

SCOPE 3 EMISSIONS

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The expertise tomorrow needs

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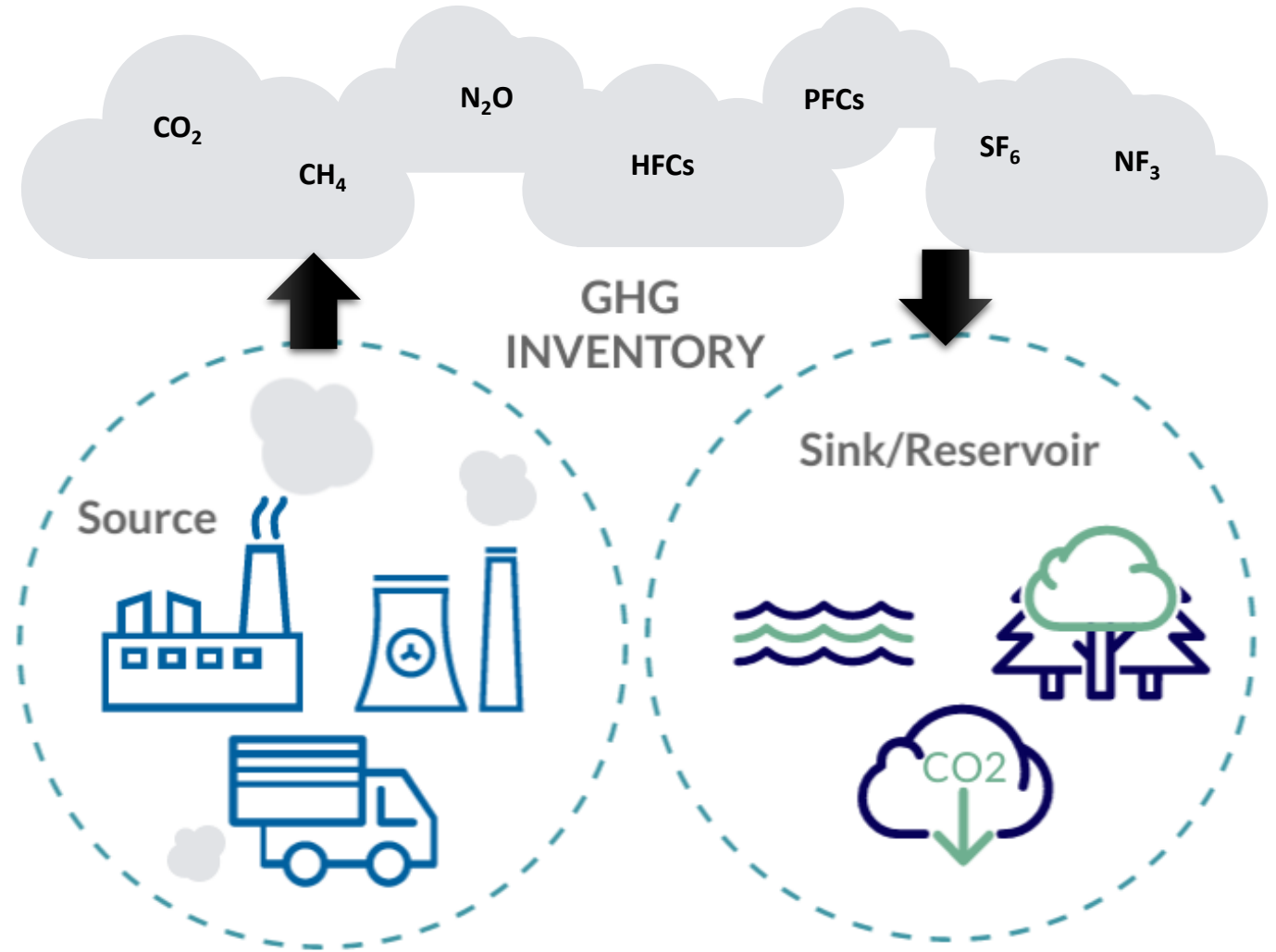
