Climate Springboard

WORKSHOP 2

Scopes

An overview of the Greenhouse Gas Protocol (GHG Protocol) and all potential emission sources for a company carbon footprint.

August 2026

In this document, we outline all the emission sources listed by the GHG Protocol that you could include within your carbon footprint.

Not all emission sources listed will be relevant to every business. Some companies will choose to exclude certain emission sources from their footprint.

Deciding what to include or exclude from a carbon footprint is called boundary setting.

Glossary

Carbon emissions/emissions
In this context, we are referring specifically to carbon emissions and other greenhouse gases (GHGs) such as methane and nitrous oxide which trap heat in the earth's atmosphere.

Carbon footprint
A carbon footprint refers to the amount of GHG emissions generated by an company, product or person. In this document we will focus on a company carbon footprint.

Emissions source
A process or entity responsible for discharging GHGs into the environment.

GHG(s)
Greenhouse Gas(es)

The Greenhouse Gas Protocol

The Greenhouse Gas Protocol is the world's most widely used set of emissions accounting standards, that can help organisations create an accurate and useful carbon footprint.

It categorises emission sources into ‘scopes’ based on the level of ‘control’ an organisation has over the source. Businesses are then provided with a better understanding of their specific reduction opportunities.

This document refers to the Corporate Standard of the Greenhouse Gas Protocol. You can access the full reports here.

The Greenhouse Gas Protocol states that **a company must include Scope 1 and Scope 2** within their carbon footprint.

SCOPE 1

Direct emissions from assets owned or controlled by the organisation.

SCOPE 2

Indirect emissions associated with the consumption of purchased electricity, heat or cooling.

SCOPE 3

All other indirect emissions that occur because of activities undertaken by an organisation.

The Greenhouse Gas Protocol states **Scope 3 could be included in a company carbon footprint** where reasonable and relevant.

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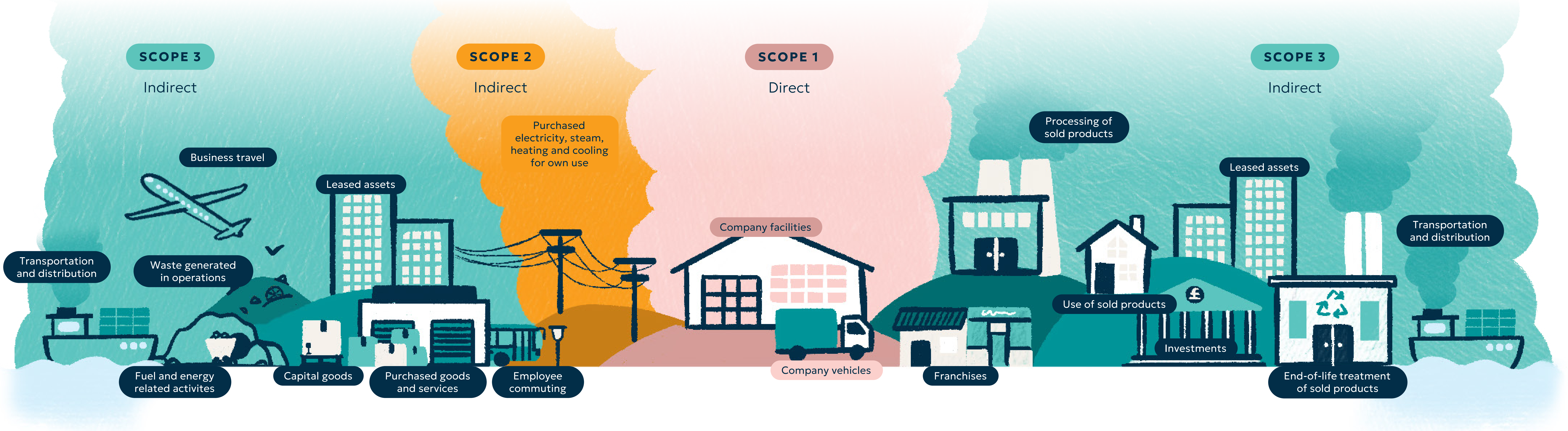
The Greenhouse Gas Protocol

The GHG Protocol distinguishes between each scope based on the relationship to the reporting company.



