SCOPES 1, 2 & 3 EMISSIONS

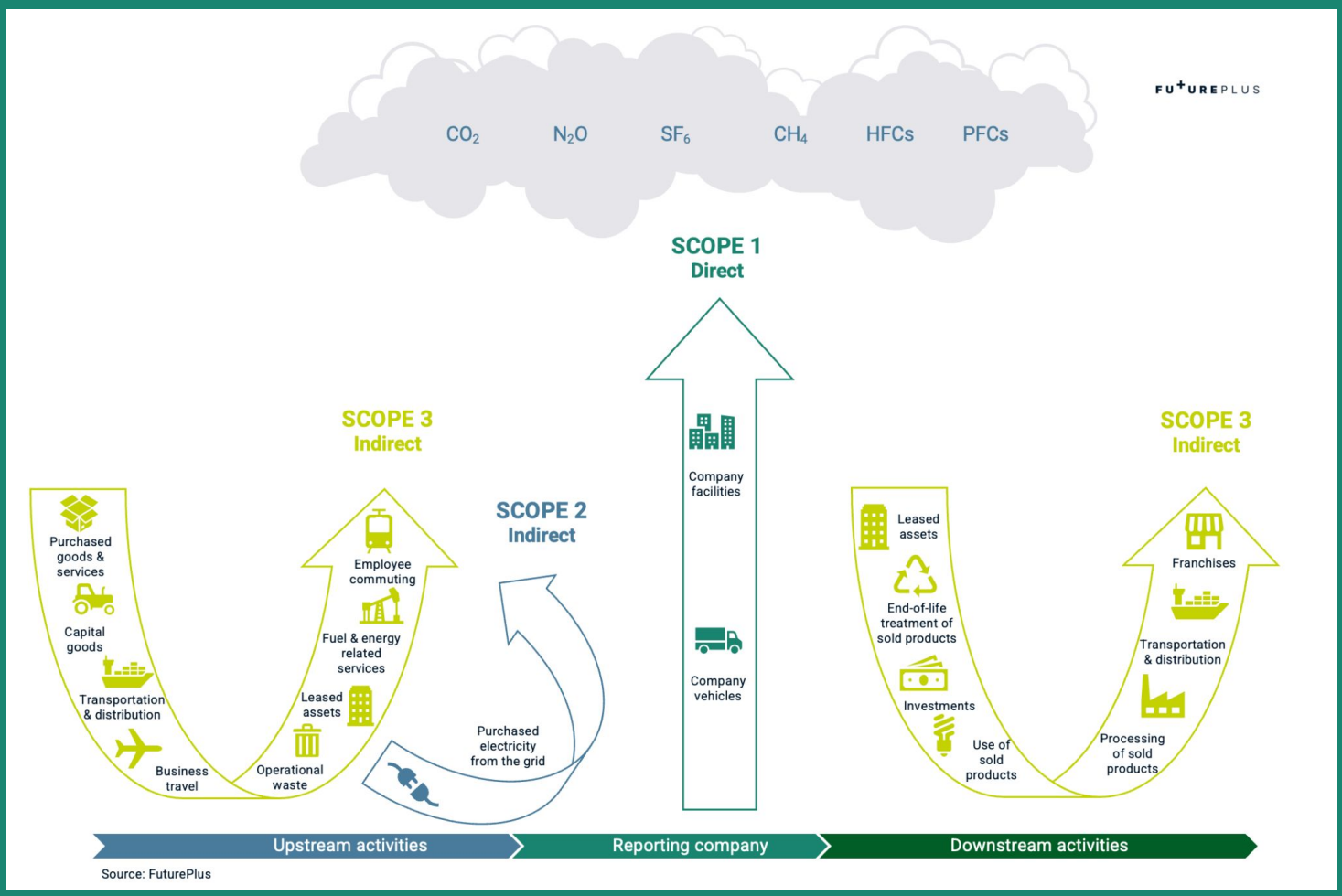
A FUTUREPLUS GUIDE

INTRODUCTION

Breaking greenhouse gas (GHG) emissions down into scopes 1, 2 and 3 provides a way of categorising the different kinds of carbon emissions a company creates in its own operations and in its wider value chain. Scopes 1, 2 and 3 emissions are defined by the GHG Protocol– the world's most widely used greenhouse gas emissions accounting standards.

The scopes correlate to who 'owns' the emissions and the level of control applicable to changing those emission levels at each stage of its value chain.

Overview of scopes and emissions across the value chain:



EXPLAINING THE SCOPES

Scope 1 – These are GHG emissions released **directly** from a company, for example:

- Combustion of fuel in owned or controlled boilers or furnaces
- Combustion of fuel in company owned vehicles

Scope 2 – These emissions are **indirect** GHGs released from the energy purchased by a company:

- Although scope 2 emissions aren't physically emitted within your business operations, they still form part of an organisation's GHG inventory because they occur as a result of demand.
- Purchased electricity is considered scope 2 emissions

Scope 3 – All the emissions an organisation is **indirectly** responsible for in its **value chain**. Scope 3 emissions are categorised into 15 sub-categories:

- Purchased goods & services
- Capital goods
- Fuel- and energy-related activities
- Upstream transportation & distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transportation & distribution
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Downstream leased assets
- Franchises
- Investments

Scope 3 emissions are where it gets tricky! These are the largest and most complex emissions to measure, and businesses have less control over how scope 3 emissions are addressed.

You can collaborate on solutions to reduce emissions with your suppliers, or consider changes to your supply chain. However, in most areas, suppliers will have considerable influence on how emissions are reduced through their own operations.

THINGS TO CONSIDER

Reporting scopes 1, 2 & 3 emissions data is now mandatory for some UK companies - at the moment the mandate only applies to large and publicly listed companies, but the requirement is likely to expand in the near future through an increase in requirements associated with emissions reporting through schemes like SECR and TCFD.

Measuring scopes 1 & 2 is relatively straight-forward - you will need access to your company's energy bills, including electricity, oil and gas, and details of any fuel purchased for company-owned vehicles.

Committing to reach Net Zero will involve tackling your scope 3 emissions – depending on definitions for what constitutes your Net Zero ambition, businesses looking to adopt best practices will commit to tackling scope 3 emissions as part of their plans. You can find more information about what making a Net Zero commitment means here.

CARBON CALCULATOR

We have partnered up with Carbon Responsible, who provide an easy to use, free carbon calculator tool. Click here to access the calculator.

The online carbon calculator is suitable for micro and small companies to measure and report their core emissions.

What results will you get?

- Scope 1 & 2 emissions summaries
- Scope 3 business travel emissions
- Carbon intensity; tons of CO2e per FTE
- Carbon intensity; tons of CO2e per £100,000 of revenue

WHY YOU SHOULD MEASURE YOUR SCOPE 3 EMISSIONS

There are a number of benefits associated with measuring scope 3 emissions on a voluntary basis. By measuring your scope 3 emissions, you can:

- Assess where the emission hotspots are in your supply chain.
- Identify which suppliers are leaders and which are laggards in terms of their sustainability performance.
- Better understand your exposure to resources, energy and climate-related risks.
- Lower your resource and energy costs.
- Improve transparency, consumer trust, and brand reputation.
- Positively engage with your employees and consumers.
- Engage suppliers and assist them to implement sustainability initiatives.
- Improve the energy efficiency of your products.

NEED MORE HELP?

For more information and support, please feel free to contact us at: team@future-plus.co.uk