Information Technology Industry Council (ITI)

Concept for Considering Sustainability in Procurement

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How we got here

- ITI led CODSIA's multi-association comments on FAR Case 2021-016: Minimizing the Risk of Climate Change in Federal Acquisitions
  - Comments focused on leveraging voluntary consensus standards for evaluating supplier sustainability across multiple areas—there is no "one size fits all" approach
- ITI is leading CODSIA's multi-association comments on FAR Case 2021-015: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk
- ITI's standards organization, INCITS, participates in voluntary consensus standards-making processes in multiple tech areas
- ITI met with White House Sustainability Council which is prioritizing Science Based Targets (initiatives) (SBTi) for reducing carbon footprint
- ITI engaged a consultant to develop a supplier sustainability scoring model that can be leveraged by the Government
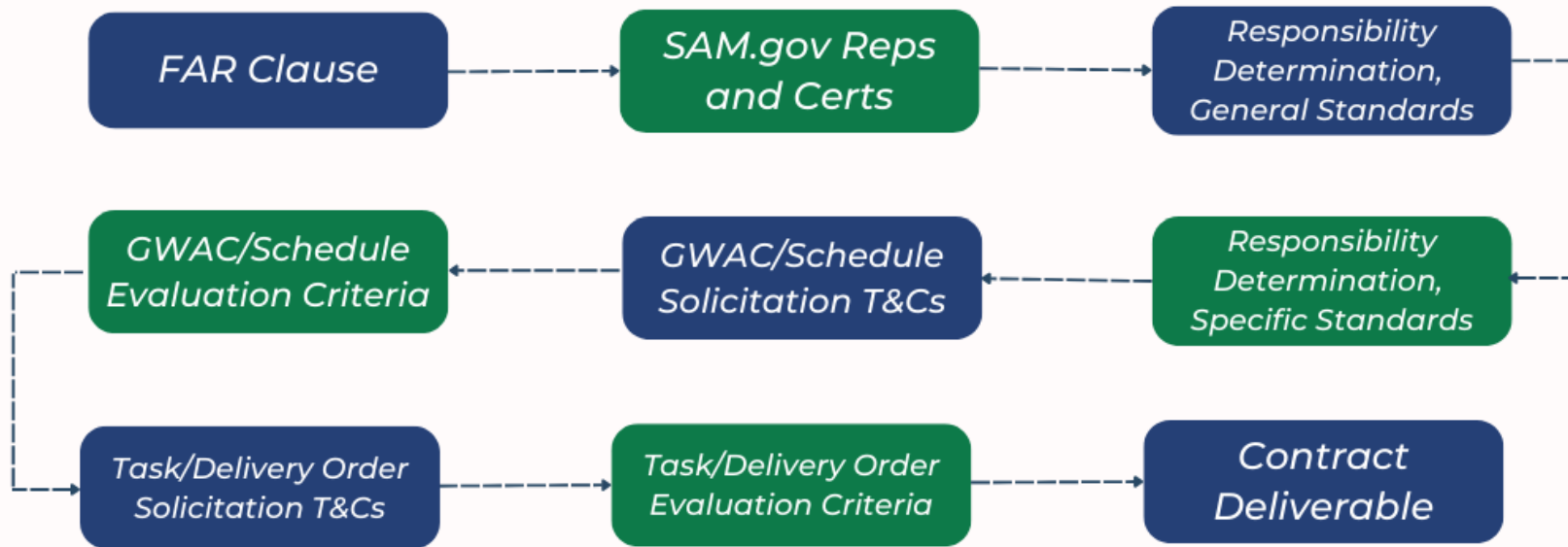
Sustainability Certification Program

Certifies the organization based on progress toward:

