Controlling direct emissions to foster green growth

Since the publication earlier this year of Article 173 of the energy transition law, many companies have decided to include their carbon footprint in their CSR reporting. However, by focusing only on scopes 1 and 2, they increase the risk of neglecting indirect emissions, a significant part of pollutant emissions.

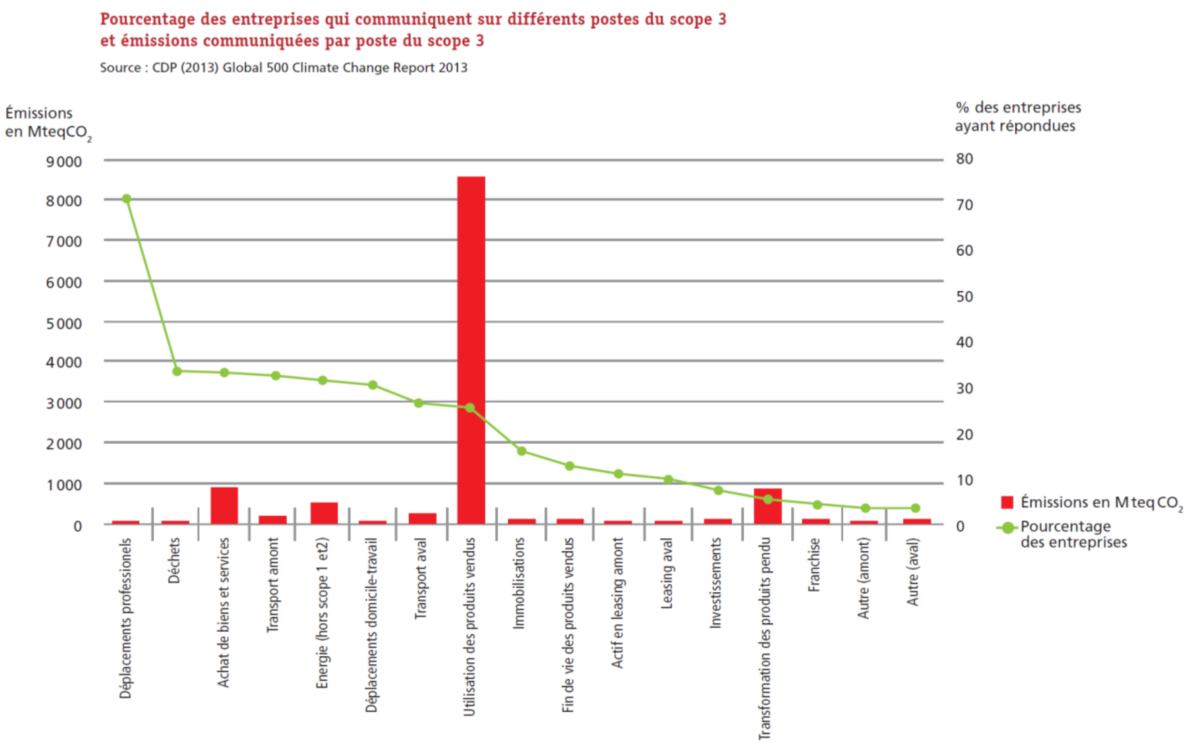
In many fields, the vast majority of greenhouse gases are produced upstream or downstream of the business' own activity. These indirect Scope 3 emissions, can represent up to 3 or 4 times more emissions than the scopes 1 and 2 GHG emissions.

The selective consideration of these "indirect" GHGs by companies gives a misleading view on their carbon reporting. For example, 70% of companies (see chart below) reported emissions from business trips whose weight is insignificant! In fact, companies generally have a carbon reporting which is quite different from the actual content of their scope 3 .

*Scope 1 (required) :
All direct GHG emissions.

*Scope 2 (required) :
All of the indirect emission of energy-related greenhouse gases.

*Scope 3 (optional) :
All the other indirect GHG emissions.



Nevertheless, some companies are gradually adding the measurement of various items of Scope 3, like L'Oréal, which included 11 entries to its Scope 3 reporting. Only 30% of companies analyze the emissions associated to their supply chain: procurement of goods and services as well as upstream and downstream transport. However, this share of GHG is crucial to the eco-responsible performance of the company.

These Scope 3 emissions declarations are still not fully transparent and information is poorly controlled. They generally remain at the company's discretion.

Companies explain themselves arguing that it is difficult to measure GHG emissions on all of the Scope 3 entries. It is true that such upstream-downstream freight transport involves a multitude of small businesses, with a long series of subcontracting. In Europe, the average size of road transport companies is 5 employees, hence a great difficulty to gather the relevant information.
The TK'Blue Agency has created a very intricate and precise ecosystem interconnecting hundreds of thousands companies and takes into account numerous subcontracted transport operations.
It can therefore offer a precise analysis of GHG emissions generated by companies' transport operations, even adding other external nuisances such as particles, accidents, noise or congestion.

The Agency provides services and unique indicators to analyze the operational performance of the transport chain and supply all of the environmental and CSR reporting.

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