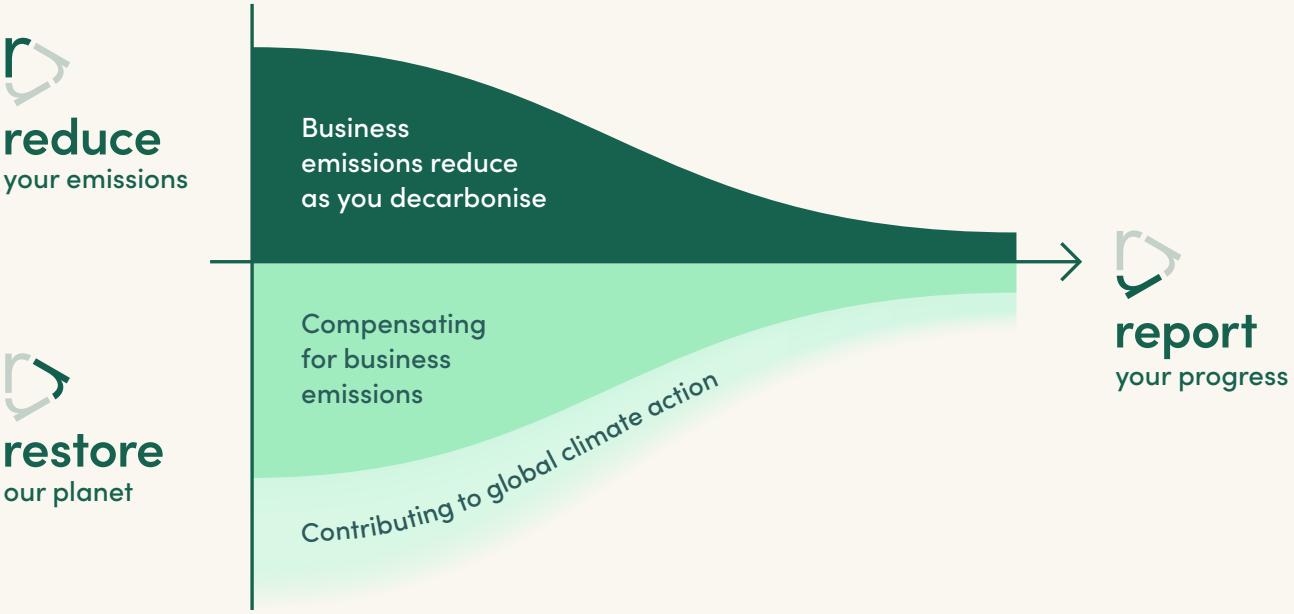


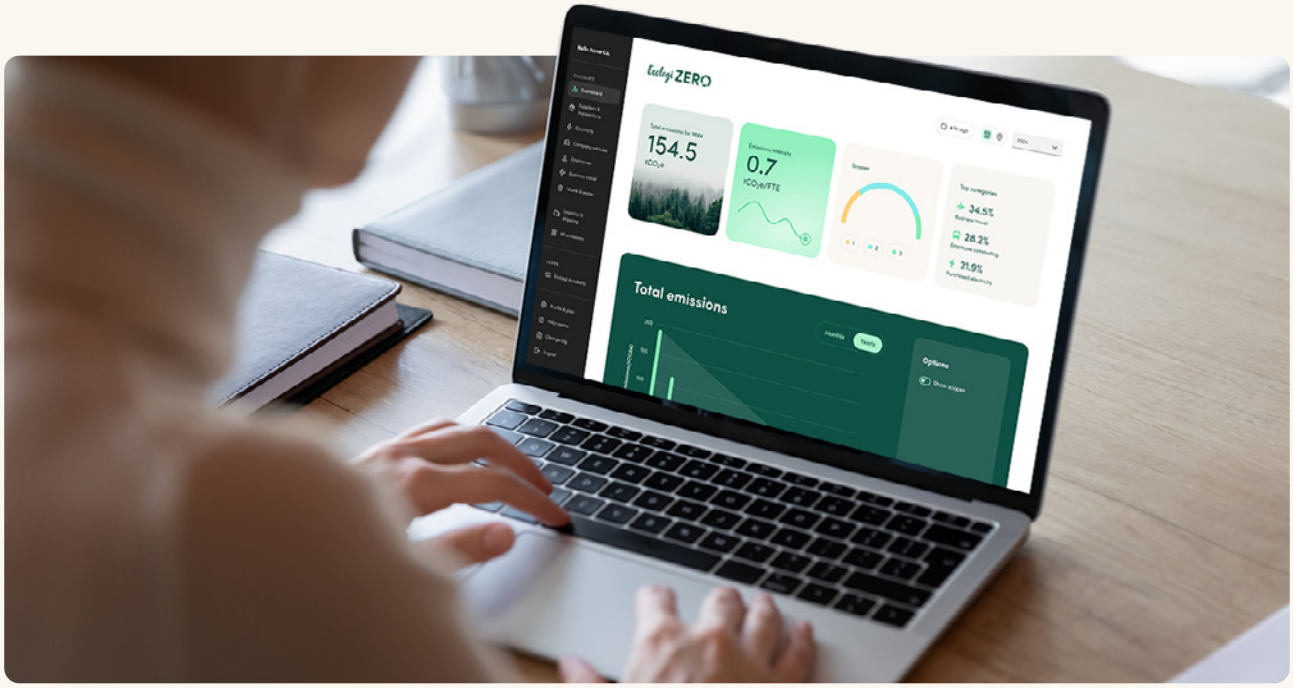
The result is that even well-intentioned businesses are now faced with a fragmented and, at times, contradictory landscape, leading to confusion, hesitation, and under-delivery.

It is in recognition of and response to these barriers that Ecologi has developed a structured yet accessible framework to support businesses on their climate journey. The Ecologi 3Rs Framework - combined with the Progressive Pathway - offers a simplified, pragmatised and integrated model that retains scientific rigour while providing practical clarity.

It defines the essential components of a credible climate strategy, embeds a time dimension to track progress, and enables businesses to build confidence and competence over time. The purpose is to demystify climate action and create a communications device that describes best practice in a way that is accessible to all, covering all of the required elements of the full climate journey in a format that can be shared with everyone across the business.

The visual representation of the framework is an intentionally accessible depiction of all the elements of a best practice strategy and the guidance sections that follow provide a detailed review of each.





The 3Rs Framework: Reduce, Restore and Report

At its core, the 3Rs Framework serves as an internal and external communications tool and operational roadmap.

It is designed to ensure that everyone within a business - from senior leadership to operational teams - can understand the essential elements of climate action. The three pillars represent interdependent stages of a complete strategy:

Reduce

This pillar is the foundation of all credible climate strategies. It focuses on **measuring and then cutting emissions** across Scopes 1, 2, and 3, aligned with the Science Based Targets initiative (SBTi) and the principles of the GHG Protocol establishing a credible foundation to competitively position your business for the low-carbon economy.

Key components include:

- **Measurement** of full GHG emissions, including supply chain and downstream impacts
- **Target-setting**, both near-term and long-term, using science-aligned methodologies
- **Reduction planning**, including interventions across energy, transport, procurement, and process optimisation
- **Achieving reductions**, evidencing how the interventions have produced reductions in measured emissions over time

'Reduce' also requires businesses to engage across departments - linking climate action to procurement policies, operational efficiency, digital transformation, and employee behaviour change.

Restore

Funding credible climate action as you reduce your emissions is critical for mitigating both the environmental and social impact of business operations, whilst building brand reputation and meeting growing stakeholder expectations. Recognising that even the most ambitious reduction efforts will leave a residual footprint for the foreseeable future, Restore focuses on credible engagement with beyond value chain mitigation (BVCM). This is in line with guidance from the SBTi and the Oxford Principles for Net Zero Aligned Offsetting.

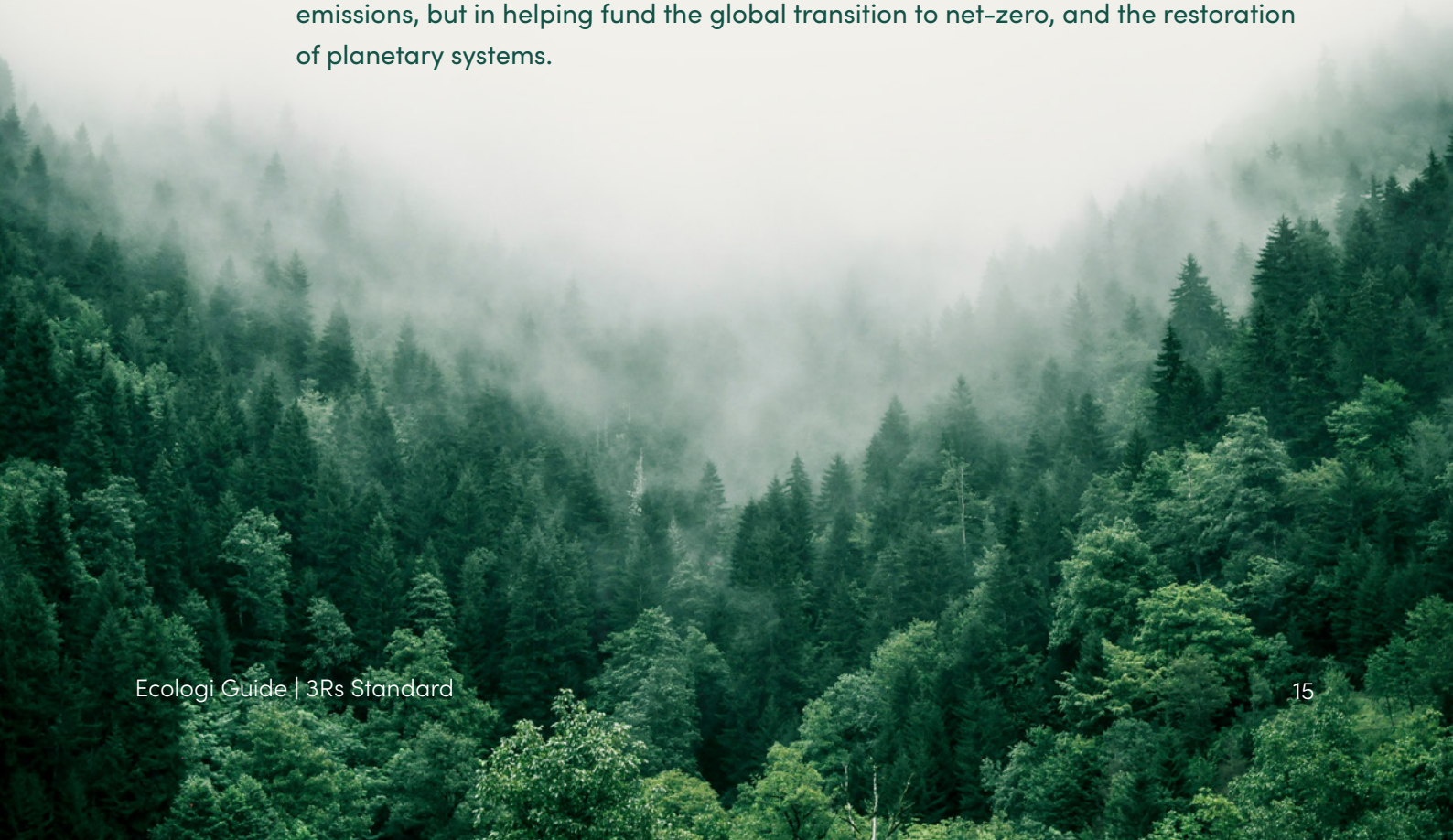
Core actions under Restore include:

- **Setting an ambitious BVCM budget**, either through the use of a credible science-based carbon price tied to the full or partial footprint, OR through a credible money-for-money approach based on a % of company revenue/profit

- **Compensating for a portion of residual emissions by investing in high-integrity carbon avoidance and removal projects**, through an Oxford Principles-aligned portfolio (BVCM Goal #1)

- **Contributing to broader restoration goals**, including biodiversity and ecosystem health (BVCM Goal #2)

'Restore' recognises that businesses have a role not only in managing their own emissions, but in helping fund the global transition to net-zero, and the restoration of planetary systems.



Report

Transparent climate reporting is essential, driven by stakeholder demands for credible progress that reduces reputational risk and protects your brand against greenwashing claims.

This pillar ensures that businesses **not only disclose** their climate impacts, strategies, and progress in line with best regulatory reporting standards, but also **advocate for accelerated action**.

Reporting best practice includes:

- **Publishing transparent reports** of emissions inventories and targets
- **Disclosing actions taken** and emissions outcomes achieved
- **Proactively engaging stakeholders** – internally and externally – and advocating for systems change
- **Evaluating and communicating** the business's contribution to a net-zero economy

Together, these three pillars form a unified framework for businesses to act credibly, build climate capability, and improve over time.

Progress over time: The Progressive Pathway

While the 3Rs define what best practice looks like, the Progressive Pathway provides critical guidance on when specific milestones should be achieved, and how businesses can chart progress over time.

The pathway is structured around four key levels of ambition and maturity. Each level contains defined, escalating requirements across the Reduce, Restore, and Report pillars.

This allows companies to identify their current position and see clearly what is required to progress to the next tier.