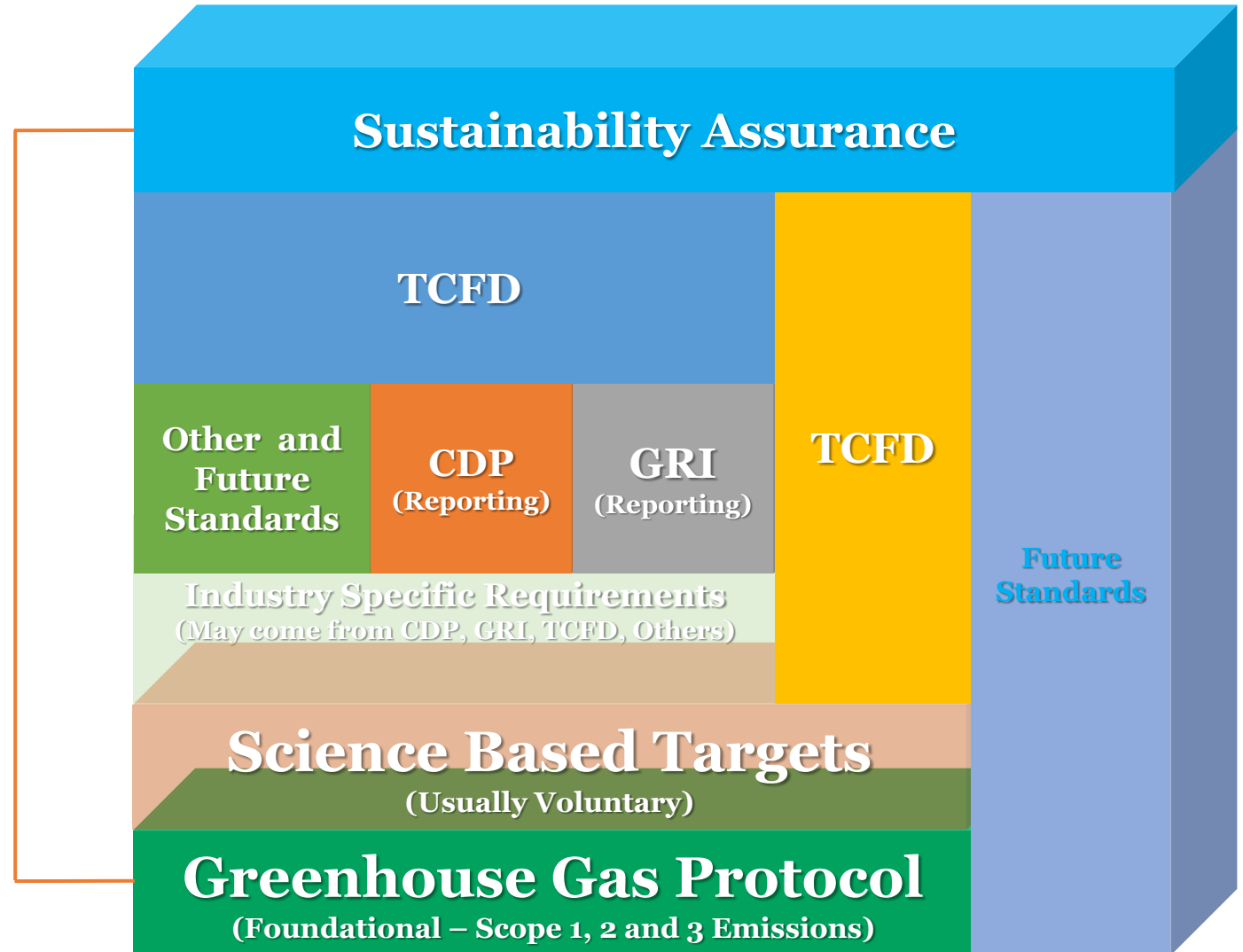| Short term target of reduction of emissions from baseline reduction of 50% by 2030 | Long term target of reduction of emissions to an equivalent carbon neutrality by 2050 | Beyond 2050, must maintain neutrality going forward |

SBTi – Science Based Targets (initiative)

| The basis of the certification program, SBTi Underpins the program | Combines multiple sources of data to provide a more robust view of sustainability performance |

Results Evaluation

Industry Independent

- Evaluation of the company against SBTi targets and rules are applied, so the result is industry independent
- However, industry specific elements may apply (Mining, Data Center Providers, Power Generation, Petrochemical, etc.)