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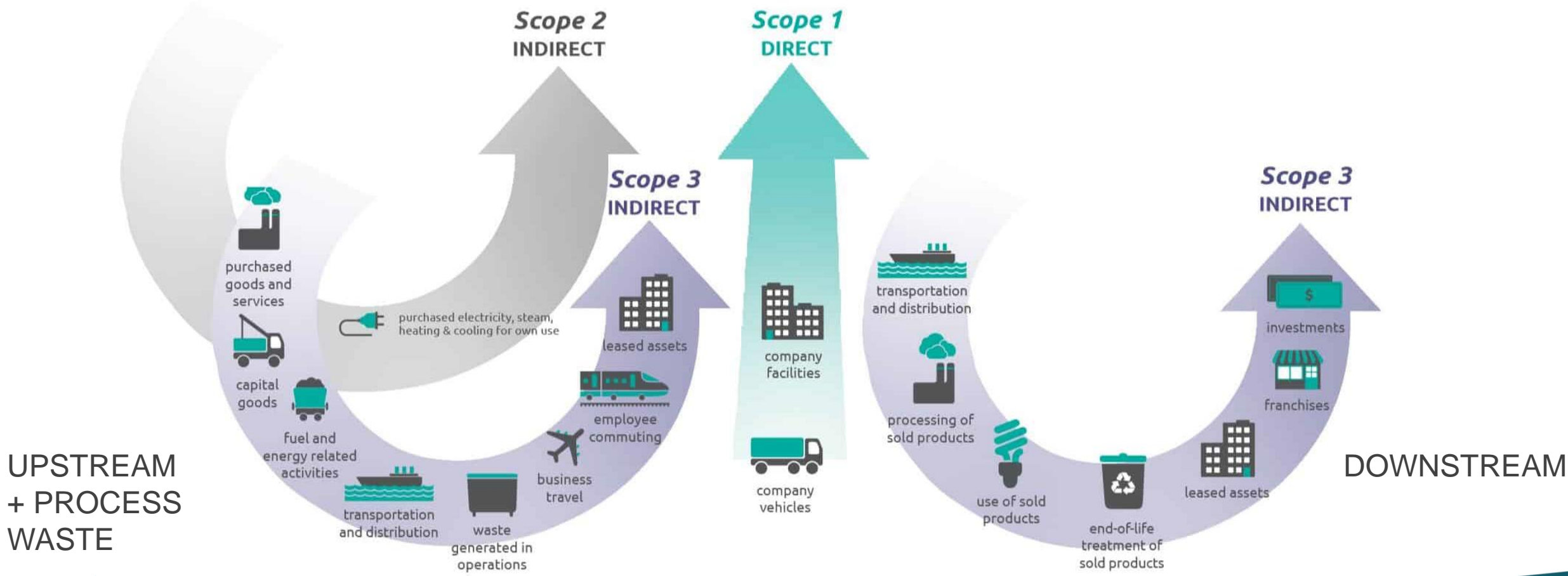
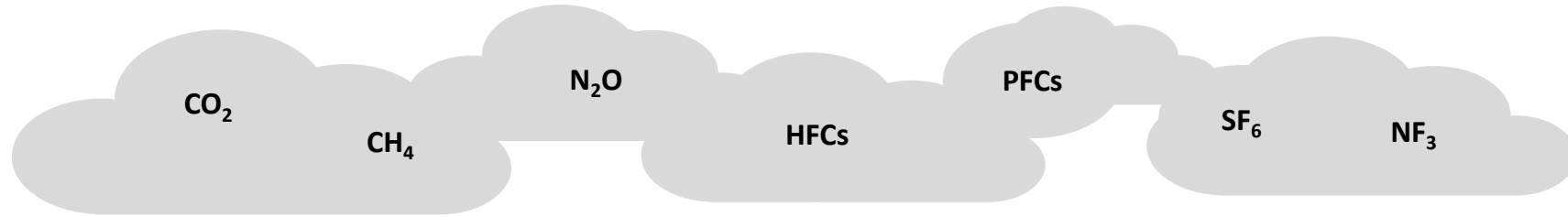
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WHAT IS A GREENHOUSE GAS INVENTORY?

