

Who owns Scope 3?

Embedding responsibility for supply chain emissions into procurement, risk and operational processes

PRESENTATION

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Presenter



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A leading expert in the field of large-scale global supply chain assessments and input-output analysis with a focus on environmental applications such as carbon accounting and energy policy. He has been instrumental in developing detailed global supply-chain databases and Fair Supply's underlying mathematical framework.

Australian Sustainability Reporting Standards

Under the **Metrics and Targets** pillar, entities must disclose their Scope 1, 2 and 3 emissions in line with the AASB S2.

What's required:

- **First year of reporting, and annually thereafter:** Scope 1 and 2 emissions
- **Second year of reporting, and annually thereafter:** Scope 3 emissions

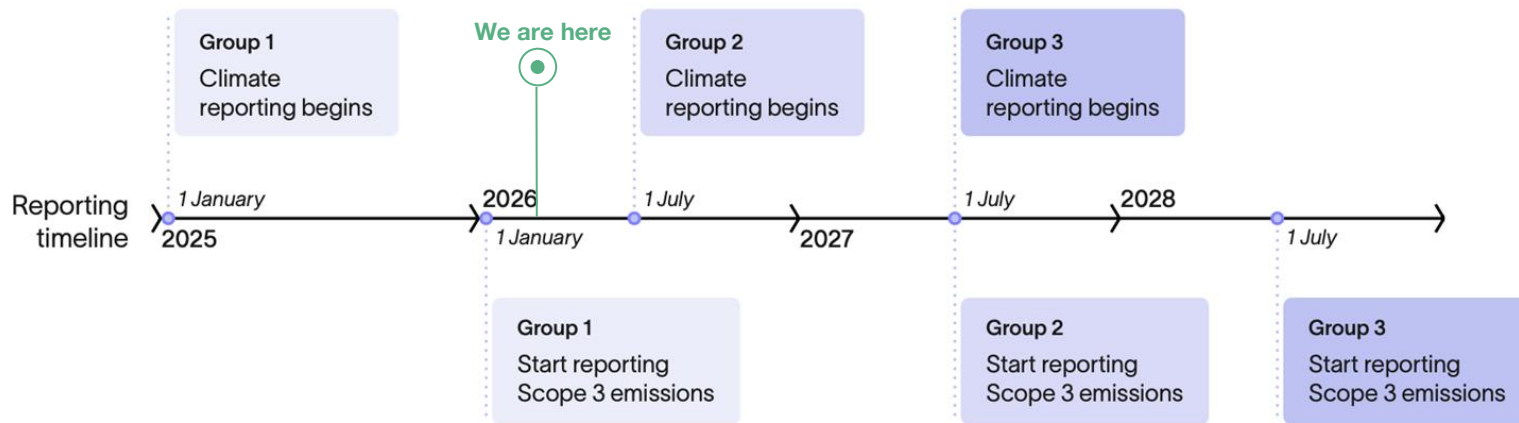


Fig 1.6. Reporting timeline by group, showing Scope 3 reporting requirements beginning in the second reporting year for each group.

What are Scope 3 Emissions?

Scope 3 emissions are all other indirect emissions that occur across an entity's value chain, both upstream and downstream.

- **Upstream activities:** Those that occur in the production and supply of **inputs** to the company; that is, the goods and services that a company purchases.
- **Downstream activities:** Those that occur from distributing, using, and disposing of the company's **outputs**; the goods and services that a company sells.