UPSTREAM EMISSIONS → **REPORTING COMPANY** → DOWNSTREAM EMISSIONS

Upstream emissions are indirect and related to purchased or acquired goods and services.

Downstream emissions are indirect and related to sold goods and services.

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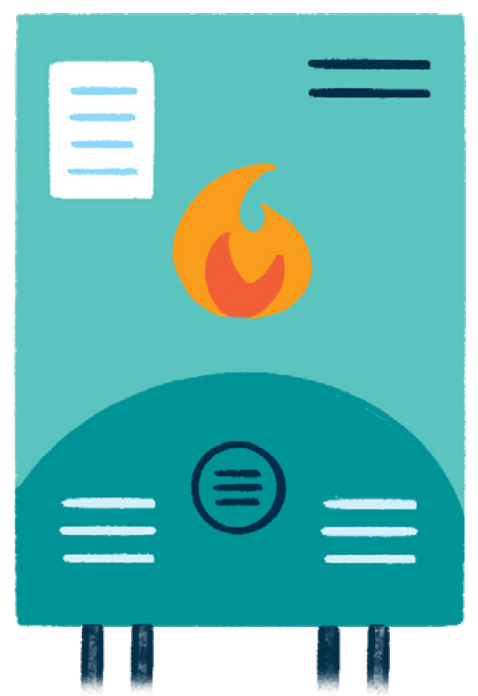
Scope 1

Direct emissions that are owned and controlled by the organisation.

The GHG Protocol states you must include Scope 1 in your footprint.



Combustion of fuels in stationary sources

For on-site generation of heat, steam or electricity.

EXAMPLES

For **most** SMEs, Scope 1 will refer to gas boilers, heating fuel and generators.

Combustion of fuels in company vehicles

Think of this as the fuel you are purchasing for vehicles that you own.

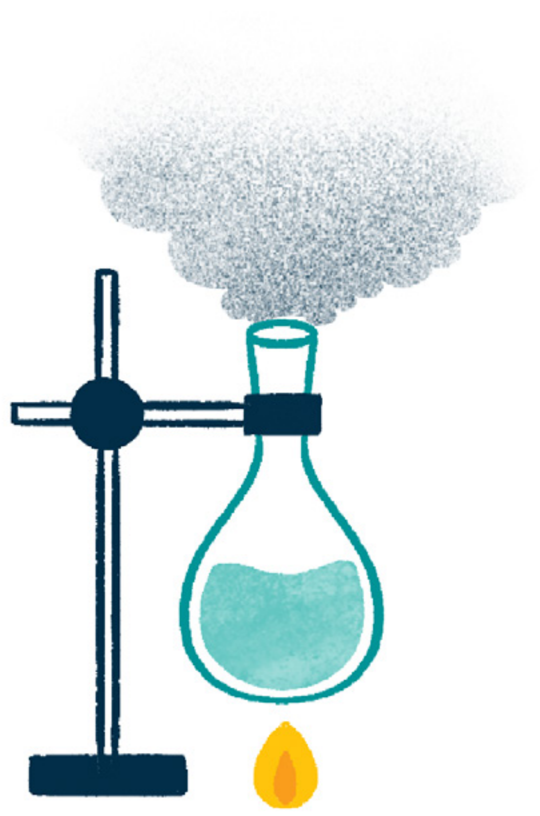
EXAMPLES

Private cars, vans, forklift trucks.

Scope 1

Direct emissions that are owned and controlled by the organisation.

The GHG Protocol states you must include Scope 1 in your footprint.