Importantly, the Progressive Pathway incorporates both time-bound ambition - aligned with the Paris Agreement and UK net-zero legislation - and sector-agnostic criteria, making it useful for businesses across a range of industries and scales.

The pathway also reflects a geopolitical reality: while the Paris Agreement sets a global net-zero deadline of 2050, the expectation for developed economies is to lead with earlier timelines, **typically around 2040**.

For UK businesses, this reframes net-zero from a distant goal into a **strategic necessity** which now falls within long-term planning horizons. The Progressive Pathway is therefore designed to help businesses transform intention into implementation.

The 3Rs Progressive Pathway

Stage	Committed	Advanced	Leader	Net-zero
Target year	2025	2030	2035	2040
Target range	2022 - 2027	2027 - 2032	2032 - 2037	2037 - 2040
	• Measured your organisational carbon footprint Scope 1,2 and limited Scope 3 categories for at least one reporting year • Received 3rd party limited assurance for the footprint • Set science aligned absolute near-term targets for at least Scopes 1 and 2 for 5-10 years from the baseline year	• Measured your organisational carbon footprint across Scopes 1,2 and all materials Scope 3 categories for multiple (more than 1x) reporting years • Received 3rd party limited assurance for the footprint • Set science aligned net-zero targets (all scopes) • Demonstrated progress towards your near term reduction targets	• Measured your organisational carbon footprint across Scopes 1,2 and all materials Scope 3 categories for four or more years • Received independent 3rd party limited assurance for the footprint • Set net-zero targets (all scopes) • Demonstrated greater than 50% emissions reductions across Scopes 1 and 2 and 25% Scope 3	• Measured your organisational carbon footprint across Scopes 1,2 and all materials Scope 3 categories for five or more years • Achieved net-zero targets across all scopes

The 3Rs Progressive Pathway

Stage	Committed	Advanced	Leader	Net-zero
	• Provided funding, at any level, to at least one climate project to compensate for a minimum of 10% of measured emissions that year	• Set a carbon price of a minimum $25 USD per tonne* and create a Climate Action budget equivalent to Scope 1 and 2 emissions multiplied by the carbon price • Allocate the budget towards compensation of 50% of the Scope 1 and 2 footprint using carbon removal and carbon avoidance credits (Goal#1) with the balance contributing towards wider climate action such as Nature restoration projects (Goal#2)	• Set a carbon price of a minimum £41.84 GBP per tonne** and create a Climate Action budget equivalent to all Scope emissions multiplied by the carbon price • Allocate the budget towards compensation of 50% of the full all scopes footprint using carbon removal and carbon avoidance credits (Goal#1) with the balance contributing towards wider climate action such as nature restoration projects (Goal#2)	• Compensated for your residual carbon footprint with Durable Carbon Dioxide Removal credits

*This is the median carbon price set by a wide range of businesses disclosing to the CDP (according to the SBTi, 2024)

**This is the current UK ETS market rate (2025)

The 3Rs Progressive Pathway

Stage	Committed	Advanced	Leader	Net-zero
report	• Published your organisational carbon footprint for at least one reporting year • Communicated achievement with employees and/or customers	• Published your organisational carbon footprint for multiple (more than 1x) reporting years • Communicated and engaged with at least two audiences from employees, customers and suppliers	• Published your organisational carbon footprint for four or more years • Championed climate action through advocacy to at least three audiences: employees, customers and suppliers investors, government and local communities • Evaluated and reported on the extent to which products and services contribute towards a net-zero economy	• Shared your success in meeting the net-zero goal by publishing your organisational carbon footprint and action to neutralise residual emissions • Championed climate action through advocacy to multiple audiences: • Evaluated and reported on the extent to which products and services contribute towards a net-zero economy

3Rs Certification and recognition scheme

The 3Rs Progressive Pathway is not simply a self-assessment tool; it also underpins **Ecologi's 3Rs Standard** certification scheme.

Businesses that meet the defined criteria for each level, can become formally recognised through certification.

Certification serves as a crucial key to unlock value for climate leaders, enabling businesses to communicate their status in a credible and simple way to stakeholders. It supports:

- **Stakeholder trust**, by providing a recognised and credible marker of climate leadership
- **Market differentiation**, enabling businesses to position themselves as proactive and responsible
- **Internal alignment**, creating a shared language for progress and a structure for investment and planning

Certified businesses can display their Leadership Level in commercial tenders, marketing and reporting materials, increasing transparency and helping win new business and build momentum across supply chains and sectors.

Alignment with global standards

The 3Rs Framework and Progressive Pathway are not intended to replace existing standards - rather, they are built upon them.

The Ecologi approach is fully-aligned with leading global frameworks and methodologies, including:

- **The GHG Protocol Corporate Standard**, including Scope 2 and 3 guidance;
- **ISO 14064-1**, for GHG measurement and reporting;
- **The SBTi Net Zero Standard**, for target setting and trajectory alignment;
- **The Oxford Principles for Net Zero Aligned Offsetting**, for credible carbon credit portfolios;
- **SBTi's 'Above and Beyond'** guidance on Beyond Value Chain Mitigation.

In addition the Protocol supports broader ESG alignment, via frameworks like B Corp, EcoVadis, and CDP, ensuring businesses can integrate climate action into wider sustainability goals and disclosures.

The 3Rs Framework, Progressive Pathway and Certification Scheme are particularly designed to meet the needs of the majority of businesses, who may lack the internal capacity or resources of larger organisations but are no less critical to climate action. The framework provides a structured, digestible entry point while allowing for increasing sophistication over time.

By translating complexity into clarity and embedding progress into the design, the Ecologi approach empowers businesses to:

- Act confidently with clear guidance
- Invest responsibly in both reductions and restoration
- Report transparently in alignment with global norms
- Progress measurably and be recognised for doing so

Protocol governance and continuous improvement

In an era of rapidly evolving science, growing regulatory pressure, and rising stakeholder expectations, any framework for corporate climate action must remain adaptive, credible, and continuously improved.

As such, the Ecologi 3Rs Protocol is not a static document. It is designed to evolve in step with climate science, policy landscape, and market best practice that shape the net-zero transition. This section outlines the governance structure, review methodology, and stakeholder engagement processes that will ensure the Ecologi's 3Rs Protocol remains current, relevant, and impactful over time.

The case for annual review

The climate challenge is dynamic by nature. Scientific understanding continues to deepen as new climate models, impact studies, and attribution science provide clearer evidence of both risk and opportunity. Meanwhile, regulatory frameworks such as the Corporate Sustainability Reporting Directive (CSRD), the UK Transition Plan Taskforce Disclosure Framework, and anticipated updates to the GHG Protocol, SBTi and ISO standards are reshaping expectations around how businesses measure, manage, and report their climate impacts.

Given this pace of change, it is not sufficient for climate guidance to be updated sporadically or reactively. Businesses need stable yet adaptive guidance and resources they can rely on for near-term decision-making, while trusting that they remain aligned with emerging standards and credible ambition. An annual review cycle provides the necessary structure to ensure the Ecologi 3Rs Framework keeps pace with global developments, offering businesses clarity without sacrificing relevance.

Governance structure: Oversight, expertise, and independence

To maintain the rigour and legitimacy of the Ecologi Protocol, a structured governance framework is in place to guide its review and development.

Oversight of this process is provided by the Ecologi Protocol Governance Board (EPGB), a multi-stakeholder body that combines internal Ecologi leadership with external subject-matter experts and representatives from the wider climate action ecosystem.

The EPGB includes:

- Ecologi internal leads from climate strategy, policy, and product development.
- Independent advisors, including climate scientists, GHG accounting professionals, and sustainability assurance experts.
- External stakeholders, including representatives from SMEs, large corporates, civil society, academia, and policy-making bodies.

This diverse composition ensures that the protocol remains grounded in the practical realities of implementation while incorporating a breadth of perspectives from across the climate action and corporate responsibility landscape.

Review process and timeline

The review and update process will follow a clearly defined annual cycle, structured to balance responsiveness with stability. Each year's cycle will comprise four key phases:

Environmental scanning and needs assessment (Q1-Q3)

The EPGB initiates each review cycle with a structured scan of the external environment. This includes:

- Updates to key standards and guidance (e.g., GHG Protocol, ISO 14064, SBTi Net Zero Standard, Oxford Principles)
- Changes in UK or global climate policy affecting corporate reporting or carbon markets
- Emerging methodologies or scientific findings relevant to emissions measurement, nature restoration, or mitigation impact
- Analysis of practical implementation barriers reported by Ecologi users and partners

Stakeholder consultation and input (Q2–Q3)

In keeping with principles of collaboration and transparency, the EPGB will open a public consultation on potential revisions to the Protocol. This will include:

- An open call for written submissions via Ecologi's platform;
- Targeted roundtables or interviews with key stakeholders including SMEs, sector specialists, and policy bodies;
- Focus groups with climate action professionals and assurance providers;
- Optional surveys and feedback mechanisms integrated into Ecologi tools and client workflows;

The goal of this consultation is twofold: to validate the direction of proposed updates, and to uncover emerging implementation challenges that may not yet be reflected in the literature or regulatory landscape.

Drafting, Review, and Validation (Q3)

Proposed revisions will be developed by the EPGB in collaboration with technical authors and subject-matter specialists. Draft updates will be reviewed against four key criteria:

Scientific alignment
Does the update reflect the latest climate science and consensus?

Practical relevance
Will it be actionable and meaningful for the businesses applying it, particularly SMEs?

Regulatory consistency
Is it aligned with evolving UK, EU, and international reporting requirements?

Clarity and usability
Does it preserve the simplicity and accessibility that define the 3Rs Framework?

Once internally validated, the updated draft will be shared through wider consultation for user feedback, before being prepared for public release.

Publication and Change Log (Q4)

The final version of the updated protocol will be published annually in Q4, together with:

A **summary of changes** document highlighting material revisions

A **rationale statement** explaining the evidence and feedback that informed each major update

An **implementation guide** to help businesses interpret and integrate the changes into existing strategies

Version control will be clearly indicated, and all previous versions will remain archived for reference, supporting comparability and assurance processes.

Flexibility for urgent or interim updates

While the protocol is designed for annual revision, Ecologi recognises that exceptional circumstances - such as critical scientific findings or material regulatory shifts - may require interim updates.

In such cases, the EPGB may issue a **mid-year technical addendum**, clearly marked as provisional guidance, and accompanied by an expedited stakeholder engagement process.

Embedding feedback loops into the platform ecosystem

The annual review process is further enhanced by integration with Ecologi's digital platform ecosystem. Users of Ecologi tools will have the opportunity to provide continuous feedback through embedded forms, direct support conversations, and reporting functionality.

These feedback loops not only inform the annual review cycle but also support continuous improvement in the user experience of implementing the 3Rs Framework and Progressive Pathway.

A living document for a moving target

The climate crisis is not standing still and neither will the response.

The Ecologi Protocol is a living document, designed to move with the science, the market, and the needs of the businesses it serves. But it is also anchored in enduring principles: scientific integrity, operational relevance, and the belief that all businesses - regardless of size or sector - must play a credible role in the global transition to net-zero.

By embedding a robust governance and review mechanism into its foundation, the Ecologi Protocol commits to maintaining that credibility and relevance over time. In doing so, it aims not only to keep pace with the evolving climate challenge, but to lead the way in ensuring businesses are equipped with the best possible tools to meet it head on.

Reduce your emissions

Measure, target and act

The foundation of climate strategy

The first step on any credible climate journey is reducing emissions at source. **Reduce** is the foundational pillar of the 3Rs Framework. It defines how organisations measure their emissions, set ambitious science-aligned targets, and take meaningful action to reduce their climate impact over time. Without robust measurement, there can be no transparency; without ambitious targets, there can be no direction; and without action, there can be no progress. This section outlines best practice across all three components of **Reduce**, providing businesses of all sizes with the knowledge and structure to build the foundations of a credible climate strategy.

Why should your business reduce its emissions?

Drive revenue
Access the ever-increasing pool of customers for whom a credible climate strategy is a key part of their purchase decision

Save costs
Efficiency gains from emissions reductions in energy, transport, and materials lead to significant cost reductions

Reduce risk
Future-proof your business against carbon pricing, litigation, and supply chain disruption.

Reduce cost of capital
Access the ever-increasing pool of green financing available from both equity investors and debt providers

Future proofing
Acting ahead of inevitable government net-zero regulations reduces future compliance costs and complexity

The guidance that follows for measurement is aligned with the GHG Protocol Corporate Standard and associated materials on Scope 2 and 3 accounting. The guidance for target setting is science aligned and draws on the science-based targets initiative Net Zero Standard.

Measure your carbon footprint. Establishing organisational, operational and temporal boundaries.

To build a credible emissions inventory, organisations must first define what they are measuring and over what scope. This means establishing:

Organisational boundaries

What is/are the entities that are included in the assessment, using a consistent method (equity share, financial control, or operational control as defined in the GHG Protocol).

Operational boundaries

What are the activities of the business that sit within the assessment boundary, aligned with the GHG Protocol's classification of Scope 1 (direct), Scope 2 (indirect from purchased energy), and Scope 3 (other indirect, value chain emissions).

Time boundaries

Typically set as a 12-month calendar or financial year, ensuring consistency across all reporting scopes and geographies.

The resulting GHG inventory must be built from a materiality assessment to identify and prioritise significant emissions sources, particularly relevant for complex Scope 3 emissions.