Possible to apply weighting factors, that would be reflected across a comparison group

Ability to designate by NAICS code (compare "like-to-like" based on NAICS)

Scores accompanied by narrative analysis reflecting basis for scores

Example – Qualitative Linking Questionnaire

Category	No	Question	Status	Score
	1	Has a defined organizational boundary based on either Equity Share or Control Apparoch been defined and applied?	1 Partially	1
	2	If a Control Approach was selected, is financial control implemented across the organization?	3 Mostly	3
	3	If a Control Approach was selected, is operational control implemeted across the organization?	1 Partially	1
	4	Qualifying Question 1	0 Don't Know	0
	5	Qualifying Question 2	2 About Half	2
Organizational Boundary	6	Qualifying Question 3	2 About Half	2
	7	Qualifying Question 4	4 Yes	4
	8	Qualifying Question 5	3 Mostly	3
	9	Qualifying Question 6	1 Partially	1
	10	Qualifying Question 7	3 Mostly	3
	11	Qualifying Question 8	0 No	0

Example – Greenhouse Gas Protocol

GGP - Greenhouse Gas Protocol
World Business Council for Sustainable Development

	Consensus
Type	Standard
Accreditation	NGO
Requirements	30
Raw Score	2.20

Section	Score	GGP Score
1. GHG Accounting and Reporting Principles		
1.1 Relevance		
Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external to the company.	0.00	2.20
1.2 Completeness		
Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.	1.00	
1.3 Consisteny		
Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.	3.00	
1.4 Transparency		
Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.	4.00	
1.5 Accuracy		
Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.	3.00	

Example – Science Based Targets Initiative

SBT - Science Based Targets Initiative
Science Based Targets Org

	Commercial
Type	Advisory Board
Accreditation	NGO
Requirements	31
Raw Score	13

Section	Score	SBTi Score
I. GHG Emissions Inventory and Target Boundary		
I.I Target Boundary		
C1 — Organizational Boundary: It is recommended that companies submit targets only at the parent- or group-level, not at the subsidiary level. Parent companies must include the emissions of all subsidiaries in their target submission, in accordance with boundary criteria above. In cases where both parent companies and subsidiaries submit targets, the parent company's target must also include the emissions of the subsidiary if it falls within the parent company's emissions boundary given the chosen inventory consolidation approach.	3.00	
I.II GHG Coverage		
C2 — Greenhouse gases: The targets must cover all relevant GHGs as required per the GHG Protocol Corporate Standard.	1.00	
I.III Scope Coverage		
C3 — Scope 1 and Scope 2: The targets must cover company-wide scope 1 and scope 2 emissions, as defined by the GHG Protocol Corporate Standard.	0.00	2.17
*C4 — Requireent to have a Scope 3 target: If a company's relevant scope 3 emissions are 40% or more of total scope 1, 2, and 3 emissions, a scope 3 target is required. All companies involved in the sale or distribution of natural gas and/or other fossil fuels shall set scope 3 targets for the use of sold products, irrespective of the share of these emissions compared to the total scope 1, 2, and 3 emissions of the company.	3.00	
I.IV Emissions Coverage		
C5 — Scope 1 and Scope 2 Significance Thresholds: Companies may exclude up to 5% of scope 1 and scope 2 emissions combined in the boundary of the inventory and target.	2.00	
*C6 — Scope 3 Emissions Coverage for Near-Term Targets: Companies must set one or more emission reduction targets and/or supplier or customer engagement targets that collectively cover(s) at least two-thirds (67%) of total scope 3 emissions considering the minimum boundary of each scope 3 category in conformance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.	4.00	

Sustainability Program Roadmap

Roadmap to Launch

Qualitative Data Collection

Questionnaire – Complete linking questions for GGP, SBTi, CDP and GRI

(Selected group of standards for 2023 release)

Quantitative Data Collection

Scorecard – Complete development of data structure and analysis utilizing SBTi fundamentals (Scope 1, 2, 3 as applied to near-term and carbon neutral targets)

Assessment and Certification Authority

Decide strategy and requirements for Accreditation Body and Certification Body eligibility

Repository

Build data base and analytic repository to store certification data and perform analytic reporting

Launch

Accept first submissions and provide analysis, and ratings to early adopters

Socialize and Continuous Feedback Loop – Revise as Needed

Questions?

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