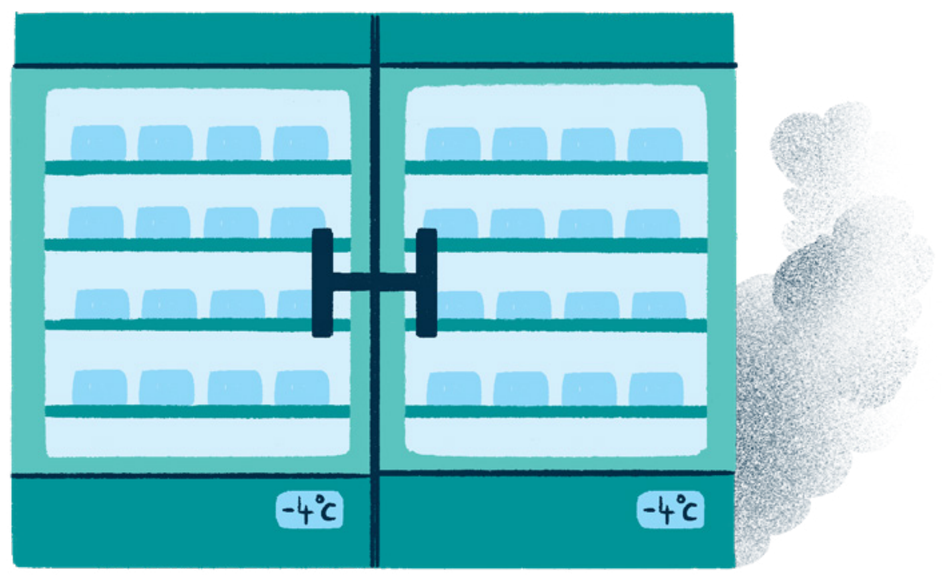
Physical or chemical processing

The manufacture or processing of chemicals and materials.

EXAMPLES

Cement, aluminium, and waste processing. Not typically found in the SME sector but there are exceptions, especially around waste processing.

Not relevant for many SMEs



Fugitive emissions

Only relevant if you regularly top up refrigerant gas to industrial fridges or air conditioning units.

If you get the units serviced, it will state on the service record how much was topped up. Fugitive emission disclosure is unlikely to be relevant for companies with domestic fridges.

EXAMPLES

Refrigeration, Air conditioning, Laboratories, Fire suppressants.

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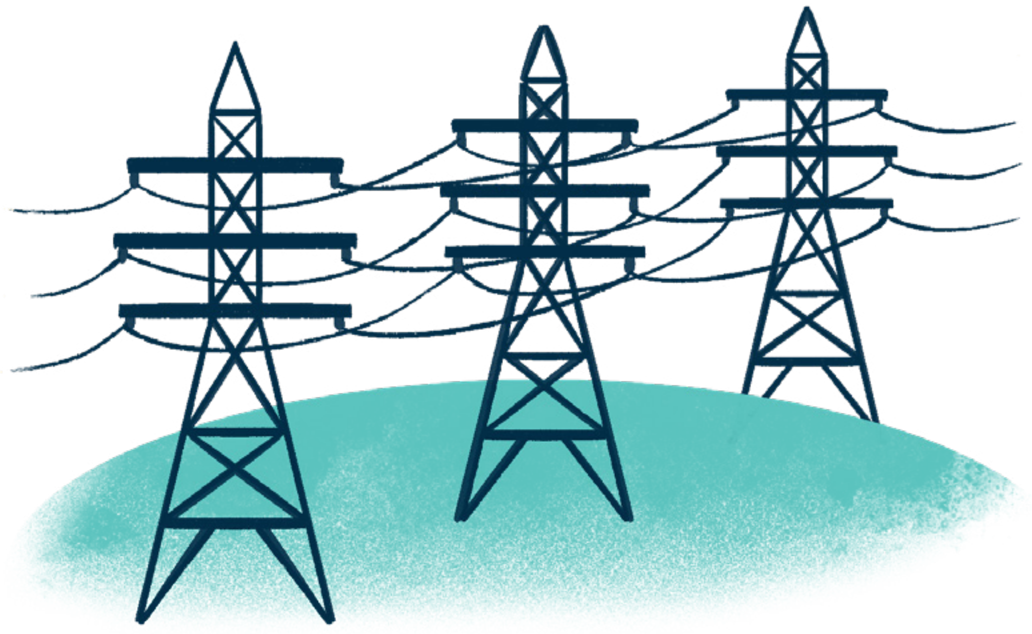
Scope 2

Indirect emissions associated with the consumption of purchased electricity, heat or cooling.

