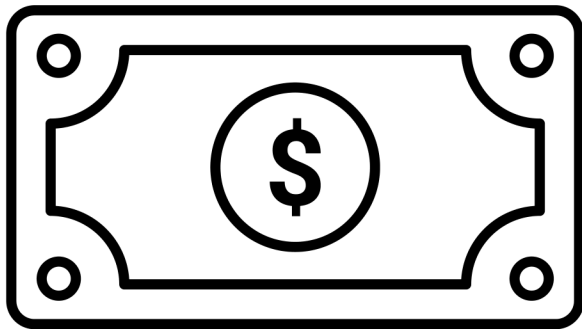




# Calculating Scope 3:

## Spend-Based vs Supplier-Specific

There are multiple ways to calculate Scope 3 emissions, and each has its pros, cons, and unique use cases. Below we explore the differences between the Spend-based and Supplier-Specific calculation methods.



### Spend-Based Calculation Method

Spend-Based takes the cost of a purchased good or service and multiplies it by a corresponding emission factor to estimate GHG emissions.

**Spend-Based Scope 3 Emissions =**  
Cost (Purchased good or service)  
\* Secondary Emission Factor

#### Challenge

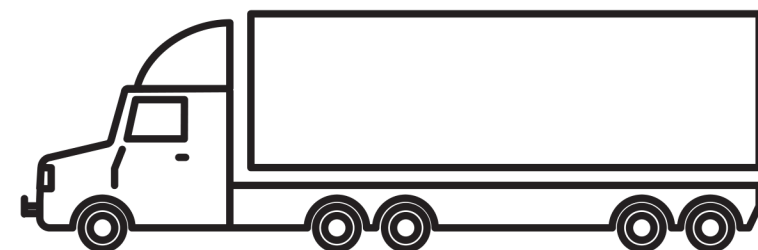
Relies on estimates which may not be reflective of an organization's true carbon footprint or efforts to work with more sustainable partners.

#### Benefit

Easier for an organization to implement because it doesn't require collecting operational data.

According to The GHG Protocol, the Spend-Based calculation may be most relevant for the following Scope 3 categories:

1. Purchased goods and services
2. Capital goods
4. Upstream transportation and distribution
6. Business travel
9. Downstream transportation and distribution



### Supplier-Specific Calculation Method

Calculating emissions using the Supplier-Specific method involves gathering suppliers' activity data, identifying the right emissions factor(s), and converting the activities to CO2e.

**Supplier-Specific Scope 3 Emissions =**  
Supplier Activity  
\* Secondary Emission Factor

#### Challenge

Lack of visibility and control over partners may make it difficult to collect data, especially for companies with more complex value chains. This makes it hard to collect necessary data and reduce value chain emissions.

#### Benefit

Utilizes operational data which provides more accurate calculations of emissions.

The GHG Protocol recommends the Supplier-Specific calculation method be used for Scope 3 categories:

1. Purchased goods and services
2. Capital goods
3. Fuel-and energy-related activities)
5. Waste generated in operations

Ready to tackle Scope 3 Reporting? FigBytes makes it easy to disclose all your emissions and manage your climate data, from one centralized platform. [Contact us today](#) to learn more.