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Greenhouse Gas Emissions – Scope 3

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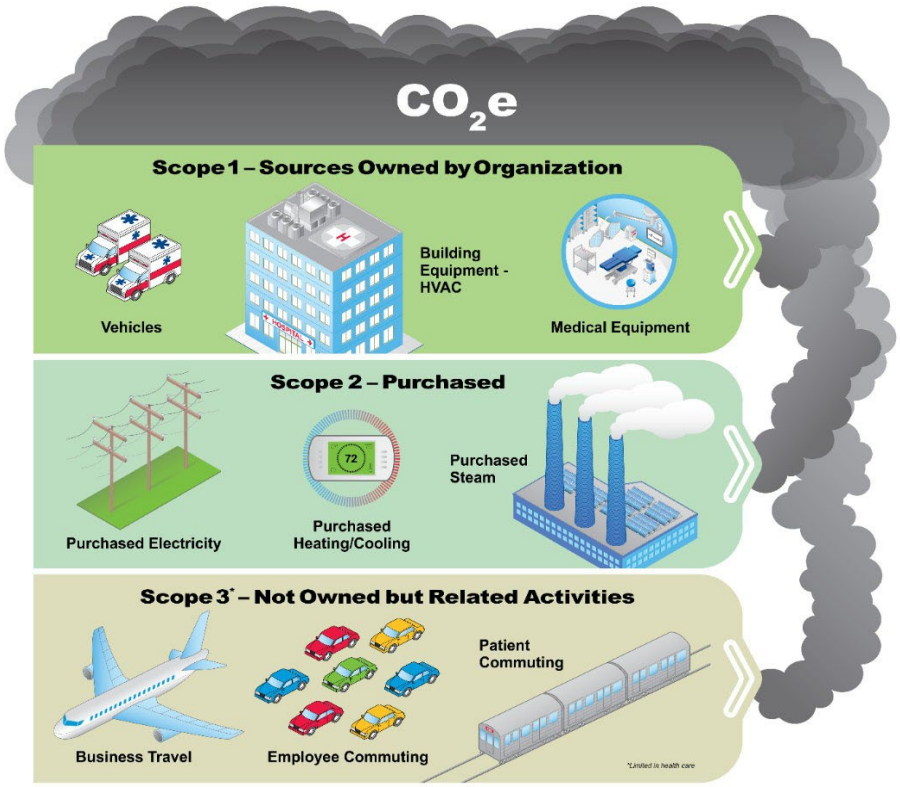
Description

Scope 3 category greenhouse gas (GHG) emissions are indirect emissions from sources that the organization does not own or control. Scope 3 is a catchall category for emissions not included in an organization's Scope 1 or 2 inventories, which allows organizations to count their additional indirect emissions without double counting in total global emissions. Scope 3 emissions from one organization could be found in another organization's Scope 1 or 2 emissions. Similarly, other organizations' Scope 1 or 2 emissions could end up in your organization's Scope 3. However, no organization's Scope 1 or 2 emissions ends up in another organization's Scope 1 or 2 emissions. This would result in a double counting of emissions and is the reason clear categories are so important.



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Project Talking Points

- The World Resources Institute (WRI) provides the Greenhouse Gas Protocol, which is the global standard for companies and organizations measuring and managing their GHG emissions.
- Defining emission scopes is critical to ensure the world's carbon is attributed to its sources accurately. The protocol provides fair and accurate accounting while minimizing the risk of double counting by multiple organizations.
- Greenhouse gases include Carbon Dioxide, Methane, Nitrous Oxide and Flourinated gases, but are normally grouped into carbon dioxide equivalent or eCO_2 because CO_2 accounts for over 99% of GHG emissions.
- Scope 3 emissions are sometimes referred to as value chain emissions, as they could be from sources upstream or downstream of an organization's main operations.
- Scope 3 emissions are often the largest component of an organization's total emissions.
- Although the GHG protocol does not require organizations to report Scope 3 emissions, organizations often track them to understand their operational impact and opportunities for reduction.
- Scope 3 emissions are not owned and controlled by the organization, but the organization may have influence over the emissions.
- Scope 3 emissions can include other organizations' Scope 1 or Scope 2 emissions. For example, consider a leased building. The leasee would have the electric in their Scope 2 emissions. The owner would have the electric in their Scope 3 emissions because the asset is leased, and the owner does not control the emissions.
- Scope 3 emissions are calculated utilizing appropriate emissions factors per relevant unit. This could be eCO_2 per ton of waste, gallon of water consumed, gallon of fuel driven or flown, or a leased building's energy unit.
- Scope 3 includes business travel via transportation not owned by the organization. This includes personal vehicles, rental vehicles and commercial flights. Emissions from Hotel stays during business travel would also fall into Scope 3.
- The GHG protocol permits organizations to report self-selected Scope 3 emissions. Your Scope 3 emissions do not have to be complete and can focus on emissions critical to your organization and that can be tracked accurately.