The GHG Protocol states you must include Scope 2 in your footprint.



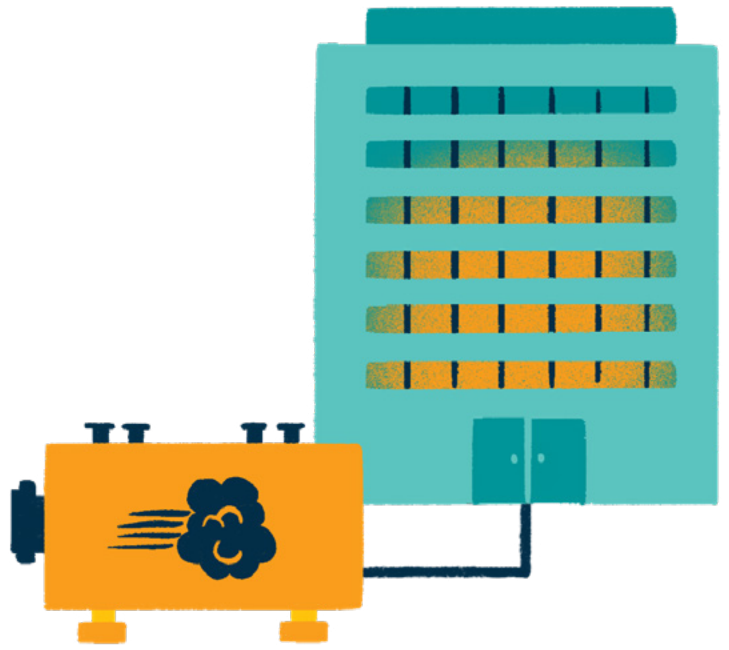
Generation of purchased grid electricity

Emissions resulting from the generation of electricity by another organisation.

EXAMPLES

Electricity purchased from the national grid.

This is most relevant for SMEs



Generation of purchased steam/ heat/cooling

Emissions resulting from the generation of steam or heat by another organisation.

Not relevant for many SMEs

District heating/cooling

Emissions resulting from the provision of district heating/cooling by another organisation.

EXAMPLES

E.g. if your business was connected to a heat network. Unlikely to be relevant for most businesses at present time.

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Scope 3

All other indirect emissions that occur because of activities undertaken by an organisation.

You can choose to report Scope 3 emissions depending on:

- the requirements of who you are reporting to
- the data available
- your ability to influence the emissions.

The following emission sources are useful places to start for many SMEs. Data collection can be relatively straightforward and by reducing these emission sources there are several cost saving and carbon saving opportunities available.

Business travel

Focus on the most carbon intensive modes of transport. E.g. air travel and privately owned vehicles. If staff are taking steps to use public transport, we are not too concerned.

EXAMPLES

Private vehicles (employee owned and taxis), air travel (domestic and international).

Purchased goods and services

Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year.

EXAMPLES

Raw materials, packaging, food, cleaning supplies, furniture, insurance, HR, internet, etc.

Focus on 3 to 5 categories first. E.g. what do you spend the most on per year?

Waste generated in operations

Disposal and treatment of waste generated by the organisation’s operations. Cost-saving opportunities can be enhanced when combined with monitoring purchased goods.

EXAMPLES

Commercial and industrial waste, separated and mixed recycling.

WORKSHOP 2

Scope 3

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Capital goods

A key point to consider when making decisions can be: 'will this purchase feed into my Scope 1 and 2 emissions in years to come?' E.g. a less energy efficient printer will use more electricity over its lifetime.

EXAMPLES

Durable goods used in production of goods or services: fleet vehicles, renewable energy equipment, buildings etc.

Employee commuting

Transportation of employees between home and workplace.