- A Company's Greenhouse Gas (GHG) **Inventory** is a list of all its direct and indirect GHG **emissions** by sources and **removals** by sinks.
- GHG **Source**: A process that releases a GHG into the atmosphere.
- GHG **Sink**: A process that removes a GHG from the atmosphere.
- GHGs covered by the UNFCCC¹:
 - Carbon dioxide (CO₂)
 - Methane (CH₄)
 - Nitrous Oxide (N₂O)
 - Hydrofluorocarbons (HFCs)
 - Perfluorocarbons (PFCs)
 - Sulphur hexafluoride (SF₆)
 - Nitrogen trifluoride (NF₃)



WHAT ARE SCOPE 3 EMISSIONS

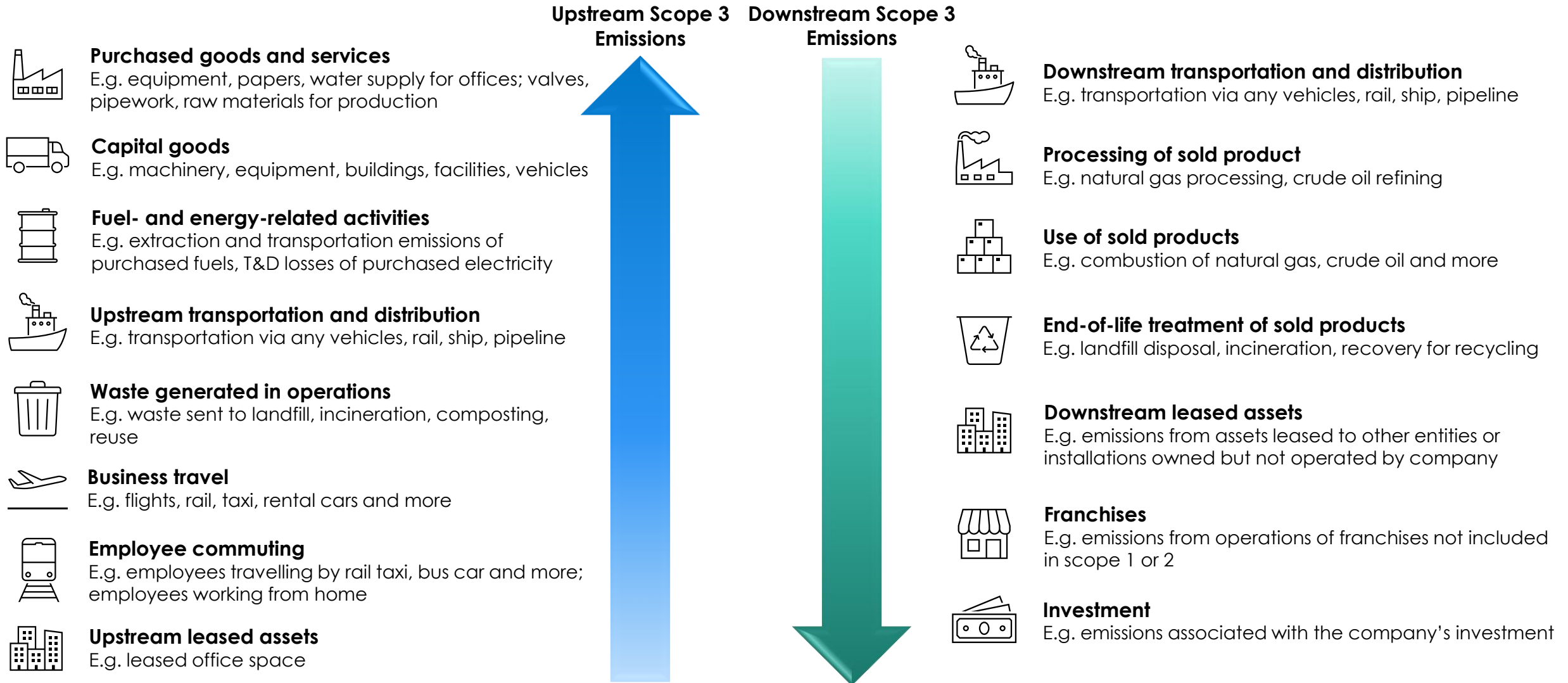


WHY DO WE CARE ABOUT SCOPE 3?

- Scope 3 is where Corporations use their power as:
 - A Consumer.
 - As Product Designers.
- New laws are now passed or under final review.
 - Companies now have obligations to report their Scope 3 Emissions.
- UK – Financial Conduct Authority Requirement using TCFD disclosure
- EU – Requirement for Corporate Sustainability Reporting Directive (CSRD) disclosure
- USA – Also looking to adopt TCFD



GHG EMISSIONS SOURCES – SCOPE 3



CALCULATION METHODOLOGY

- There are several methods to calculate emissions, such as:

Supplier-specific method

- Product-level GHG inventory data is collected from supplier.

Spend-based method

- Data on economic value of goods and services purchased are multiplied by the relevant emission factors.

Average-data method

- Data on mass or other relevant units of goods and services are multiplied by the relevant emission factors.

Hybrid method

- A combination of supplier-specific data and secondary data is used.

BEST EFFORTS EXERCISE

- The enormity of quantifying Scope 3 can be daunting.
- However, in practice, it's about adopting a reasonable methodology to help improve decision making.
- Various tools, calculators and emissions factors exist to help in the preparation of Scope 3 in a systematic way.
 - Stakeholders are looking for plans for improvement and then delivery on those plans.



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