An emissions source can be considered material if it represents either more than 10 tonnes CO_2e or is over 1% of the total value chain emissions. This is the approach taken for certification to the Ecologi Standard.

Data quality, collection and calculation

Emissions should be calculated for each source using the standard GHG Protocol approach of: Activity data × Emissions factor = CO_2e emissions.

Data quality is fundamental to effective emissions management. Organisations should prioritise primary data and use secondary data where this is not available:

Primary data

Wherever **possible** (e.g. meter readings, fuel bills, LCA, supplier specific)

Secondary data

Wherever **required** (e.g. spend-based estimates, industry averages)

As per the GHG Protocol

"Direct measurement of GHG emissions by monitoring concentration and flow rate is not common... the most common approach for calculating GHG emissions is through the application of documented emission factors. These factors are calculated ratios relating GHG emissions to a proxy measure of activity at an emissions source."

As an example of how this works in practice

Scope 1

Emissions from natural gas

Unit metric: kWh
Annual consumption: 20,000
Emissions factor: 0.1826kg CO_2e/kWh

GHG emissions kg CO_2e
20,000 x 0.1826 = **3,651 kg CO_2e**

Building emissions data collection into existing systems and processes will help streamline future reporting, improve reliability, and reduce the burden of annual carbon accounting.

A common misapprehension with organisations considering climate action is that Scope 3 emissions calculations are too complicated to contemplate. A more correct observation would be that accurate Scope 3 emissions, using primary data, are complicated, but that simplified Scope 3 emissions calculations using secondary data (spend-based calculations) are eminently manageable.

Scope-by-scope emissions assessment

Scope 1: Direct emissions

Includes emissions from sources owned or controlled by the business, such as:

- **Stationary combustion** (e.g. boilers, furnaces)
- **Mobile combustion** (e.g. company vehicles)
- **Process emissions** (e.g. chemical production)
- **Fugitive emissions** (e.g. refrigerant leaks)

Scope 2: Indirect energy emissions

Refers to emissions from purchased electricity, steam, or heat. Businesses are advised to report Scope 2 emissions using both calculation methodologies;

- **Location-based method** (based on grid average emission factors)
- **Market-based method** (reflecting specific emissions from contractual purchases of energy, e.g. using fuel mix data, and RECs)

When calculating emissions associated with electricity purchases generated from renewable sources, organisations should disclose the instruments to support claims.

Scope 3: Value chain emissions

Scope 3 typically represents the majority of a business's carbon footprint and includes 15 categories:

- Purchased good and services
- Capital goods
- Fuel and Energy Related Activity (FERA)
- Inbound transportation of goods
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transport
- Processing of sold products
- Use of sold products
- End of life treatment of sold products
- Downstream leased assets
- Franchises
- Investments

For many businesses, the majority of greenhouse gas emissions fall within Scope 3, which includes all indirect emissions occurring across the value chain outside of direct operational control. The specific distribution of Scope 3 emissions varies significantly by sector. For example, food and retail businesses typically have the largest share of emissions in purchased goods and services due to the carbon intensity of their supply chains, whereas manufacturers or sellers of powered products, such as vehicles or appliances, may see the majority of their impact in use of sold products, reflecting the lifetime emissions generated during product use.

To build a credible and complete climate strategy, organisations are encouraged to go beyond regulatory minimums (see below) and address all material Scope 3 categories relevant to their business model.

For smaller businesses in the UK (annual revenue above £36 million and more than 250 employees), Streamlined Energy and Carbon Reporting (SECR) defines the regulatory reporting boundaries as Scope 1 (Energy related), Scope 2 and Scope 3 business travel.

In addition, mandatory Public Sector procurement regulations under PPN 006, mandate a net-zero commitment and carbon reduction plan based on reporting of at least Scope 1 and 2 plus on these categories:

- Inbound transportation of goods
- Waste generated in operations
- Business travel
- Employee commuting
- Downstream transport

The standard for IFRS Scope 2 reporting and for UK Climate Related Financial Disclosure, (applicable to all listed businesses and those with more than 500 employees and turnover in excess of £500 million) requires the inclusion of all material categories based on a robust materiality assessment.

While the GHG Protocol provides the foundational framework for measuring Scope 3 emissions, it is important to recognise that every sector presents unique complexities and idiosyncrasies in how these emissions are generated, tracked, and estimated. In many cases, the realities of business models, data availability, and operational practices introduce challenges that were not fully anticipated when the GHG Protocol was first published. For example, hybrid service-product models, bundled procurement contracts, or shared digital infrastructure may blur the lines between categories or complicate data boundaries. In sectors where granular primary data is unavailable, particularly in distributed supply chains or informal transport networks, organisations must rely on pragmatic estimation techniques such as proxy data, industry averages, or hybrid methods that balance precision with feasibility. The key is to apply transparent assumptions, prioritise material emission sources, and continuously improve data quality over time through engagement, innovation, and iteration.

Target: Setting science-based targets

Science-Based Targets (SBTs) are emissions reduction goals set by companies in alignment with the level of decarbonisation required to limit global warming to 1.5°C above pre-industrial levels; the central aim of the Paris Agreement. These targets are grounded in climate science, specifically the carbon budgets published by the Intergovernmental Panel on Climate Change (IPCC), which quantify the total amount of carbon dioxide that can be emitted globally while still maintaining a likely chance of avoiding the most catastrophic impacts of climate change.

SBTs translate these global limits into company-specific emissions reduction pathways using sector-based, absolute contraction, or economic intensity allocation methods. This ensures that a company's share of emissions reductions is proportionate to its contribution to global emissions, and that its strategy is not just internally consistent, but externally credible and globally relevant. By doing so, SBTs provide a transparent and comparable benchmark for assessing the adequacy of corporate climate action.

SBTs may be approved and validated by the Science Based Targets initiative (SBTi), a global partnership between CDP, the United Nations Global Compact, the World Resources Institute (WRI), and WWF. SBTi offers methodologies, tools, and guidance for target development and independently validates company targets against its criteria, including minimum annual reduction rates, full-scope coverage, and exclusion of offsets for target compliance. This third-party review adds robustness and accountability to corporate climate strategies but is not mandatory.

Three levels of ambition are typically required:

Near-term targets

5–10 years:
42% absolute emissions reduction in Scope 1 and 2 and a 25% reduction in Scope 3 by 2030.

Long-term targets

Aim for at least 90% absolute reductions across Scopes 1, 2, and 3 by 2050 or earlier.

Net-zero commitment

Requires deep decarbonisation across all scopes and the use of permanent removals for neutralising residual emissions.

Developing target pathways

Setting science-based targets is not simply a compliance exercise, it is a strategic process that requires a thorough understanding of an organisation's current and projected emissions profile, growth trajectory, and operational context.
To ensure targets are both scientifically robust and operationally feasible, businesses must first lay a strong analytical foundation. This involves a series of critical preparatory steps, each of which contributes to the credibility, effectiveness, and internal alignment of the final targets.

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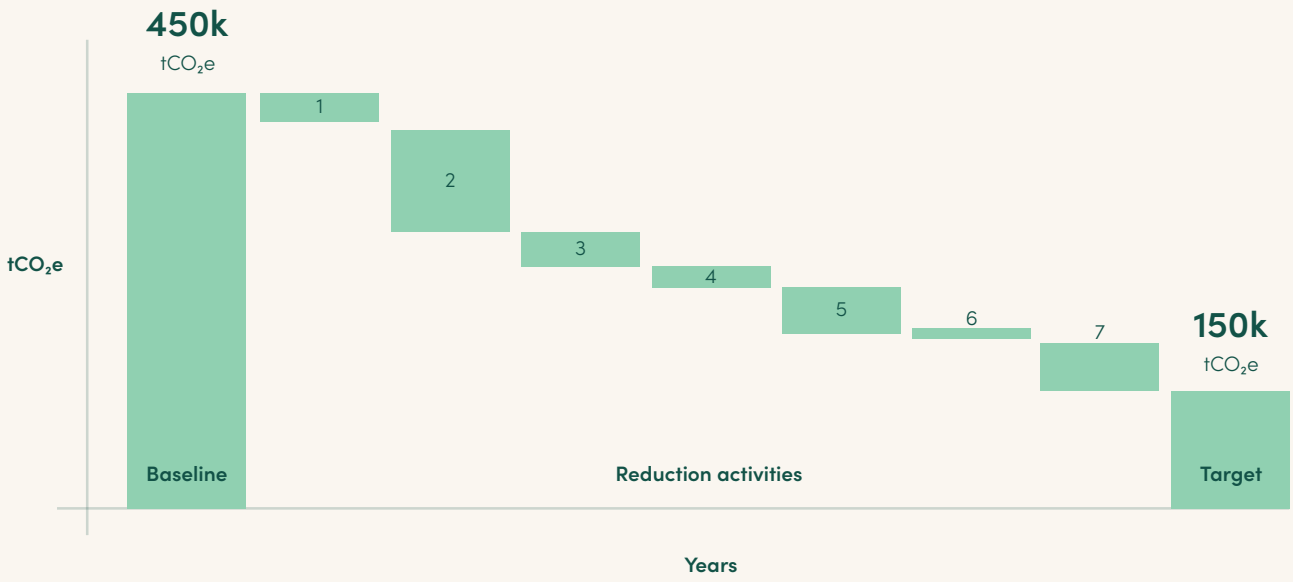
Here, we include two illustrative charts: an emissions trajectory for Scope 1, 2 and 3 over the near term (2025–2035) and a waterfall from baseline to target to show the actions required to decrease emissions and by how much. Together they turn ambition into a practical plan linking what changes, when it happens, and likely incured costs, so we can test feasibility, prioritise the biggest levers, and be transparent about any remaining gap to target.



Selection of a baseline year

The first step is choosing a baseline year against which future emissions reductions will be measured. This year should reflect normal business operations, avoiding anomalies such as pandemic-related slowdowns or extraordinary one-off events that would distort the emissions baseline. Crucially, it should also be a year for which comprehensive, high-quality data is available across all relevant emission sources and scopes. A reliable baseline provides the reference point for measuring absolute emissions reductions and ensures the consistency and comparability of reporting over time.

Business-as-usual (BAU) emissions forecasting

Next, organisations should develop a BAU emissions trajectory, an estimate of how emissions would evolve over time in the absence of deliberate decarbonisation efforts. This forecast is informed by assumptions about business growth, including revenue projections, geographic expansion, changes in product mix, or operational scaling, together with input from departmental leads about what is likely to happen in the business over the next 5-10 years. BAU forecasting helps highlight the emissions gap between projected emissions forecast and the required reduction pathway, allowing businesses to understand the scale of change needed and to anticipate operational, technological, and financial implications.

Selection of an SBTi-aligned methodology

With the baseline and BAU trajectory and understanding of the impact of different actions in place, organisations must then select the most appropriate methodology for target setting. The main approaches include:

Absolute contraction

All companies reduce their absolute emissions by a minimum percentage regardless of size, sector, or growth. This is the most commonly used and straightforward approach.

Sectoral Decarbonisation Approach (SDA)

Allows sector-specific pathways, taking into account the unique emissions profiles, technologies, and decarbonisation potentials of certain industries (e.g. power generation, transport, chemicals).

Economic intensity method

In some cases, targets may be set relative to economic output (e.g. kg CO_2e per £ revenue), although this is typically a secondary metric and not the preferred method for SBTi alignment.

Selecting the right approach ensures that targets are scientifically defensible, aligned with sector norms, and adaptable to the company's structure and activities.

Act: Emissions reduction strategies

Every business operates within a unique context, defined by its sector, scale, supply chain structure, asset base, and strategic priorities. As such, the specific actions required to reduce emissions will vary considerably from one organisation to another. No single reduction pathway is universally applicable, and any guidance must be interpreted with regard to a company's individual circumstances, capabilities, and constraints. Nevertheless, there are core themes and strategic levers that are relevant to most businesses, regardless of their operating model or sector. This section outlines four key areas where emissions reduction opportunities are commonly found: **(1) improving operational efficiency, (2) advancing the energy transition, (3) decarbonising the supply chain, and (4) innovating products and services**. While the examples presented are not exhaustive, they provide a foundation for organisations to begin identifying, prioritising, and implementing climate action that is both impactful and aligned with their science-based targets.

Operational efficiency

Improving operational efficiency is often the most **immediate, cost-effective, and low-risk** pathway for businesses to reduce greenhouse gas emissions. These actions typically target Scope 1 and 2 emissions, those arising from on-site fuel combustion and purchased energy, but can also have positive knock-on effects across the value chain. Operational efficiency measures generally deliver **dual benefits**: they reduce carbon emissions and cut operating costs, supporting both climate goals and financial resilience.

While opportunities vary by sector and facility type, most businesses can find meaningful gains in four core areas: **building energy efficiency, transport energy use, process optimisation, and employee behaviours**.

Building energy efficiency

The built environment is a major contributor to organisational energy use, particularly in sectors with high building occupancy, such as retail, services, and logistics. Upgrading building systems is often one of the **easiest and most reliable ways** to reduce Scope 2 emissions from electricity and heating.

Key interventions include:

Lighting upgrades: Replacing incandescent or fluorescent lighting with LEDs can reduce lighting energy use by up to 80%.

