

G4-EN17

OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)

- Report gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent, excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization (these indirect emissions are reported in Indicator G4-EN16). Exclude any GHG trades, such as purchases, sales, or transfers of offsets or allowances.
- Report gases included in the calculation, if available.
- Report biogenic CO₂ emissions in metric tons of CO₂ equivalent separately from the gross other indirect (Scope 3) GHG emissions.
- Report other indirect (Scope 3) emissions categories and activities included in the calculation.
- Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.
- Report standards, methodologies, and assumptions used.
- Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source, if available.

GUIDANCE**Relevance**

GHG emissions are a major contributor to climate change and are governed by the UN 'United Nations Framework Convention on Climate Change'¹⁰⁰ and the subsequent UN 'Kyoto Protocol'. Some GHGs, including methane (CH₄), are also air pollutants that have significant adverse impacts on ecosystems, air quality, agriculture, and human and animal health.

For some organizations, GHG emissions from outside of the organization, or resulting from the use of their products, are much greater than their direct (Scope 1) GHG emissions or energy indirect (Scope 2) GHG emissions. Measuring and communicating efforts to reduce other indirect (Scope 3) emissions can demonstrate leadership in combating climate change.

Other indirect (Scope 3) emissions are a consequence of the activities of the organization, but occur from sources not owned or controlled by the organization. Some examples of Scope 3 activities are the extraction and production of purchased materials; the transportation of purchased fuels in vehicles not owned or controlled by the organization; and the end use of products and services.

In the Guidelines, the reporting of GHG emissions is based on the reporting requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard'¹³⁰ and the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting

Standard' provided by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

This Indicator may be used in combination with Indicators G4-EN15 (Scope 1 emissions) and G4-EN16 (Scope 2 emissions) to report an organization's total GHG emissions.

Compilation

This Indicator covers the disclosure of the other indirect (Scope 3) emissions, in CO₂ equivalents, of the GHGs covered by the UN 'Kyoto Protocol' and the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'¹³⁰:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

Identify the indirect emissions that occur outside of the organization that are not reported under Indicator G4-EN16. This includes both upstream and downstream emissions. Indirect emissions may also come from the organization's waste decomposing processes, process-related emissions during the manufacturing of purchased goods, and fugitive emissions in facilities not owned or controlled by the organization.

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Assess which of the organization's activities cause indirect emissions, and calculate the amounts involved.

When deciding the relevance of these activities, consider whether the activity's emissions:

- Contribute significantly to the organization's total anticipated Scope 3 emissions
- Offer potential for reductions that could be undertaken or influenced by the organization
- Contribute to the organization's exposure to climate change-related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks
- Are deemed material by key stakeholders (such as customers, suppliers, investors, or civil society)
- Result from outsourced activities which were previously performed in-house, or activities that are typically performed in-house by other organizations in the same sector
- Have been identified as significant in sector-specific guidance
- Meet any additional criteria for determining relevance, developed by the organization or by organizations in its sector

When reporting emissions for this Indicator, organizations may disaggregate data by the following categories and activities:

Upstream

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities (those that are not included in Scope 1 or Scope 2 emissions)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets
- Other upstream

Downstream

9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End of life treatment of sold products
13. Downstream leased assets
14. Franchises
15. Investments
- Other downstream

For each category and activity above, provide a figure in CO₂ equivalent or an explanation of why certain data are not included.

The upstream/downstream categories and activities including their numbering correspond to the categories and activities documented in the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. The numbering has been maintained consistent for the ease of reference between G4 and the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

Organizations may report biogenic CO₂ emissions; however, such emissions are expected to be reported separately and not added to the total other indirect (Scope 3) emissions. These emissions refer to CO₂ emissions from combustion or biodegradation of biomass only, not to emissions of any other GHGs (such as CH₄ and N₂O), or to any GHG emissions that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).

Organizations may further disaggregate other indirect (Scope 3) emissions data where this aids transparency or comparability over time. For example, they may disaggregate data by:

- Business unit or facility
- Country
- Source type
- Activity type

Organizations are expected to choose and report a base year for which emissions data are available, and specify their reasons for choosing that particular year. For recalculations of prior year emissions, organizations may follow the approach in the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure emissions, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Where possible, organizations are expected to apply emission factors and GWP rates consistently for the data reported under the Emissions Aspect. Emission factors may originate from mandatory reporting requirements, voluntary reporting frameworks, or be developed by industry groups. Estimates of GWPs change over time as scientific research develops. Organizations may use the GWPs from *Assessment Reports* from the Intergovernmental Panel on Climate Change (IPCC). As the GWPs from the *Second Assessment Report* are used as the basis for international negotiations under the UN 'Kyoto

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Protocol', such rates may be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. Organizations may also use the latest GWPs from the most recent IPCC *Assessment Report*. GWPs are expressed over a number of different time frames within the IPCC *Assessment Reports*. Organizations should use the factors for the 100-year time span.

Further details on the compilation of this Indicator are available in the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Base year](#)
- [Carbon dioxide equivalent](#)
- [Global warming potential \(GWP\)](#)
- [Other indirect GHG emissions \(Scope 3\)](#)

Documentation sources

Potential sources of information on other indirect (Scope 3) emissions include the energy consumption outside of the organization reported in Indicator G4-EN4. Other potential sources of information include those provided by external suppliers of products and services. For certain types of indirect emissions such as business travel, the organization may need to combine its own records with data from external sources to arrive at an estimate.

References

- British Standards Institution (BSI), *Assessing the Life-Cycle Greenhouse Gas Emissions of Goods and Services PAS 2050*, 2011.
- Carbon Disclosure Project (CDP), *Investor CDP Information Request*, updated annually.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 1995: The Science of Climate Change, Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, 1995.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2007: The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, 2007.
- United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Product Life Cycle Accounting and Reporting Standard', 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.