Benefits

- **Cost benefits:** Cost benefits in Scope 3 emissions range widely given the variety of categories. Reducing water or waste consumption should lower your water bills or trash pickups costs. A reduction in business travel reduces emissions and provides relief on the travel budget. Decreasing leased asset energy use may not impact your organization's bottom line, though high-performance buildings can often charge a premium on rent.

- **Environmental benefits:** GHGs are linked to climate change. As these emissions collect in the atmosphere, the climate can be altered because the sun's rays are captured at a higher rate. The Paris Agreement focuses on trying to avoid a 1.5 C rise in temperature. Impacts of this global temperature rise could include rising sea levels, difficult agricultural environments, additional flooding and tropical storms, and more. A reduction in GHGs slows the rate of temperature increase and gives us additional time

to continue to make breakthroughs in carbon capture and mitigation strategies. The majority of an organization's emissions usually belong to Scope 3 and offer substantial opportunity to influence reductions in overall global emissions.

- **Health and safety benefits (satisfaction and quality):** GHGs in the atmosphere lower air quality and increase the chances of smog and air pollution. Increased CO_2 levels contribute to respiratory issues in communities across the country. It is imperative for hospitals to do their part to mitigate this potential impact on their local community.

Purchasing Considerations

A great place to start is by tracking Scope 1 emissions with basic spreadsheet software (e.g., Microsoft Excel). As the organization has more complex sources of emissions or is looking for more public reporting, consider using a third party to track and validate emissions.
If public reporting, consider whether detailed Scope 3 emissions will be provided. This may impact the rigor with which the Scope 3 emission data is collected and validated.

How-To

1. Engage all stakeholders. This could include C-suite, facilities staff, finance and/or third-party consultants.

2. Establish a goal for Scope 3 emissions tracking. Because Scope 3 emissions are not required in reporting, it is vital to understand if and to what extent Scope 3 emissions will be collected and validated. If this is for internal reporting only, a simple approach could be conducted by organization staff. If the goal is for external reporting and/or submitting to an agency like Carbon Disclosure Project, consider a more robust approach with third-party validation.

3. Create a timeline for your reporting. Typically this is the calendar year, but consider what an appropriate baseline year would be for future comparison.

4. Create an inventory of all feasible Scope 3 sources. Due to the wide range of categories in Scope 3, an organization may not be able to quantify 100% of Scope 3 emissions. It is important to create an inventory that encompasses the components critical to your organization and that can be accurately accounted for.

5. Track consumption metrics. This could include landfill waste in pounds or tons of weight, water use in gallons, travel miles by land, travel miles by air, energy units of leased facilities and other business-related activities.

6. Convert the consumption metrics to equivalent CO_2 using emission factors. These numbers are typically shown in metric tons of eCO_2. Make sure to use appropriate emissions factors for the categories selected and check the units. If your emissions contain leased assets' electric use, remember to use emissions factors from that location's source or supplier. If not readily available, the state average emission factor is provided publicly.

7. Report these numbers internally or externally. An organization could track and report Scope 3 internally, even if externally reporting only Scopes 1 and 2. Consider goals to help accelerate emission reductions.

Energy Conservation Measures Synergies

- Greenhouse Gas Emissions – Scope 1
- Greenhouse Gas Emissions – Scope 2

Regulations, Codes and Standards, Policies

- WRI has provided the Greenhouse Gas Protocol, which is the accepted standard on GHG emission accounting.
- Greenhouse Gas Protocol for Scope 3 Guidance

Resources

- The EPA climate website for items such as emissions factors, calculators, help with target setting and more.
- The EPA's detailed guidance on calculating and reporting different Scope 3 emissions.
- An article from *National Geographic* highlighting concerns over increased GHG emissions and potential impacts in the future.

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