

HOW TO:

Measure, Report, and Reduce Your Scope 3 Emissions

For most companies, Scope 3 emissions represent the greatest contribution to their emissions profiles: as much as 90% of a company's total GHG emissions. Scope 3 emissions are grouped into 15 different categories, and a Baseline/Hot Spot Analysis is used to determine the categories that have the highest impact on your business.

The goal of this thought prompt is to get you thinking about which Scope 3 categories apply to your company.

Directions:

- 1 Use the table on pages 1-3 to get an understanding of the Scope 3 categories. The explanation of each category has been simplified. Check out the [Technical Guidance for Calculating Scope 3 Emissions](#) from the [Greenhouse Gas Protocol](#) if you are interested in learning about each category in more detail.
- 2 Answer the question on page 4.

Category Number	Category Title	Category Explanation
Category 1	Purchased Goods & Services	Emissions related to the production of any products purchased or services acquired by your company in the reporting year.
Category 2	Capital Goods	Emissions related to the production of capital goods purchased or acquired by your company in the reporting year. Capital goods include equipment, machinery, buildings, facilities, and vehicles.
Category 3	Fuel & Energy-Related Activities	Emissions related to the production of fuels and energy purchased and consumed that aren't accounted for in your Scope 1 and Scope 2 emissions calculations.

Source: [Technical Guidance for Calculating Scope 3 Emissions](#)

Category Number	Category Title	Category Explanation
Category 4	Upstream Transportation & Distribution	Emissions related to the transportation of purchased goods from your suppliers to your company in vehicles not owned or operated by your company.
Category 5	Waste Generated in Operations	Emissions related to third-party disposal and treatment of both solid waste and/or wastewater from your company's owned or controlled operations.
Category 6	Business Travel	Emissions related to transportation of employees for business-related activities. Accounts for vehicles that are owned or operated by a third-party such as passenger cars, aircraft, trains, and buses.
Category 7	Employee Commuting	Emissions related to the transportation of employees from their homes and workplace. Emissions from remote work can be included in this category as well.
Category 8	Upstream Leased Assets	Emissions related to the operation of leased assets, such as buildings, that are not included in your Scope 1 and Scope 2 emissions calculations.
Category 9	Downstream Transportation & Distribution	Emissions related to transportation and distribution of sold products by vehicles and facilities not owned or controlled by your company.
Category 10	Processing of Sold Products	Emissions related to processing of sold intermediate products by third-parties. Intermediate products are products that require further processing, transformation, or inclusion in another product before use.

Source: [Technical Guidance for Calculating Scope 3 Emissions](#)

Category Number	Category Title	Category Explanation
Category 11	Use of Sold Products	Emissions related to the use of goods and services sold by your company in the reporting year. Scope 3 emissions from the use of sold products include the Scope 1 and Scope 2 emissions of end users such as consumers and business customers.
Category 12	End-of-life Treatment of Sold Products	Emissions related to the end-of-life treatment/waste management of sold products by consumers. This category requires assumptions to be made about the type of end-of-life treatment by consumers (e.g. landfill, incineration, recycling, etc.)
Category 13	Downstream Leased Assets	Emissions related to the operation of assets that are owned by your company (acting as lessor) and leased to other entities in the reporting year that are not already included in your Scope 1 and Scope 2 emissions calculations.
Category 14	Franchises	Emissions related to the operation of franchises not included in your Scope 1 and Scope 2 emissions calculations.
Category 15	Investments	Emissions related to your company's investments in the reporting year. This category is designed primarily for private financial institutions, but can also be relevant to public financial institutions.

Source: [Technical Guidance for Calculating Scope 3 Emissions](#)

QUESTION:

Have you done your Baseline/Hot Spot Analysis to identify which Scope 3 categories have the highest impact to your company? If so, type your top three categories in the boxes below.

If you haven't done a Baseline/Hot Spot Analysis, use the information in the table to speculate your company's top three categories and type your thoughts in the boxes below.

1 High Impact Category

2 High Impact Category

3 High Impact Category