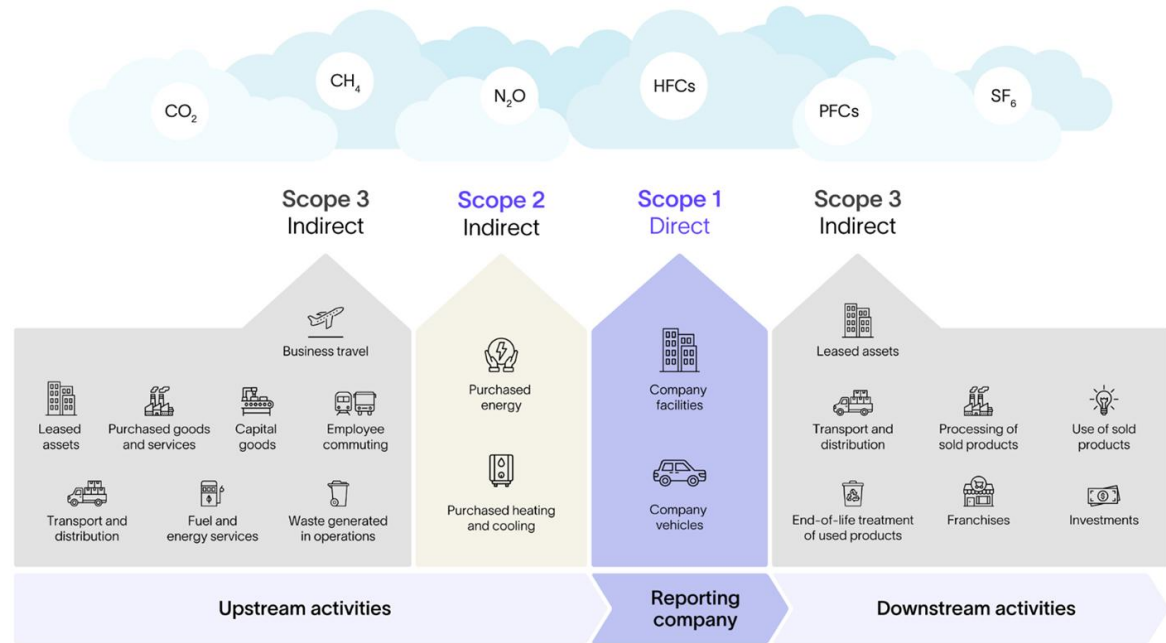


Fig 1.1: Overview of GHG Protocol scopes and emissions across the value chain (adapted from Scope 3 Standard, Figure [1.1]).

The magnitude of Scope 3 Emissions

Scope 3 emissions represent a large share of corporate GHG emissions, and in many cases, **can form the majority of an organisation's total footprint.**

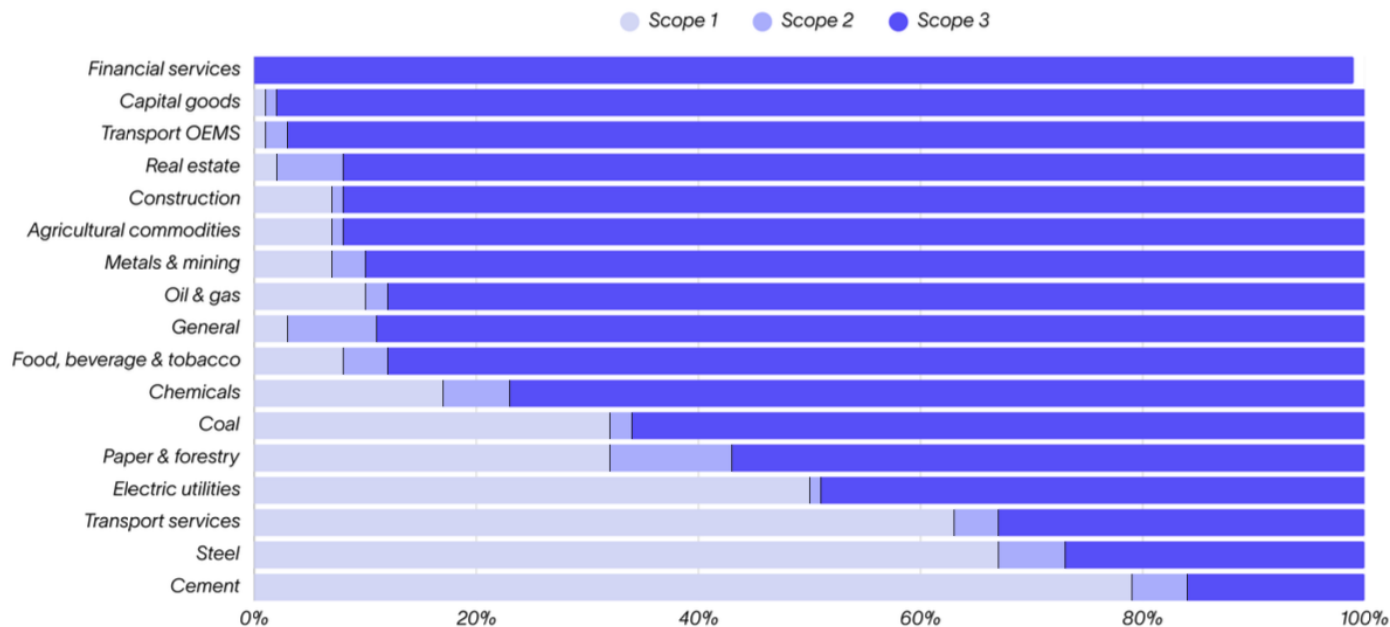
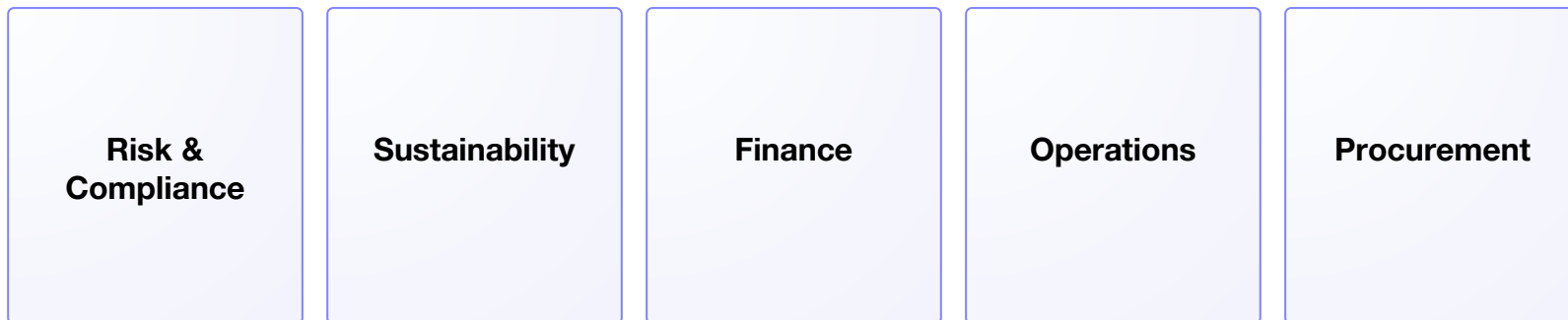


