Scope 1, 2 & 3 Emissions
Explainer Guide

KEEP IN MIND...

Scope 1, 2 & 3 emissions are similar to - but not the same as - operational and embodied carbon. Scope 1, 2 & 3 emissions relate to an **organisation's** emissions, whilst operational and embodied carbon refer to a **building's** emissions. Operational and embodied carbon can therefore contribute to an organisation's Scope 1, 2 & 3 emisssions.

This Explainer Guide covers key principles of Scope 1, 2 & 3 emissions in the built environment

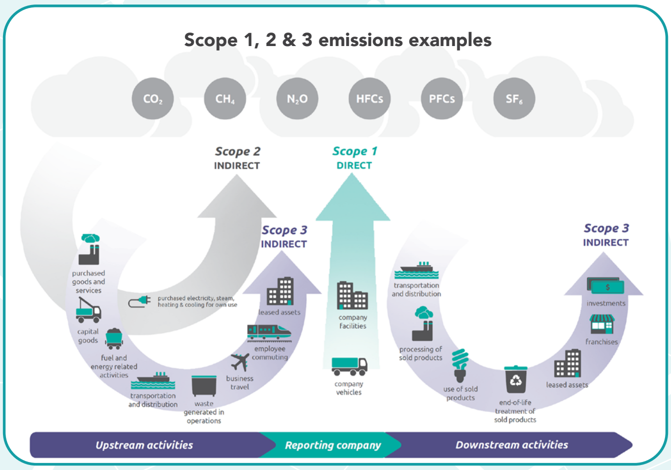
WHAT ARE SCOPE 1, 2 & 3 EMISSIONS?

The greenhouse gas (GHG) emissions that an organisation emits are categorised into three scopes in terms of reporting and accounting.

Scope 1 emissions relate to greenhouse gas emissions arising from direct use of fossil fuels and industrial activity within a company's control. Examples include emissions from combustion in a company's boilers and equipment.

Scope 2 relates to indirect greenhouse gas emissions arising from purchased electricity outside a company's control. Purchased electricity is electricity that is purchased from another supplier. The emissions here occur at the premises of the company that produced the electricity.

Scope 3 relates to all other greenhouse gas emissions that occur due to its activities, but which it has no direct ownership or control over. This could include the use of sold products, business travel, and extraction and production of purchased materials and fuels.



(Greenhouse Gas Protocol)

WHY ARE THEY IMPORTANT?

Growing scrutiny from investors, insurers and lenders, as well as changing consumer demand are all forcing businesses to address their complete emissions footprint. In order for companies to achieve net zero carbon, it is vital to measure and report on Scope 1, 2 & 3 emissions to understand their full impact on climate change. By doing this, companies are better able to strategically address their emissions hotspots and, subsequently, improve collaboration with their supply chain and customers to reduce emissions.

25% of the UK's emissions are from the built environment sector

~85% of commerical real estate organisations' emissions can be Scope 3 emissions

WHAT IS THE ROLE OF THE BUILT ENVIRONMENT?

A sustainable built environment will need to focus on reducing all scopes of emissions, to ensure a path to net zero carbon.

Organisations are increasingly being asked to report on Scope 1, 2 & 3 emissions. Once a company has a full and accurate picture of its emmisions footprint, it can use this information to prioritise emissions reductions activities with the greatest level of return – in both economic and carbon terms.

In the built environment, Scope 3 emissions can often outweigh Scope 1 & 2 emissions, due to the amount of energy that goes into material production for construction and heating our buildings during operation. For any organisation beginning its Scope 3 journey, UKGBC have a guide that can help in setting out a manageable approach to reporting. The guide is for commercial real estate companies, but the principles can be relevant and helpful for any organisation. The guide includes an overview of the main steps that should be undertaken, a 'screening table' of emissions hotspots for developers and investors, and links to where existing data can be drawn from to ease the reporting process.

The Race to Zero is a UN-backed global campaign ralling non-state actors to take rigorous and immediate action to halve global emissions by 2030 and reach (net) zero by 2050 at the very latest. In order to sign up to the campaign, organisational targets must cover all greenhouse gas emissions, including Scopes 1, 2 and 3 for businesses and other organisations.

FURTHER RESOURCES

- UKGBC: Guide to Scope 3 Reporting in Commercial Real Estate
- UKGBC: Advancing Net Zero
- Race to Zero
- The Greenhouse Gas Protocol