HVAC improvements: Heating, ventilation, and air conditioning systems are often inefficient and poorly controlled. Upgrades to high-efficiency systems, coupled with smart controls and zoning, can significantly cut energy use.

Building insulation and glazing: Improving insulation in walls, ceilings, and windows reduces heating and cooling loads, particularly in older buildings or those in temperate climates.

Energy management systems (EMS): Installing EMS enables continuous monitoring and optimisation of energy consumption. These systems provide granular insights, automate controls, and can identify inefficiencies in real time.

For leased spaces or shared tenancies, energy efficiency improvements may require engagement with landlords or facility managers. Green lease clauses or shared cost-benefit agreements can help overcome these challenges.

Transport energy efficiency

Transport emissions, particularly in mobile workforces, logistics-heavy operations, or organisations with large vehicle fleets, often represent a significant portion of Scope 1 emissions. Improving transport energy efficiency can deliver rapid carbon reductions while also reducing fuel and maintenance costs.

Common strategies include:

Fleet optimisation: Transitioning to fuel-efficient or electric vehicles (EVs), right-sizing the fleet, and avoiding underutilised vehicles

Route optimisation and telematics: Using GPS and fleet management systems to reduce unnecessary mileage, idling, and inefficient driving behaviour

Driver training: Programmes that teach eco-driving techniques, such as smoother acceleration, lower speeds, and reduced idling, can cut fuel use by up to 10%

Modal shift: Shifting from road to rail or consolidating shipments can reduce emissions intensity in logistics operations

Work-from-home policies: Supporting hybrid work can reduce commuting-related emissions and traffic congestion, particularly when supported by appropriate IT infrastructure

Organisations should also consider **lifecycle emissions** when procuring new vehicles, and incorporate Scope 3 transport emissions (Inbound transportation of goods and downstream transport) into broader logistics decarbonisation strategies.

Process optimisation

Process efficiency is especially relevant for manufacturing, logistics, warehousing, and other operations involving resource-intensive or repetitive workflows. The aim is to **minimise waste, reduce unnecessary energy consumption, and improve productivity**, often using lean methodologies and continuous improvement cycles.

Common strategies include:

Energy audits: Identifying inefficient equipment, excessive standby consumption, and peak demand penalties

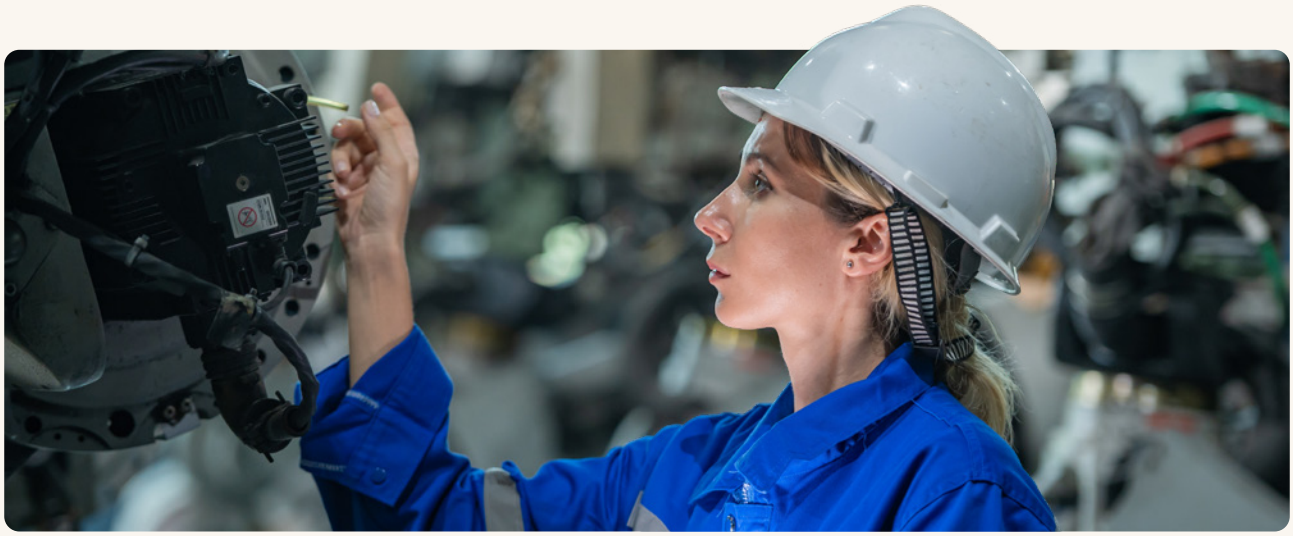
Lean process mapping: Reducing wasteful steps in service delivery or production, including unnecessary motion, overproduction, waiting time, or excess inventory

Heat recovery: Capturing waste heat from industrial processes or HVAC systems and reusing it for space heating or preheating materials

Maintenance and calibration: Ensuring equipment is properly maintained and calibrated improves efficiency and extends lifespan

Digital twins and automation: In advanced settings, real-time modelling and automation can further optimise energy flows and resource use

While some improvements require capital investment, many low-or no-cost changes, such as adjusting temperature set points or optimising shift patterns, can deliver immediate emissions savings.



Behavioural programmes

Even the best technology solutions require **engaged and informed employees** to unlock their full impact. Behavioural programmes aim to embed sustainability into organisational culture by encouraging individual actions that collectively lead to significant emissions reductions.

Key elements of successful programmes include:

Awareness and training: Educating staff on the energy and emissions implications of everyday actions e.g. turning off lights and equipment, using stairs instead of lifts, or reporting inefficiencies

Green champions: Designating sustainability leads within departments who can champion initiatives and monitor progress

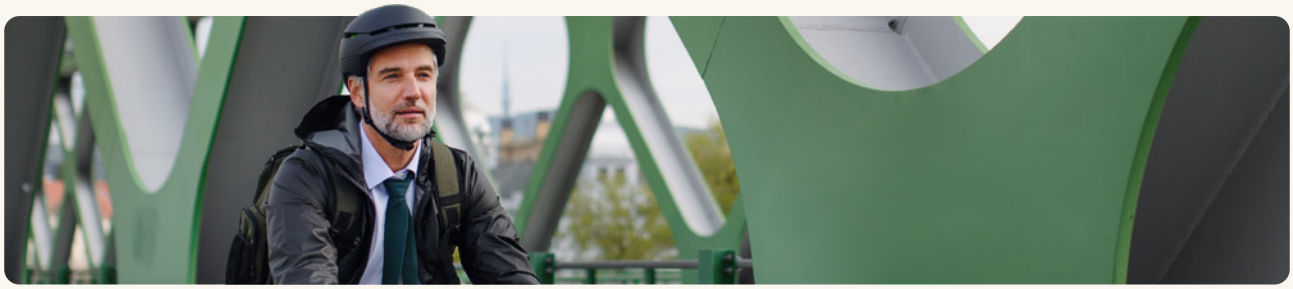
Incentives and gamification: Rewarding teams or individuals for reducing energy use, commuting more sustainably, or participating in climate campaigns

Sustainable commuting schemes: Promoting active travel (walking, cycling), public transport, or car-sharing through subsidies, infrastructure, or flexible working arrangements

Feedback mechanisms: Providing real-time energy use dashboards or campaign impact summaries can reinforce behavioural change through visual reinforcement

Ultimately, behavioural programmes help translate company climate goals into **individual agency**, fostering a sense of ownership, pride, and shared purpose across the organisation.

By focusing on operational efficiency across these four areas, businesses can generate **quick wins** in emissions reduction while building the momentum and internal capability needed to pursue deeper, longer-term decarbonisation strategies. These interventions often lay the groundwork for more advanced initiatives in energy transformation, supply chain decarbonisation, and innovation, covered in the next sections of this protocol.



Engaging with the energy transition

While operational efficiency can reduce energy demand, businesses must also address how that energy is sourced. The transition from fossil fuels to renewable and low-carbon energy is fundamental to achieving science-aligned emissions reduction targets, particularly for Scope 2 emissions (from purchased electricity) and parts of Scope 1 (from direct fuel use).
For many organisations, this is one of the most powerful levers to decarbonise quickly and visibly, especially as renewable technologies become more affordable and accessible.
This section outlines three primary strategies to support the energy transition: renewable energy procurement, on-site renewable generation, and the adoption of alternative fuels and emerging low-carbon technologies.

Renewable energy procurement

Purchasing renewable electricity is a foundational action in reducing market-based Scope 2 emissions. Businesses have a growing array of procurement options that vary in complexity, impact, and credibility:

Green tariffs

Offered by energy suppliers, these typically bundle electricity with renewable energy certificates (RECs or REGOs). While convenient, green tariffs vary in their additionality (i.e. whether they support new renewable capacity). Companies should review the supplier's disclosure to ensure transparency.

Unbundled Energy Attribute Certificates (EACs)

These allow companies to match their electricity use with certificates from renewable sources, even if the electricity itself comes from a carbon-intensive grid. To count toward credible reductions, certificates must be unique, retired, and time-and geography-matched, per GHG Protocol guidance.

Power Purchase Agreements (PPAs)

PPAs are long-term contracts through which businesses buy electricity directly from renewable energy projects (e.g. wind or solar farms). PPAs typically deliver stronger climate benefits by enabling new capacity, providing price certainty, and improving emissions attribution. Virtual PPAs (VPPAs) are also available in regions where direct contracting is not feasible.

Best practice is to prioritise procurement options that are additional (supporting new renewable generation), traceable, and legally enforceable. Companies should disclose the instruments used and apply quality criteria outlined in the SBTi and the GHG Protocol's Scope 2 Guidance.

On-site renewable generation

Installing on-site renewable energy systems enables businesses to generate clean energy at the point of use, reducing reliance on grid-supplied electricity and potentially improving energy resilience and cost stability.

Solar Photovoltaic (PV): Rooftop or ground-mounted solar panels remain the most widely deployed option for on-site renewable generation. They are particularly viable for companies with large buildings (e.g. warehouses, retail outlets, schools) and high daytime energy use.

Biomass and biogas systems: In specific sectors, such as food processing or agriculture, biomass or anaerobic digestion systems can convert organic waste into usable heat or electricity.

Wind turbines: Suitable in rural or high-wind locations, though often subject to stricter planning conditions than solar PV.

Battery storage: While not an energy source, integrating storage with generation helps manage intermittency, optimise self-consumption, and improve grid interaction.

To assess viability, companies should conduct feasibility studies factoring in load profiles, grid connection, building structure, and financial return periods. For tenants or leaseholders, landlord engagement or shared ownership models may be required.

Alternative fuels and novel low-carbon technologies

While renewable electricity is central to decarbonising power, many businesses also rely on combustion-based fuels in operations or logistics, requiring a transition to alternative, low-carbon fuels and emerging technologies. These solutions are often sector-specific and vary in technological maturity, but represent a crucial frontier for Scope 1 reductions and long-term net-zero alignment.

Biofuels and biodiesel: Derived from organic material (e.g. used cooking oil, crop residue), these fuels offer lower lifecycle emissions than fossil-based diesel or petrol. Biodiesel blends (e.g. B20, B100) can be used in compatible engines, but sustainability depends on feedstock source and supply chain integrity.

Green hydrogen: Produced through electrolysis powered by renewable electricity, green hydrogen is emerging as a key solution for high-heat industrial processes, heavy transport, and seasonal energy storage. While still early-stage and infrastructure-dependent, it holds significant long-term decarbonisation potential.

Sail or wind-assisted shipping: In sectors reliant on maritime logistics, technologies such as wind propulsion (e.g. rigid sails, rotors) offer fuel savings and emissions reductions. These innovations are particularly relevant to businesses with large import/export operations seeking to decarbonise downstream and upstream transport.

Electric and hybrid alternatives: For businesses currently reliant on gas for heat or petrol/diesel for fleets, electrification powered by renewable sources offers the clearest pathway to long-term emissions reduction.This includes EV fleets, electric heat pumps, and electrified industrial processes.

As these technologies mature, companies should monitor pilot programmes, collaborate with peers and suppliers, and be prepared to pilot and scale new fuel solutions as part of their net-zero roadmaps.

The energy transition is central to climate strategy and represents one of the most direct ways for businesses to reduce their emissions footprint while supporting broader grid decarbonisation. Whether through renewable procurement, on-site generation, or future-ready fuels, every business has an opportunity to play a role in shifting global energy systems away from fossil fuels. Proactive engagement in the energy transition also enhances resilience to future energy price volatility, regulatory change, and supply chain pressure, delivering not just environmental returns, but long-term strategic value.

Supply chain decarbonisation

For many businesses, particularly those in manufacturing, retail, food, and services, the majority of emissions lie upstream in the value chain, specifically in Scope 3, purchased goods and services as well as upstream transport and distribution. These emissions are typically beyond the direct control of the reporting organisation, making them harder to measure and influence, but no less important. To meet science-based targets and demonstrate credible climate leadership, companies must take deliberate, structured steps to decarbonise their supply chains.

This section outlines four complementary strategies: supplier engagement, sustainable procurement, participation in collaborative initiatives, and value chain transformation. Each reflects a different level of influence, from education and incentives to structural and system-level redesign.

Supplier engagement

The foundation of supply chain decarbonisation is meaningful engagement with suppliers. This begins with building mutual understanding, ensuring that suppliers are aware of their emissions, the expectations of their customers, and the tools available to support improvement.

