FUTUREPLUS

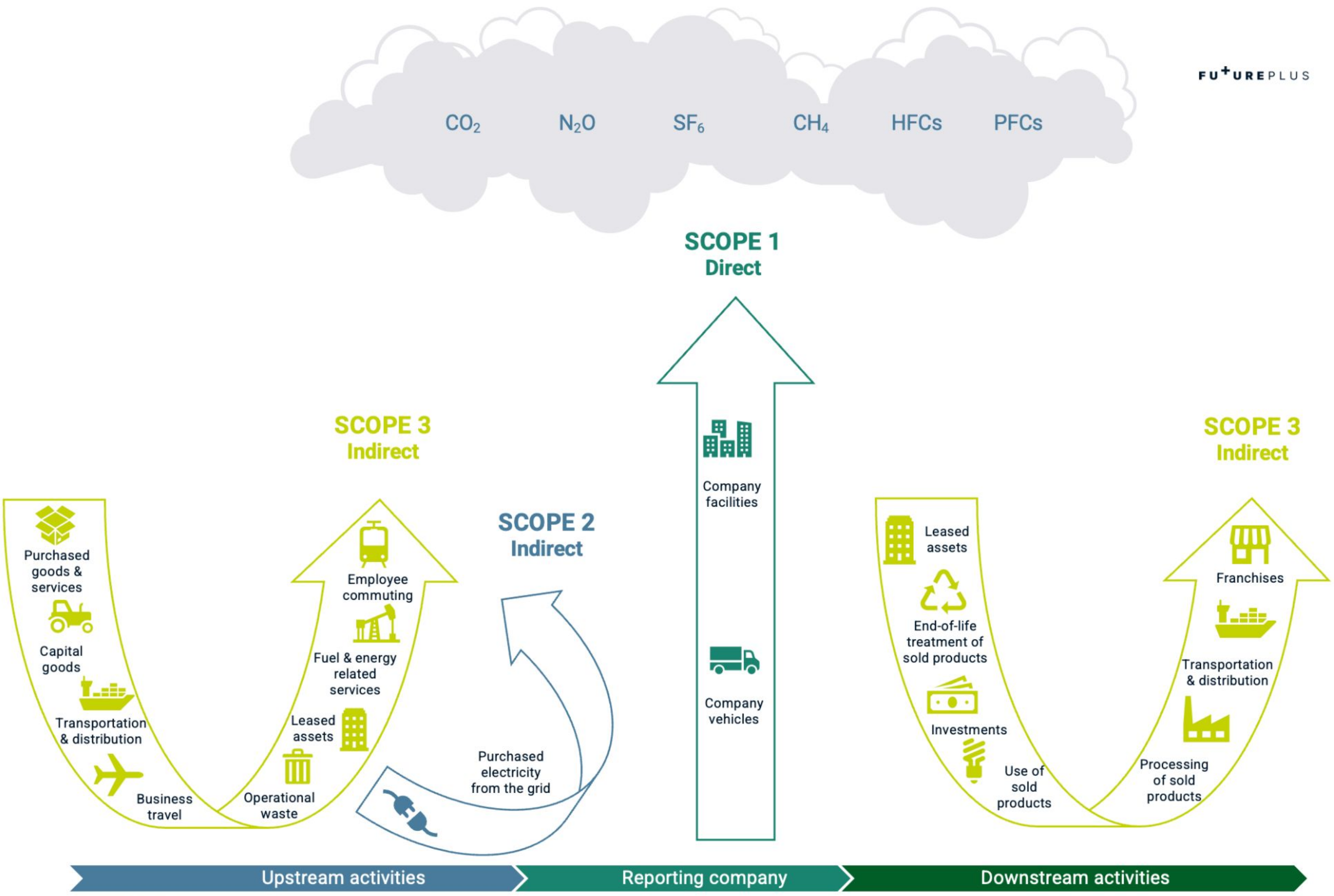
SCOPE 1, 2 & 3 EMISSIONS GUIDE

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



Source: FuturePlus

EXPLAINING THE SCOPES

SCOPE 1

These are GHG emissions produced as a **direct** result of a company's activities, 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 SCOPE 1 AND 2 EMISSIONS

It is mandatory for listed and large companies in the UK to report on their global scope 1 and 2 emissions as part of the UK Government's **Streamlined Energy and Carbon Reporting (SECR)** policy. For more information on how this may impact you, or for information on emissions reporting regulations and policies in other jurisdictions, you can contact us at: info@future-plus.co.uk

MEASURING SCOPE 1 AND 2 EMISSIONS

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. Contact the team for more support: info@future-plus.co.uk

REPORTING SCOPE 3 EMISSIONS

In the UK, it is only mandatory for publicly listed or large companies to disclose emissions from business travel in rental cars or employee-owned vehicles where they are responsible for purchasing the fuel. Reporting on other Scope 3 emissions is currently voluntary but strongly encouraged, and will be required for businesses with Net Zero commitments. You can find more information about what making a Net Zero commitment means **here**.

💡 ***The requirement for carbon emissions reporting is likely to expand in the near future so even if your organisation is currently not mandated to do so, it is advisable to report GHG emissions.***

WHY SHOULD YOU 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?

Do you want to measure the carbon impact of your business or supply chain? Would you like help with Net Zero and emissions reduction targets? Not sure where to start?

Take control of your environmental impact with **PlusCarbon** – FuturePlus' comprehensive GHG emissions measurement and reporting service.

Whether you are just starting out or looking to enhance your existing sustainability efforts, **PlusCarbon** can support you every step of the way. Our platform offers data-driven insights, empowering you to make informed decisions and achieve your emissions reduction goals with confidence.

WHAT WE OFFER

PlusCarbon provides a central hub for all of your GHG emissions reporting needs, including:

- Footprinting your GHG emissions across scopes 1, 2, and 3.
- Reporting against legislation, including SECR, ESOS and CSRD.
- Setting and working towards emission reduction and Net Zero targets.
- Bespoke carbon emission queries or projects.
- Streamlining your data collection processes.
- Understanding the importance of GHG emissions reporting.
- Self-reporting / learning on the go using our verified platform.
- Training and educating employees.
- Helping you to communicate your sustainability efforts to stakeholders and avoid greenwashing.

GET IN TOUCH

Contact the **PlusCarbon** team at: pluscarbon@future-plus.co.uk