EXAMPLES

Many businesses are interested in how their employees get to work. In terms of carbon emissions we are more concerned about privately owned vehicles. If staff are commuting on public transport or using active travel modes we can be reassured as they are relatively low carbon.

Key point: The control you have over how your employees get to work is relatively minimal and can be very personal to the individual. You may wish to take steps to encourage better practice (e.g. cycle to work schemes), but not report on this within your footprint. However, you can still discuss and share your success stories elsewhere in your strategy.

WORKSHOP 2

Scope 3

All other indirect emissions that occur because of activities undertaken by an organisation.

You can choose to report Scope 3 emissions depending on:

- the requirements of who you are reporting to
- the data available
- your ability to influence the emissions.

Upstream and downstream transportation are similar and often steps to reduce one will also reduce the other (e.g. using a more efficient courier will work for both).

Upstream transportation and distribution

Transportation and distribution services purchased from a third party to bring goods and services to your site.

EXAMPLES

Transport of purchased goods to your business. E.g. apples to your warehouse.

Tip: This is where you can identify the potential for more efficient couriers or routes E.g. less frequent deliveries required.

Downstream transportation and distribution

Transportation and distribution services purchased from a third party to take goods or services from your site to a customer.

EXAMPLES

Transport and distribution of goods and services from the organisation to end consumers. E.g. apple pies to the retailer.

Tip: Depending on the size of your product, this is where alternative modes of transport (cargo bikes, smaller electric vans) may work.

Scope 3

All other indirect emissions that occur because of activities undertaken by an organisation.

You can choose to report Scope 3 emissions depending on:

- the requirements of who you are reporting to
- the data available
- your ability to influence the emissions.

Upstream leased assets

Operation of assets leased by the reporting organisation (where they are the tenant).

The energy efficiency of the building and terms of the lease can be useful to be aware of when leasing a new property. E.g. can you retrofit or improve the property during your lease?

EXAMPLES

Buildings or assets leased by the organisation from a separate company organisation.

Downstream leased assets

The operation of assets that are owned by the organisation (acting as lessor) and leased to other entities.

Think about your influence as a landlord. How is your tenant's energy reported? Can you help them improve the energy efficiency of the property?

EXAMPLES

Includes energy and other emission sources from properties leased out.

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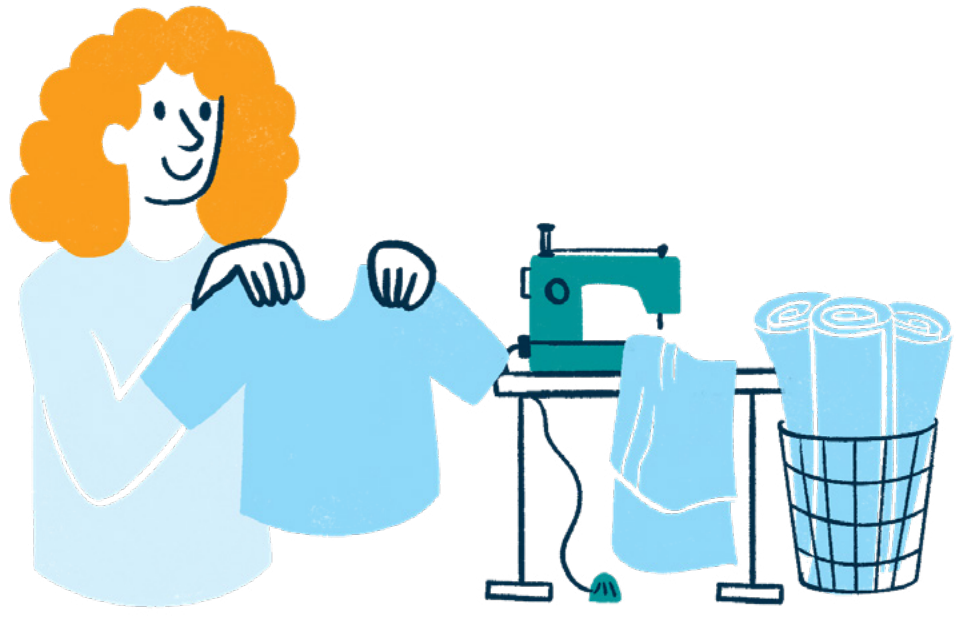
Scope 3

Why would you be concerned about this?