Key supplier engagement activities include:

Data collaboration: Encourage suppliers to measure and report their Scope 1, 2, and 3 emissions. Provide templates, calculators, or access to shared platforms such as Ecologi Zero to reduce barriers.

Education and training: Offer webinars, guidance documents, or peer-learning sessions to improve supplier carbon literacy, especially among SMEs and upstream tiers that may lack internal sustainability capacity.

Joint target setting: Where feasible, collaborate with key suppliers to align on shared decarbonisation goals and establish milestones for progress.

Incentivisation: Embed performance-related incentives, such as preferred supplier status or pricing advantages, for suppliers demonstrating emissions transparency and reductions over time.

Recognising that supplier relationships are often long-term and strategic, the goal is to shift from transactional to transformational partnerships, where emissions performance becomes a shared value and priority.

Sustainable procurement

Sustainable procurement practices translate climate objectives into everyday purchasing decisions. By integrating environmental, social, and governance (ESG) criteria into procurement policies and processes, companies can systematically reduce the embedded emissions in the goods and services they buy.

Steps to implement sustainable procurement include:

Supplier screening: Introduce minimum ESG standards or climate disclosure requirements in pre-qualification questionnaires and tenders.

Emissions-based evaluation: Include carbon intensity or climate performance as a weighted criterion in bid assessments alongside cost, quality, and delivery.

Contractual clauses: Embed climate clauses in supplier contracts, such as annual emissions reporting, carbon intensity thresholds, or continuous improvement commitments.

Low-carbon alternatives: Build catalogues or approved vendor lists for low-emission products, materials, or transport options, especially in high-impact areas like food, construction, logistics, and packaging.

Sustainable procurement enables buyers to reward suppliers who are actively decarbonising and apply market pressure that drives sector-wide change.

Collaborative initiatives

While individual businesses can influence their direct suppliers, transforming entire sectors or shared supply chains requires collective action. Collaborative initiatives provide a platform for sharing knowledge, reducing duplication, and accelerating progress.

Opportunities include:

Industry coalitions: Join or co-found sector alliances (e.g. the Sustainable Apparel Coalition, Clean Cargo Working Group) to develop shared tools, standards, and reporting frameworks.

Shared supplier engagement platforms: Use collective platforms like EcoVadis, CDP Supply Chain, or SEDEX to coordinate supplier surveys, reduce duplication, and benchmark performance.

Joint investment initiatives: Collaborate with peers or public institutions to co-invest in low-carbon infrastructure, technologies, or R&D that benefit the entire value chain. frameworks.

Policy engagement: Support or initiate policy recommendations that improve emissions transparency and incentivise decarbonisation across complex, global supply chains.

These initiatives create economies of scale, reduce barriers for suppliers, and signal consistent expectations across buyers, speeding up systems-level change.

Value chain transformation

Beyond engagement and procurement reforms, leading businesses are beginning to redesign their value chains entirely - rethinking the physical and organisational structure of how products are made, moved, and consumed. This often involves more ambitious or disruptive changes, including business model innovation.

Key transformation opportunities include:

Localisation: Shortening supply chains through near-shoring or local sourcing to reduce transport emissions and increase resilience.

Modal shift and logistics redesign: Switching from road to rail or sea freight, optimising load factors, or redesigning distribution hubs to cut emissions from logistics.

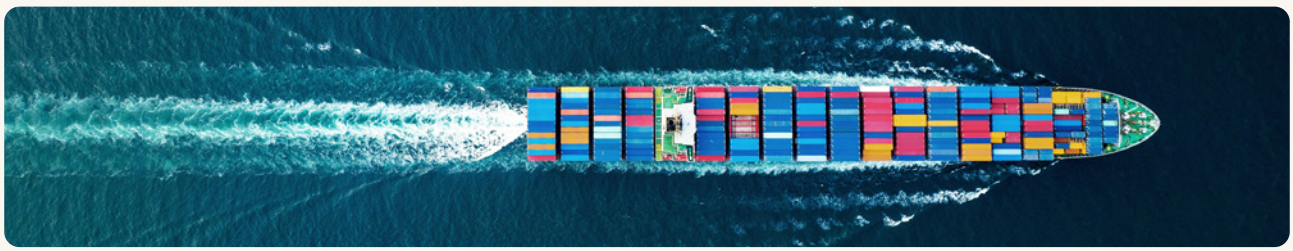
Circular business models: Adopting reuse, remanufacturing, or product-as-a-service models to reduce the need for raw material inputs and extend product lifecycles.

Supplier consolidation and vertical integration: Reducing the number of suppliers or bringing high-impact processes in-house to gain greater visibility and control over emissions.

These structural shifts are often more complex but yield longer-term emissions reductions and position businesses for the future low-carbon economy.

Decarbonising supply chains is one of the most complex but impactful aspects of corporate climate action. It requires a combination of internal commitment, supplier collaboration, and systemic innovation. Businesses that succeed in this space are not only reducing emissions, they are improving supply chain resilience, strengthening brand credibility, and preparing for the growing regulatory and investor scrutiny around Scope 3.

In the following section, we explore the final strategic pillar: Product and Service Innovation, where emissions reductions can be embedded directly into business models and value propositions.



Product and service innovation

Reducing emissions isn't only about operational or supply chain changes, it also requires businesses to rethink what they sell and how it is used. For many organisations, especially those in manufacturing, retail, technology, and consumer services, the greatest climate impact may come from the design, delivery, and use of products and services. This is particularly true for emissions in Scope 3, Use of Sold Products and End-of-Life Treatment.

Embedding emissions reduction into innovation, product design, and customer experience can unlock powerful opportunities to align climate goals with long-term value creation. This section outlines four key levers of product and service innovation: low-carbon product development, circular economy models, lifecycle assessment (LCA), and customer engagement.

Low-carbon product development

Reducing the carbon intensity of products begins at the design stage, long before the product reaches the market. Early design choices, such as materials, manufacturing processes, or distribution format, can have significant implications for emissions across the entire product lifecycle.

Best practice includes:

Material substitution: Replacing carbon-intensive materials (e.g. virgin plastic, steel) with lower-emission alternatives such as recycled content, bio-based materials, or sustainably sourced inputs.

Energy efficiency: Designing electronics, appliances, or machinery to consume less energy during use.

Durability and modularity: Extending product lifespan through design for durability, repairability, and upgradability.

Packaging redesign: Minimising packaging, eliminating non-recyclables, and switching to lower-impact materials

Embedding climate considerations into the R&D and innovation process ensures that carbon reduction becomes a core design criterion, alongside cost, quality, and performance.

Circular economy models

The circular economy offers a systems-based approach to reducing emissions and resource use by keeping materials in use for as long as possible. By shifting from a linear "take-make-dispose" model to one focused on reuse, repair, remanufacture, and recycling, businesses can significantly reduce emissions associated with raw material extraction, processing, and disposal.

Circular strategies include:

Product-as-a-Service (PaaS): Shifting from product ownership to usage models (e.g. leasing, subscriptions), which incentivise durability, maintainability, and take-back schemes.

Reverse logistics and recovery systems: Collecting used products or materials from customers to refurbish or remanufacture.

Closed-loop design: Creating products that are easier to disassemble, reuse, or recycle at end-of-life.

Secondary markets: Enabling resale or re-commerce platforms that extend product use.

By integrating circular principles, businesses can reduce emissions in product production, use, and disposal, while also opening up new revenue streams and strengthening customer loyalty.

Lifecycle Assessment (LCA)

To reduce emissions effectively, businesses must first understand where emissions occur across the product or service lifecycle. A Lifecycle Assessment (LCA) is a structured method for evaluating the environmental impacts of a product from cradle to grave, including raw material extraction, production, transport, use, and end-of-life.

Benefits of LCA include:

Hotspot identification: Pinpointing emissions-intensive stages in a product's life, enabling targeted design or process changes.

Material comparisons: Supporting decision-making between design alternatives or suppliers based on emissions trade-offs.

Customer and stakeholder transparency: Providing credible, third-party verified emissions data to support labelling, reporting, or regulatory compliance.

Product Carbon Footprints (PCFs): Delivering emissions data per product unit to enable climate-conscious purchasing and inform internal reduction targets.

To maximise value, LCA should be integrated early in the product development lifecycle, not only used retrospectively. Digital LCA tools and databases (e.g. ecoinvent, GaBi) can support scaling this process across product lines.

Customer engagement

Innovating for emissions reduction also involves shaping customer behaviour and expectations. Demand-side engagement is particularly important where emissions occur during the use phase (e.g. vehicles, appliances, heating systems), or where behavioural choices (e.g. product disposal, energy use) influence total emissions.

Strategies for effective engagement include:

Sustainability labelling and transparency: Clearly communicate product emissions, energy ratings, or materials used to support informed purchasing.

Instructional content: Provide guidance on how to use and maintain products in energy-efficient or low-impact ways.

Feedback loops and usage data: Where feasible, use digital tools to provide users with insights into their energy or carbon usage over time.

Co-design and participatory innovation: Engage customers and end-users in product development to surface ideas that improve functionality, reduce waste, or support sharing models.

When well executed, customer engagement not only reduces emissions but builds brand trust, competitive advantage, and a stronger emotional connection between the business and its climate mission.

Product and service innovation is where climate action meets value creation. By embedding emissions reduction into core offerings, businesses can align commercial growth with environmental stewardship, delivering long-term benefits for customers, investors, and the planet. This form of innovation requires cross-functional collaboration, long-term thinking, and a willingness to challenge traditional assumptions about what products should be and how they should be used.

Together with operational efficiency, energy transition, and supply chain decarbonisation, product and service innovation completes the strategic toolkit for businesses seeking to deliver on their science-based targets and play a credible role in the global transition to a net-zero economy.

Restore our planet

Set, compensate and contribute

Whilst the majority of climate action should be focused on reducing emissions within the value chain, achieving global net-zero will also require companies to invest in mitigation activities beyond their direct operational and supply chain boundaries.

Why should your business restore our planet?

Business dependence
Your business relies on nature from supply chains to stable ecosystems safeguarding your long-term operations.

Brand reputation
Restorative action signals leadership moving your business from being seen as part of the problem to part of the solution.

Industry expectation
Customers, investors, regulators and bodies like SBTi and Oxford Principles demand climate and nature-positive contributions beyond your value chain.

Unlocking co-benefits
Restoration supports social and environmental ROI aligned to the UN Sustainable Development Goals.

The Restore pillar of the Ecologi Protocol guides businesses in developing a credible, evolving strategy for funding climate action.

This approach is not a substitute for within value chain decarbonisation, but a complementary climate contribution, aligned with guidance from the **Science Based Targets initiative (SBTi)** and the **Oxford Principles for Net-Zero Aligned Carbon Offsetting**.

To help businesses operationalise this in a credible and structured way, this protocol adopts a three-part framework: Plan, Compensate, and Contribute.

Together, these steps ensure that businesses can act immediately, transparently, and with integrity, while building a roadmap for deeper long-term impact.

Set: Science-aligned budgets for funding climate action

The first step in a robust strategy for funding climate action, aligned with the SBTi's approach to Beyond Value Chain Mitigation, is to create a dedicated budget, grounded in climate science and scaled appropriately.

This involves two components:

Set an internal carbon price

Select a science-based carbon price to be applied to each tonne of CO_2e that reflects the real social and environmental cost of carbon. Recommended benchmarks range from £20 - £150 per tCO_2e (or higher), with higher prices encouraging more ambitious action. The carbon price applied to each tonne of emissions should increase over time, as you approach your net-zero target date.

Define the portion of emissions to apply the price to

This can range from 1% to 100% of the company's annual footprint, depending on ambition, maturity, and resource availability, and this is reflected in the increasing levels of ambition in the certification criteria. Many leading organisations choose to apply their carbon price to 100% of current unabated emissions (Scopes 1, 2, and/or 3), while others may begin with a subset of emissions, or gradually scale over time.

The result is a Climate Action budget - a dedicated annual fund for Restore actions, proportional to the company's climate impact and ambition.

Compensate:
Climate-aligned carbon project investment

The first use of the Climate Action budget is to compensate for a significant portion of the company's current emissions footprint (typically more than 50%) through the purchase and retirement of high-quality carbon credits. Whilst this component is not necessarily designed to allow a business to make specific claims, it goes some way to 'compensating' tonne-for-tonne for the emissions the business continues to produce. The portfolio of credits must be aligned with the Oxford Principles for Net Zero Aligned Offsetting, which provide a robust framework for responsible compensation.

An Oxford Principles–aligned carbon credit portfolio is designed to evolve progressively toward a greater share of carbon removal credits with long-term ('durable') carbon storage, to accelerate the global transition to net-zero.

In the early years, portfolios may include a mix of high-integrity avoidance and reduction credits - such as avoided deforestation or clean cookstove projects - while the market for durable removals continues to develop. As a company moves closer to its net-zero target date, this part of the portfolio should shift year-on-year toward solutions that permanently remove CO_2 from the atmosphere, including biochar production, enhanced rock weathering, and direct air capture with storage.

This phased transition reflects both the Oxford Principles' guidance and SBTi expectations, ensuring that any residual emissions at the point of net-zero are neutralised with permanent removals. A credible strategy therefore involves not just annual procurement, but long-term planning to scale access to removals, diversify technology types, and support the maturation of removal markets that are critical to global climate goals.

Key features of compensation component include:

Environmental integrity: Credits must be additional, verifiable, permanent, and free from double counting or leakage. Use projects verified by reputable, CCP-Eligible standards (e.g. Gold Standard, Puro Earth, Verified Carbon Standard).

Transition to removals: Begin with high-quality avoidance or reduction credits (e.g. clean cookstoves, avoided deforestation), but and progressively shift toward carbon removals, including nature-based removals like afforestation, reforestation and revegetation (ARR) projects.

Transition to permanent storage: Over time, and as the proportion of carbon removals in the portfolio increases, so too should the proportion of the portfolio which is durable removal (e.g. biochar production, enhanced rock weathering).

Transparent reporting: Publicly disclose the volume, type, and registry links for all retired credits.

This step enables companies to take immediate climate responsibility for their current footprint, while also helping build the early-stage markets needed for scalable carbon removals in the future.

It fulfils **Goal#1**: mitigating climate change through external projects in a scientifically credible manner.

Contribute: Investing in systemic climate solutions

The remainder of the Climate Action budget should be directed toward climate-positive actions that go beyond traditional carbon offsetting, contributing to systemic change and climate resilience. These investments, while not tied to specific tonnes of carbon avoided or removed, play a vital role in the transition to a net-zero world, and align with **Goal#2**.

Examples of contribution activities include:

Nature restoration and ecosystem regeneration: Support for biodiversity corridors, peatland recovery, mangrove restoration, agroforestry, or similar initiatives that enhance natural carbon sinks, build climate resilience, and deliver co-benefits for water, soil, and communities.

Climate education and literacy: Funding programmes that build public understanding of climate science, empower communities to reduce emissions, or strengthen civil society capacity to influence sustainable policy.

Just transition initiatives: Supporting low-carbon development in emerging economies, including capacity building, clean energy access, and workforce retraining.

Innovation support: Financing pilot programmes, early-stage technologies, or community-led mitigation solutions that lack traditional funding pathways.

These contributions are essential to achieving long-term, equitable climate outcomes and reflect a broader conception of climate leadership - one rooted in systems thinking, fairness, and regeneration and correspond to **Goal#2**.

Putting it all together

A Restore Portfolio

A balanced Restore strategy should be guided by three principles:

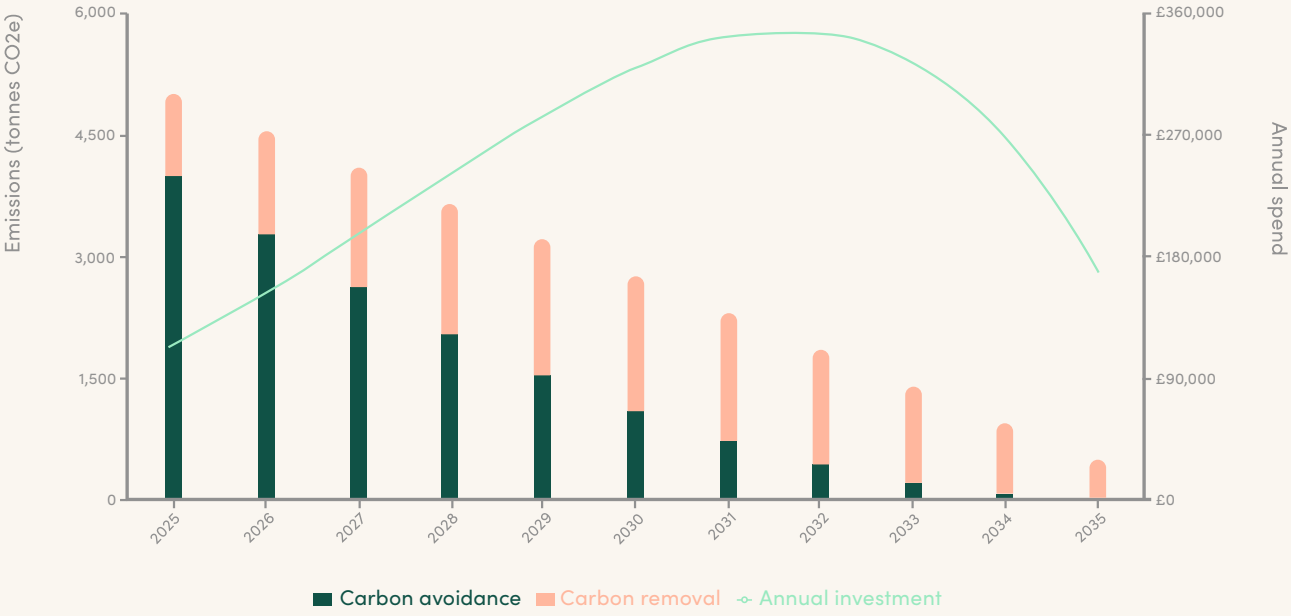
Proportionality
The budget should scale with the company's emissions footprint and financial capacity.

Progression
Over time, shift from short-term emissions avoidance to long-term carbon removals and deeper systemic investments.

Transparency
Publicly disclose the methodology, allocation, credit types, and partners associated with your Restore strategy.

Emission trajectory and annual investment

5,000	2035	£2,760,905	£345,536
Baseline emissions (tCO_2e)	Net-zero year	Total investment	Peak spend year



This approach establishes financial accountability, internalises climate risk, and signals a shift from voluntary philanthropy to strategic climate finance.

Our Plan-Compensate-Contribute model provides a practical and transparent framework for implementing the Restore pillar of the Ecologi Protocol. It empowers businesses to take immediate, science-aligned action beyond their value chain, while building the long-term infrastructure, partnerships, and trust needed for credible net-zero delivery.

By investing in Restore, companies demonstrate climate leadership - not by simply meeting minimum standards, but by proactively helping to accelerate global mitigation, support nature, and catalyse a just and regenerative future.

Rebuilding trust in the Voluntary Carbon Market

Despite its critical role in global climate finance, the Voluntary Carbon Market (VCM) has faced scrutiny in recent years, although it is worth noting that the tide may now be turning.

> *20 years ago, I would not even entertain the idea of carbon removal.*
>
> *I feared it would become an excuse not to reduce emissions. But today we have already breached 1.5°C and are running out of time.*
>
> *Mitigation and adaptation must remain front and centre AND we must also engage in "contingency planning." It is simply the prudent thing to do.*
>
> – Christiana Figueres
> Global Climate Leader

Concerns about the environmental integrity, transparency, and accountability of carbon credit projects - particularly around additionality, permanence, and over-crediting - have led to a crisis of confidence among investors, buyers, and the public. However, our survey showed businesses do see them as a useful way for businesses to contribute to global climate action (38%) and a convenient way to mitigate their own emissions (35%).

This support is nuanced and sophisticated, with a strong recognition that credits must be of high quality from a trusted supplier (35%), used as part of a wider carbon reduction strategy (30%), and only after a business has reduced its own emissions as much as possible (28%). These issues present a vital challenge: how can companies engage in Beyond Value Chain Mitigation with confidence, knowing that their investments are truly making a difference?

The VCM has taken great strides since 2023 to improve standards across the board - but for strategies that effectively fund climate action beyond the value chain, businesses must be able to identify and fund high-integrity projects that deliver real, verifiable, and lasting climate benefits.

To address this, Ecologi has developed its own **Carbon Project Assessment Framework**, a rigorous, multi-dimensional evaluation tool designed to uphold the highest standards of climate impact and project quality.

Ecologi's Carbon Project Assessment Framework

Ecologi's framework is built to go beyond minimum certification requirements and build buyer confidence. We've designed a detailed quality assessment that combines environmental science, best practice, and community impact considerations.

Our assessment framework ensures that carbon projects we select for Restore portfolios meet robust criteria across three key pillars, each cross-cut by two dimensions: project quality and project risk:

Climate Impact

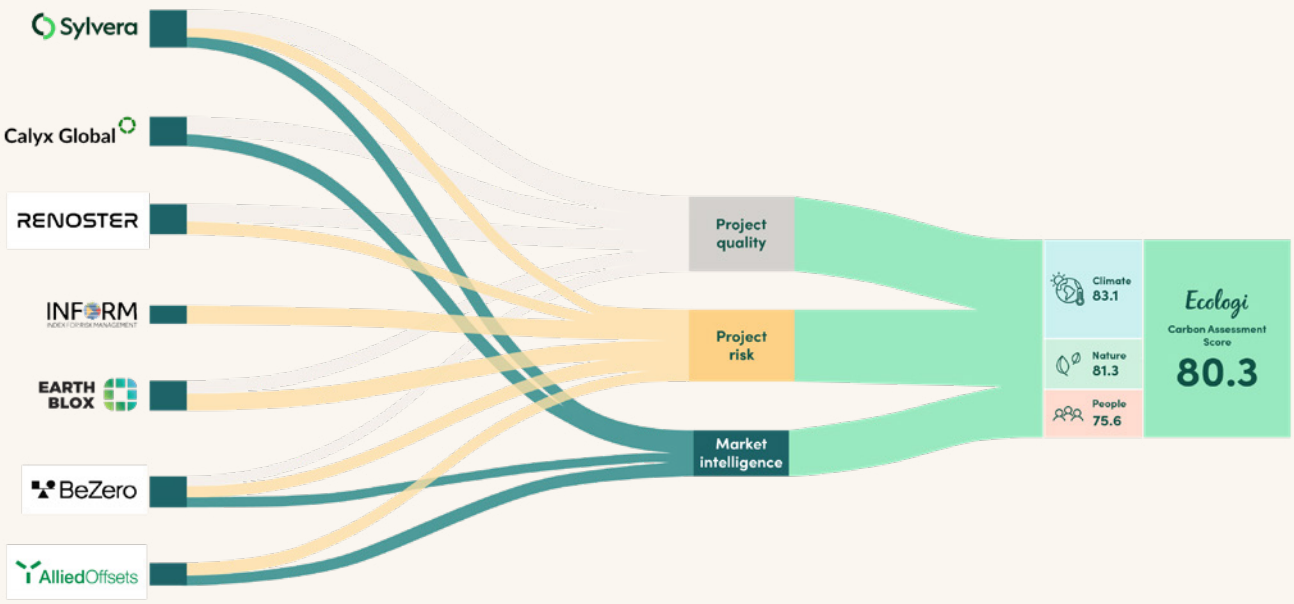
Assessment of the project's additionality, permanence, emission reduction method, and contribution to carbon removal at scale.

Nature Impact

Biodiversity safeguarding, restoration initiatives, environmental impacts, monitoring, and alignment with the UN Sustainable Development Goals.

People Impact

Benefit sharing, gender equality, contributions to local economic development, health and well-being improvements, etc.



Each project is given a weighted score across these dimensions, which informs its eligibility for inclusion in Ecologi-curated portfolios.

The Framework is **publicly documented**, independently reviewed, and continually updated to reflect new science, market standards, and stakeholder expectations.

By applying this Framework, Ecologi ensures that clients are not only contributing to global climate goals, but doing so in a way that is credible, defendable, and aligned with emerging best practice in carbon finance.

In a landscape where trust is paramount, Ecologi's Carbon Project Assessment Framework (CPAF) offers a practical solution for businesses seeking to engage in Restore actions with confidence. It strengthens the foundation provided by Beyond Value Chain Mitigation guidance - by ensuring that every pound invested delivers measurable, additional, and lasting impact, not only for carbon, but for people and ecosystems.

As scrutiny of the VCM increases, such frameworks will be essential to maintaining the legitimacy and effectiveness of corporate climate contributions, ensuring that the Restore pillar continues to play a transformative role in the global journey to net-zero.

Report your progress

State, communicate and advocate

Transparent, accessible, and trustworthy climate reporting is the third foundational pillar of the Ecologi Protocol. While Reduction and Restoration form the substance of climate action, Reporting provides the structure for accountability, credibility, and influence. In an era of rising stakeholder expectations, scrutiny of corporate environmental performance has intensified. Investors, regulators, customers, employees, and civil society increasingly expect businesses to not only act, but to prove it. By committing to transparent disclosure, verification, and active communication, organisations reinforce the legitimacy of their climate strategies and enable systemic progress toward net-zero.

Drive revenue
A clear articulation of your climate action is a pre-requisite for an increasing number of private and public sector customers and supply chains

Regulatory compliance
Increasing global disclosure mandates such as CSRD, SECR, TCFD mean reporting is no longer optional

Strategic advantage
Companies that report can benchmark progress, set clearer goals, and gain leadership advantage in a climate-conscious market

Financial Gains
ESG and climate reporting are critical to investor valuation evaluations and accessing green capital

Reputational risk
Stakeholders demand credible, robust and verifiable progress helping reduce your reputational risk and avoid greenwashing claims

High-quality reporting goes beyond compliance. Businesses that voluntarily share their targets, progress, and methodologies not only demonstrate accountability, but also set a standard for their industry. When companies are transparent about both their achievements and their challenges, they invite trust, enable benchmarking, and foster collective learning. Effective reporting also provides the basis for engagement, dialogue, and advocacy, positioning organisations to shape policy, support industry collaboration, and inspire stakeholder action.

State: Compliance and disclosure

Regulatory reporting in the UK

Climate-related reporting requirements in the UK are evolving rapidly in response to the escalating urgency of the climate crisis. What was once a voluntary domain has become a core component of corporate governance. The UK government has introduced a series of frameworks to integrate environmental and climate risk into mainstream financial and business decision-making.