Think about how your product is used or processed. Could the emissions of its use or disposal be reduced by its design? Do you have any influence on this?

If you have impact, it is worth considering this but obtaining the data will likely be tricky. Therefore, focusing on actions without emissions reporting is more straightforward.

E.g. Apple Pie Land realise their products can be re-heated at 160°C rather than 200°C. What's more, the risk of burning reduces and therefore the company simply changes the instructions featured on the pack. They also make the packaging more readily recyclable.



Processing of sold products

Processing of intermediate products sold on to third parties.

EXAMPLES

E.g. sold timber that will be processed further into wood products.

Not relevant for many SMEs

Use of sold products

The energy consumed by goods and services sold by the company in the reporting year.

EXAMPLES

Fuel usage in your landmower or electricity used in firdges during operation.

End-of-life treatment of sold products

Emissions from the waste disposal and treatment of products sold by the organisation.

EXAMPLES

E.g. for a toy this could include the cardboard packing (recycled), the plastic toy (probably landfill) and batteries used (recycled).

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Scope 3

All other indirect emissions that occur because of activities undertaken by an organisation.

You can choose to report Scope 3 emissions depending on:

- the requirements of who you are reporting to
- the data available
- your ability to influence the emissions.

Investments

Emissions resulting from investments.

EXAMPLES

Designed for if you are investing in other entities as an organisation (e.g. acquisitions, institutional investors).

Not relevant for many SMEs

Franchises

Operation of franchises in the reporting year, not included in Scope 1 and Scope 2.

EXAMPLES

Emissions from operation of franchises.

Not relevant for many SMEs

Fuel and energy-related activities

Extraction, production, and transportation of fuels and energy purchased.

EXAMPLES

Transmission and distribution losses from electricity. These are calculated by the government and added to many calculators as well-to-tank factors for purchased fuels and electricity.

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Apple Pie Land Example

Your emission sources

Use the table below to decide what emission sources you want to include. If you don't have the emissions source, write 'not applicable'.

YOUR SCOPE 1	YOUR EMISSION SOURCES	WHAT DATA IS NEEDED?
Combustion of fuels in stationary sources (Heating fuel)		
Fleet		
Physical or chemical processing		
Fugitive emissions		

For example for *Combustion of fuels in stationary sources (Heating fuel)*: the emissions source could be a gas boiler in the office, and the data is the kWh consumed over the year which is on the gas bills.

YOUR SCOPE 2	YOUR EMISSION SOURCES	WHAT DATA IS NEEDED?
Purchased Grid Electricity		
Generation of purchased steam/ heat/cooling		
District heating/cooling		

Your emission sources

› Include only what is 'reasonable and relevant'.

YOUR SCOPE 3	YOUR EMISSION SOURCES	WHAT DATA IS NEEDED?
Waste generated in operations		
Purchased goods and services		
Capital goods		
Employee commuting		
Upstream transportation and distribution		
Downstream transportation and distribution		
Upstream leased assets		

YOUR SCOPE 3	YOUR EMISSION SOURCES	WHAT DATA IS NEEDED?
Downstream leased assets		
Processing of sold products		
Use of sold products		
End-of-life treatment of sold products		
Investments		
Franchise		
Fuel and energy-related activities		

Checklist

For each scope 3 emissions source use the checkline to help you decide if it is 'reasonable' and 'relevant' to you.

→ Has someone requested you include it?

YES NO

→ Do you do a lot of it? E.g. do you regularly fly staff around the world for business trips?

YES NO

→ Is your data readily available?

YES NO

→ Do you have influence over the emission source, and could you reduce it?

YES NO

Get in touch

Get in touch if you have any questions or would like to book in a call to talk more.

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Find out more

More about the Net Zero transition for SMEs.

Access resources