Key regulations include:

Streamlined Energy and Carbon Reporting (SECR):

SECR mandates the disclosure of energy use, greenhouse gas emissions, and energy efficiency actions for large UK companies. It applies to entities that meet two of the following: 250+ employees, £36 million+ turnover, or £18 million+ balance sheet.
The goal is to encourage energy management and emissions reductions through consistent public reporting.

Climate-Related Financial Disclosure (CRFD):

CRFD requires certain large companies and financial institutions to report on how climate risks and opportunities affect their governance, strategy, risk management, and metrics. This aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). CRFD currently applies to listed companies and large LLPs and private companies with 500+ employees and £500 million+ turnover.

ISSB Climate Standards:

The UK is aligning with international best practices through adoption of the International Sustainability Standards Board (ISSB) framework. The new standards create a global baseline for investor-focused climate disclosure, providing consistency, comparability, and reliability across jurisdictions. UK companies should prepare for these standards to become embedded within future regulatory updates, including a broader focus on nature and biodiversity risks.

PPN 006 (formerly 06/21)

In addition to formal regulatory requirements, businesses operating in the UK must also respond to "soft compliance" mechanisms embedded in public procurement standards. A key example is Procurement Policy Note (PPN) 06/21, which requires suppliers bidding for central government contracts above £5 million per year to commit to reaching net-zero by 2050 and to submit a Carbon Reduction Plan (CRP) in a prescribed format. Although PPN 06/21 is not a legislative obligation in the traditional sense, it effectively conditions market access on climate transparency and planning. The CRP must include current emissions data (Scopes 1, 2, and selected Scope 3 categories), reduction targets, and the measures being implemented to achieve them. As such, PPN 06/21 is driving a growing number of medium and large businesses to enhance their climate disclosures and set formal net-zero strategies, not to meet legal thresholds, but to remain commercially competitive within public sector procurement. The influence of such standards is expanding as similar requirements begin to appear in private sector procurement and investor due diligence processes.

Voluntary reporting standards

Many organisations are also choosing to go beyond compliance by adopting voluntary reporting frameworks, which provide more comprehensive and stakeholder-oriented insight into climate performance.

CDP
(Carbon Disclosure Project)

CDP is the most widely used platform for climate risk disclosure and emissions transparency. Companies respond to a detailed annual questionnaire assessing governance, targets, emissions data, and climate risks. CDP scores are used by investors, procurement teams, and ESG indices.

GRI
(Global Reporting Initiative)

GRI provides a broader sustainability reporting framework encompassing environmental, social, and governance (ESG) dimensions. GRI's modular structure allows businesses to report on material topics across their value chain and stakeholder base.

By voluntarily reporting through these platforms, companies can signal leadership, attract sustainable investment, improve supplier relationships, and access premium procurement and partnership opportunities. Stakeholders increasingly view voluntary disclosure as a proxy for seriousness of intent.

Communicate and advocate: Stakeholder engagement

Transparency is not only about data - it's about communication. Businesses must translate complex climate metrics into clear, relevant, and compelling narratives for a range of stakeholders.

Examples of contribution activities include:

Annual sustainability reports remain the gold standard for holistic disclosure, often aligned to multiple reporting frameworks. These reports provide a single source of truth across strategy, governance, targets, and progress.

Investor communications should integrate sustainability considerations into financial reports, shareholder updates, and risk registers, ensuring climate issues are treated as material financial risks and opportunities.

Customer-facing channels such as newsletters, dashboards, and branded sustainability campaigns can build trust and engagement. Businesses should also develop internal materials, such as training, infographics, and employee toolkits, to embed climate goals within company culture.

Public advocacy is the hallmark of mature climate leadership. Participation in industry coalitions, policy consultations, and public campaigns can help shape a just, ambitious regulatory environment. By speaking out, businesses can influence not only markets, but the social and political systems that support them.

Verification and assurance

Robust reporting is underpinned by third-party verification, which ensures the accuracy, completeness, and credibility of disclosed data.

GHG verification

It is best practice to verify Scope 1, 2, and material Scope 3 emissions using internationally recognised standards such as ISO 14064-1. Verification strengthens stakeholder trust, reduces reputational risk, and prepares companies for evolving legal requirements.

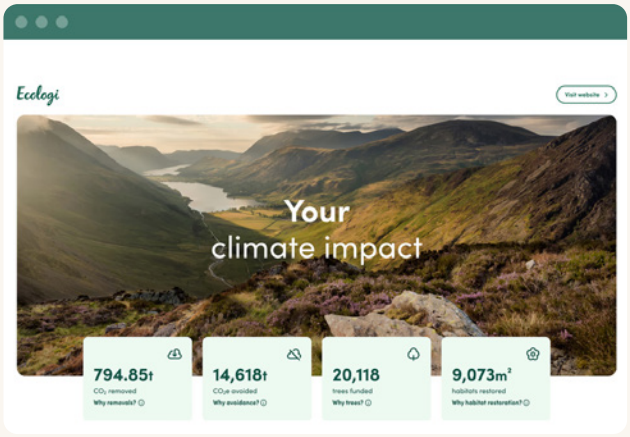
Assurance levels

Limited assurance offers a moderate degree of confidence and is appropriate for general stakeholder communication (e.g. employees, customers).

Reasonable assurance involves deeper scrutiny and is typically used in investor reporting, board-level decisions, or for debt and equity funding where climate data is material.

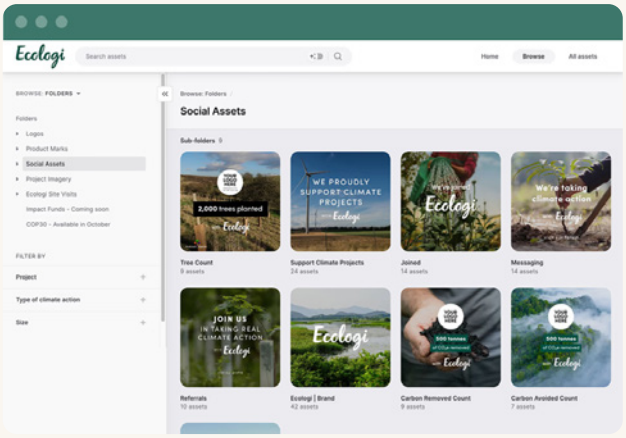
In both cases, assurance must be conducted by a third party, and at higher levels, an independent, certified provider with sector expertise

The Report pillar is about more than disclosure, it is about catalysing credibility, action, and trust. As climate expectations escalate, companies that report openly and with integrity are better positioned to lead, attract capital, influence systems change, and inspire others. Transparency is the connective tissue that binds a company's reductions, restoration efforts, and long-term strategy into a coherent and compelling story of climate leadership.



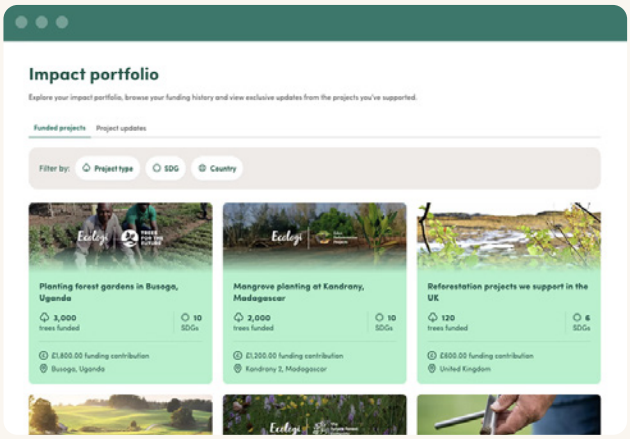
Company profile dashboards

Real-time impact visualisation



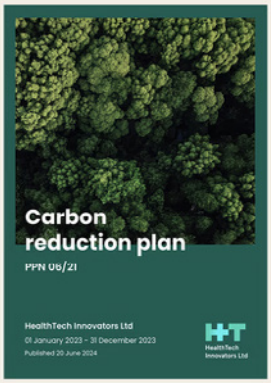
Custom communications toolkit

Templates and messaging guidance



Impact reports

Professional, stakeholder-ready documentation



Stakeholder-ready materials

Certificates and impact statements

Certification criteria

This section sets out the **certification criteria**, which are the requirements that organisations must follow to be certified in alignment with the Ecologi 3Rs Standard at each stage of the Progressive Pathway. The criteria may also be used by organisations as an internal maturity index tool, supporting evaluation of where the organisation currently sits on the journey towards net-zero and what additional action is required to progress at a manageable rate towards the destination.

Precise language is used in the certification copy below to indicate requirements and any allowable options that organisations must follow.

The terms “shall” or “must” are used to indicate what is required for action and performance to be in conformance with the Ecologi 3Rs Standard.

Any use of the term “should” indicates a recommendation, but not a requirement.

The term “may” indicates an option that is permissible or allowable within the frame of reference specified.

The term “The Company” is used throughout to refer to the subject of Certification, although the criteria may apply to a limited company, an LLP, a CIC, a Charity, a Charitable trust or a Cooperative.

The Certification Criteria apply across each of the three pillars of the Ecologi 3Rs Framework, identifying mandatory requirements within each pillar at each level of the Progressive Pathway. For reference purposes, the Certification Criteria are labelled as General Criteria (GC), Reduce (RED), Restore (REST) or Report (REP). The required criteria at each level of the leadership ladder are numbered sequentially and denoted as either C for Committed, or A for Advanced or L for Leader.

This represents version 1 of the Ecologi 3Rs Standard and will be in effect as of 1st September 2025. It will be reviewed and revised annually to take account of updates to the science and the regulatory landscape.

Certification criteria

Stage	Committed	Advanced	Leader	Net-zero
Target year	2025	2030	2035	2040
Target range	2022 - 2027	2027 - 2032	2032 - 2037	2037 - 2040

General criteria

GC_1 – Subject of Certification:
The subject of the certification shall be an organisation registered in the United Kingdom, either a limited company, an LLP, a CIC, a Charity, a Charitable trust or a Cooperative. If part of a group, the certification should relate to the highest parent and apply to all subsidiaries. Subsidiaries may apply for certification independently, where they can demonstrate that doing so will not lead to confusion that the certification also applies to the parent.

GC_2 – Accounting Year:
Certifications are time-bound. The Carbon footprint and associated action must be for an accounting year end no more than 12 months prior to the certification date.

GC_3 – Scope 2 calculation method for targets:
The Company shall transparently disclose the accounting approach used for calculating base year Scope 2 emissions and tracking progress to target – either location or market-based as per the GHG Protocol Scope 2 Guidance – and maintain this approach consistently. The Company shall provide dual reporting for Scope 2 (both market and location based calculations) in line with best practice.

GC_4 - Data Quality:
The Company shall review the data used to calculate each GHG inventory annually, to identify and implement opportunities that improve the completeness and accuracy of calculations in the following year.

GC_5 - Continual Improvement:
Following certification to a Leadership level (Committed, Advanced, Leader) The Company shall maintain the ambition to accelerate its climate action across all three pillars (Reduce, Restore and Report) and progress to the next level. The Company may remain at a Leadership level for a maximum of 4 years, after which they must advance to the next level, failing which certification will be removed.

Certification criteria

Stage	Committed	Advanced	Leader	Net-zero
General criteria	**GC_6 - Transparency in reporting:** The Company must publish its footprint, targets, reduction plans and efforts to fund climate action beyond its value chain on its UK website, with a link in a prominent place on the homepage. The information must be approved by an individual with the authority to represent The Company, including their name, job title and the date. The Company's Climate Information (data, targets, evidence and narrative) relating to previous years should be retained on the website so that progress can be monitored.			
	GC_7 - Claims: The company should ensure that claims comply with laws and regulations that govern and regulate environmental statements and claims in relevant jurisdictions.			

Certification criteria

Stage	Committed

RED_1 (C) – Carbon Footprint:
The Company shall calculate its carbon footprint across the full value chain (Scopes 1,2 and limited* Scope 3) in accordance with the GHG Protocol Corporate Standard and associated guidance for at least 1 year.

*See Appendix 1B for Limited Scope

RED_2 (C) – 3rd Party limited assurance:
The Company must receive 3rd Party limited assurance for its footprint data. A 3rd Party is defined as any company other than the Subject of Certification. Limited assurance is defined in accordance with ISAE 3000 (revised) as a lower level of assurance than reasonable assurance, often stated in negative terms such as "Nothing has come to our attention that causes us to believe that the subject matter is materially misstated"

RED_3 (C) – Reduction Targets:
The Company shall set near term reduction targets for Scopes 1 and 2 emissions. Targets shall have a base year no earlier than 2015 and must cover a minimum of 5 years and a maximum of 10 years from the date of certification.

REST1 (C) – Voluntary Carbon Market:
The Company must engage with the voluntary carbon market to compensate for GHG emissions associated with the accounting year. Engagement may be at any level of commitment but The Company should aim to compensate for at least 10% of its measured emissions with a blend of Removal and Avoidance credits.

REP_1 (C) – Transparency:
The Company must report publicly on its climate action in accordance with GC_6.

REP_2 (C) – Engagement:
The Company must communicate with employees and/or customers about its climate action.

Certification criteria

Stage	Advanced

RED_1 (A) – Carbon Footprint:
The Company shall calculate its carbon footprint across the full value chain (Scopes 1,2 and all material* Scope 3) in accordance with the GHG Protocol Corporate Standard and associated guidance for at least 2 years.

*See Appendix 1B for Materiality

RED_2 (A) – 3rd Party limited assurance:
The Company must receive 3rd Party limited assurance for its footprint data. A 3rd Party is defined as any company other than the Subject of Certification. Limited assurance is defined in accordance with ISAE 3000 (revised) as a lower level of assurance than reasonable assurance, often stated in negative terms such as "Nothing has come to our attention that causes us to believe that the subject matter is materially misstated"

RED_3 (A) – Reduction Targets:
The Company shall set near term reduction targets for Scopes 1 and 2 emissions and Scope 3 emissions and make a long-term commitment to achieve net-zero. Near term targets shall have a base year no earlier than 2015 and must cover a minimum of 5 years and a maximum of 10 years from the date of certification.

RED_4 (A) – Scope 1 and 2 near-term Reduction Target Ambition:
The Scope 1 and 2 reduction targets shall be absolute, and Science aligned in ambition; see Criteria Appendix 1A for minimum ambition levels.

RED_5 (A) – Scope 3 near-term Reduction Target Ambition:
The Scope 3 reduction targets shall be Science aligned in ambition; see Criteria Appendix 1A for minimum ambition levels. The Company may submit a science aligned Scope 3 intensity target in place of an absolute reduction target and assessor shall advise if this is compliant.

Certification criteria

Stage	Advanced

RED_6 (A) – Long Term Reduction Target Ambition:
The long-term reduction targets shall be Science aligned in ambition. In most cases this will correspond to a 90% reduction in emissions across all scopes from the base year. The net-zero commitment is a commitment to neutralise the remaining residual emissions with durable carbon dioxide removal credits.

RED_7 (A) – Effective Action:
The company must demonstrate progress towards achieving the near-term reduction targets set for Scope 1, 2 and Scope 3. Progress in this context is defined as any reduction in Scope 1 and 2 emissions compared to base year and any reduction in Scope 3 emissions compared to
base year.

REST_1 (A) – Science-Based Carbon Price:
The Company must set a Science-Based Carbon price at a level no lower than £20 per tonne. The Company should establish an annual escalator of c.11% to increase the SBCP towards the UK ETS Carbon Price set out in article 46(4) to 46(6) of the UK ETS Order.

REST_2 (A) – Climate Action Budget:
The Company must align its Climate Action budget with, at minimum, the GHG emissions associated with its Scope 1 and 2 footprint by multiplying its total Scope 1 and 2 footprint by the Science-Based Carbon Price adopted.

Certification criteria

Stage	Advanced
restore	**REST_3 (A) – Climate Action Budget deployment:** The budget must be deployed within 12 months of the end of the accounting year to a portfolio of Beyond Value Chain Mitigation activities that enable at least 50% compensation of the Scope 1 and 2 footprint (Goal #1) with the balance contributing towards wider climate action (Goal #2).
	REST_4 (A) – Goal 1 portfolio composition: The composition of the Goal #1 Portfolio should align with the Oxford Principles for Net-Zero Aligned Carbon Offsetting.
report	**REP_1 (A) – Transparency:** The company must report publicly on its climate action in accordance with GC_6.
	REP_2 (A) – Engagement: The company must communicate with at least 2 audiences from employees, customers, suppliers and local community about its climate action.
	REP_3 (A) – Net-zero Economy: The company must evaluate and report on the extent to which its products and services contribute towards a net-zero economy.

Certification criteria

Stage	Leader

RED_1 (L) – Carbon Footprint:
The Company shall calculate its carbon footprint across the full value chain (Scopes 1,2 and all material* Scope 3) in accordance with the GHG Protocol Corporate Standard and associated guidance for at least 5 years.

*See Appendix 1B for Materiality

RED_2 (L) – Independently assured:
The Company must receive independent limited assurance for its footprint data. Independent is defined as any company that was not involved in any capacity in the original calculation of the footprint. Limited assurance is defined in accordance with ISAE 3000 (revised) as a lower level of assurance than reasonable assurance, often stated in negative terms such as "Nothing has come to our attention that causes us to believe that the subject matter is materially misstated"

RED_3 (L) – Reduction Targets:
The Company shall set near term reduction targets for Scopes 1 and 2 emissions and Scope 3 emissions and make a long-term commitment to achieve net-zero. Near term targets shall have a base year no earlier than 2015 and must cover a minimum of 5 years and a maximum of 10 years from the date of certification.

RED_4 (L) – Scope 1 and 2 near-term Reduction Target Ambition:
The Scope 1 and 2 reduction targets shall be absolute, and Science aligned in ambition; see Criteria Appendix 1 for minimum ambition levels.

RED_5 (L) – Scope 3 near-term Reduction Target Ambition:
The Scope 3 reduction targets shall be Science aligned in ambition; see Criteria Appendix 1A for minimum ambition levels. The Company may submit a Science aligned Scope 3 intensity target in place of an absolute reduction target and assessor shall advise if this is compliant.

Certification criteria

Stage	Leader

RED_6 (L) – Long Term Reduction Target Ambition:
The long-term reduction targets shall be Science aligned in ambition. In most cases this will correspond to a 90% reduction in emissions across all scopes from the base year. The net-zero commitment is a commitment to neutralise the remaining residual emissions with durable carbon dioxide removal credits.

RED_7 (L) – Effective Action:
The company must demonstrate significant progress towards achieving the near-term reduction targets set for Scope 1, 2 and Scope 3. Significant progress in this context is defined as reduction in Scope 1 and 2 emissions of more than 50% compared to base year and reduction in Scope 3 emissions of more than 25% compared to base year.

REST_1 (L) – Science-0Based Carbon Price:
The Company must set a Science-Based Carbon price at a level no lower than £42 per tonne. The Company should establish an annual escalator of c.10% to increase the SBCP towards the level expected to be required for CDR credits.

REST_2 (L) – Climate Action Budget:
The Company must align its Climate Action budget with the GHG emissions associated with its Full Footprint (Scope 1, 2 and 3 footprint) by multiplying its total footprint by the Science-Based Carbon Price adopted.

REST_3 (L) – Climate Action Budget deployment:
The budget must be deployed within 12 months of the end of the accounting year to a portfolio of Beyond Value Chain Mitigation activities that enable at least 50% compensation of the Full Footprint (Goal #1) with the balance contributing towards wider climate action (Goal #2).

REST_4 (L) – Goal 1 portfolio composition:
The composition of the Goal #1 Portfolio must align with the Oxford Principles for Net-Zero Aligned Carbon Offsetting.

Certification criteria

Stage	Leader
report	**REP_1 (L) – Transparency:** The Company must report publicly on its climate action in accordance with GC_6.
	REP_2 (L) – Engagement: The Company must communicate with at least 3 audiences from employees, customers, suppliers and local community about its climate action.
	REP_3 (L) – Advocacy: The Company must demonstrate involvement with a relevant sector body to share its Climate Strategy experience with industry members and respond to Government consultations.
	REP_4 (L) – Net-zero Economy: The Company must evaluate and report on the extent to which its products and services contribute towards a net-zero economy and provide forward looking guidance on associated plans.

Certification criteria

Stage	Net-zero
	RED_1 (NZ) – Carbon Footprint: The Company shall calculate its carbon footprint across the full value chain (Scopes 1,2 and all material* Scope 3) in accordance with the GHG Protocol Corporate Standard and associated guidance for multiple years. *See Appendix 1B for Materiality
	RED_2 (NZ) – Independently assured: The Company must receive independent limited assurance for its footprint data. Independent is defined as any company that was not involved in any capacity in the original calculation of the footprint. Limited assurance is defined in accordance with ISAE 3000 (revised) as a lower level of assurance than reasonable assurance, often stated in negative terms such as "Nothing has come to our attention that causes us to believe that the subject matter is materially misstated"
	RED_3 (NZ) – Effective Action: The company must achieve its long-term reduction targets.
	REST_1 (NZ) – Durable CDR: The Company must neutralise the residual emissions, those remaining after achieving the long-term reduction targets, with durable Carbon Dioxide removal credits.
	REP_1 (NZ) – Transparency: The Company must report publicly on its climate action in accordance with GC_6.
	REP_2 (NZ) – Engagement: The Company must communicate with employees, customers and suppliers about its net-zero status.
	REP_3 (NZ) – Advocacy: The Company must demonstrate involvement with a relevant Sector body to share its net-zero status with industry members and respond to Government consultations.
Limited assurance source	**REP_4 (NZ) –Net-zero Economy:** The Company must evaluate and report on the extent to which its products and services contribute towards a net-zero economy and provide forward looking guidance on associated plans.

Criteria appendix 1A

RED4 (C&A) – Minimum ambition requirements

Scope 1 and 2 - Minimum % Reduction for base and target year

Target year

Base year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
2020		-25.2%	-29.4%	-33.6%	-37.8%	-42%										
2021			-29.4%	-33.6%	-37.8%	-42%	-46.2%									
2022				-33.6%	-37.8%	-42%	-46.2%	-50.4%								
2023					-37.8%	-42%	-46.2%	-50.4%	-54.6%							
2024						-42%	-46.2%	-50.4%	-54.6%	-58.8%						
2025							-46.2%	-50.4%	-54.6%	-58.8%	-63%					
2026								-50.4%	-54.6%	-58.8%	-63%	-67.2%				
2027									-54.6%	-58.8%	-63%	-67.2%	-71.4%			
2028										-58.8%	-63%	-67.2%	-71.4%	-75.6%		
2029											-63%	-67.2%	-71.4%	-75.6%	-79.8%	
2030												-67.2%	-71.4%	-75.6%	-79.8%	-84%

Scope 3 - Minimum % Reduction for base and target year

Target year

Base year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
2020		-15%	-17.5%	-20%	-22.5%	-25%										
2021			-17.5%	-20%	-22.5%	-25%	-27.5%									
2022				-20%	-22.5%	-25%	-27.5%	-30%								
2023					-22.5%	-25%	-27.5%	-30%	-32.5%							
2024						-25%	-27.5%	-30%	-32.5%	-35%						
2025							-27.5%	-30%	-32.5%	-35%	-37.5%					
2026								-30%	-32.5%	-35%	-37.5%	-40%				
2027									-32.5%	-35%	-37.5%	-40%	-42.5%			
2028										-35%	-37.5%	-40%	-42.5%	-45%		
2029											-37.5%	-40%	-42.5%	-45%	-47.5%	
2030												-40%	-42.5%	-45%	-47.5%	-50%

Criteria appendix 1B

RED1 (C,A,L) – Material Scope 3

Limited scope
For Committed level certification The Company must at minimum calculate Scope 3 emissions from Upstream transportation of goods, Waste generated in operations, Business travel, Employee communting and Downstream transport.

Materiality:
An emissions source is considered material if it represents either >10 tons CO_2e or >1% of the total value chain emissions.

Mandatory categories:
The company must enter a value, zero (0) if no emissions for mandatory categories.

Optional categories:
The company must enter a value if the category is a material source of emissions but may enter “n/a” if the category is not applicable.

Scope 3:		
Purchased good and services	Mandatory	
Capital goods	Optional	
Fuel and Energy Related Activity (FERA)	Mandatory	
Inbound transportation of goods	Mandatory	
Waste generated in operations	Mandatory	
Business travel	Mandatory	
Employee commuting	Mandatory	
Upstream leased assets	Optional	
Downstream transport	Mandatory	
Processing of sold products	Optional	
Use of sold products	Optional	
End of life treatment of sold products	Optional	
Downstream leased assets	Optional	
Franchises	Optional	
Investments	Optional	

References

Introduction

IPCC (2021). Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, V. Masson-Delmotte et al. (eds). Cambridge University Press, Cambridge, UK and New York, NY, USA. DOI:10.1017/9781009157896.

Lenton, T. et al (2023). The Global Tipping Points Report 2023. University of Exeter, Exeter, UK.

Reduce

GHG Protocol Corporate Standard

GHG Protocol Value Chain Standard

B Corps V7 – Climate Action

SBTi Net Zero Standard

Restore

SBTi - BVCM guidance

UK ETS Pricing

Oxford Principles for Net-Zero aligned Carbon Offsetting

Report

PPN 06/21 guidance

SECR reporting guidance

Carbon Disclosure Project

Ecologi

FOR OUR PLANET

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Ecologi B Corp is the UK's most trusted climate action platform. We inspire and empower businesses to reduce and measure their emissions using industry endorsed protocols, restore our planet through funding best-in-class climate solutions and report on their progress to net-zero.

We work with over 40,000 customers, including 16,000+ businesses such as Co-op, O2, BAFTA albert, ITV, Ubisoft, Oracle, Capgemini, Mulberry and 270+ B Corps. Our community has collectively funded the planting of 90 million trees, the avoidance or removal of 3.4 million tonnes of CO_2 and over 6 million m^2 of habitat conserved and restored.

We're science-led and impact driven, aligned to the SBTi and Oxford Principles and guided by our Impact team and expert independent climate committee. We support leading industry standards including Gold Standard, VCS, Puro and 3rd party quality assessments. We're a proudly certified B Corp, in the Top 5% for Environment and Governance with an average 4.8 rating on Trustpilot.

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