Fig 1.3: Share of Scope 1, 2, and 3 emissions across sectors, highlighting the dominance of Scope 3 in most industries (adapted from CDP Supply Chain Report, 2019)

So, who owns Scope 3?

Who is responsible for:

- Data collection?
- Supplier engagement and performance monitoring?
- Data reporting?
- Target setting?
- Preparation for auditing and assurance?




(Spoiler alert: It's all of the above, in different ways)

Examples of data to collect for Scope 3 Reporting

The data sources shown here are illustrative as possible sources of data.

Each organisation will need to assess what's available for their categories and what's feasible to collect.




Category 1: Purchased goods and services

Examples data sources:
Procurement records,
supplier SAQs, invoices,
purchase orders




Category 2: Capital goods

Example data sources:
Supplier cradle-to-gate
lifecycle data or
Environmental Product
Declarations




Category 4: Upstream Transport and distribution

Example data sources:
Logistics invoices, freight
partner portal, route tracking
systems



Category 7: Employee commuting

Example data sources:
Employee commute
surveys, HR location data,
travel card records, or staff
transport benefits systems



Category 5: Waste generated in operations

Example data sources:
Waste contractor reports,
disposal site tickets,
volume/tonnage logs



Category 14: Franchises

Example data sources:
Utility bills, sub-meter data,
franchisee energy reports

Scope 3 Emissions: The Data Challenge

Scope 3 Emissions Inventory building can be significantly challenging for several reasons:



Fragmented data ownership

Data sits across procurement, finance, sustainability and operations.



Data volume

Large supplier bases and multi-tier value chains generate huge volumes of data



Spreadsheet dependency

Manual consolidation, version control risks and limited audit trail.



Institutional knowledge risk

Knowledge often held by a small number of individuals.



Data Quality vs resources

Balancing data rigour and limited internal resources.



Unclear role definition

Who measures, who validates, and who influences suppliers?

An aerial photograph of a large port facility during sunset. A massive container ship is docked on the left, its deck and hold filled with colorful shipping containers. To the right, a vast yard is densely packed with stacks of containers, with several yellow gantry cranes positioned throughout. In the background, a city skyline is visible across a body of water. The sky is filled with dramatic, orange and grey clouds.

Scope 3 is a governance issue.

Why manual and fragmented Scope 3 processes fail under scrutiny

Challenges

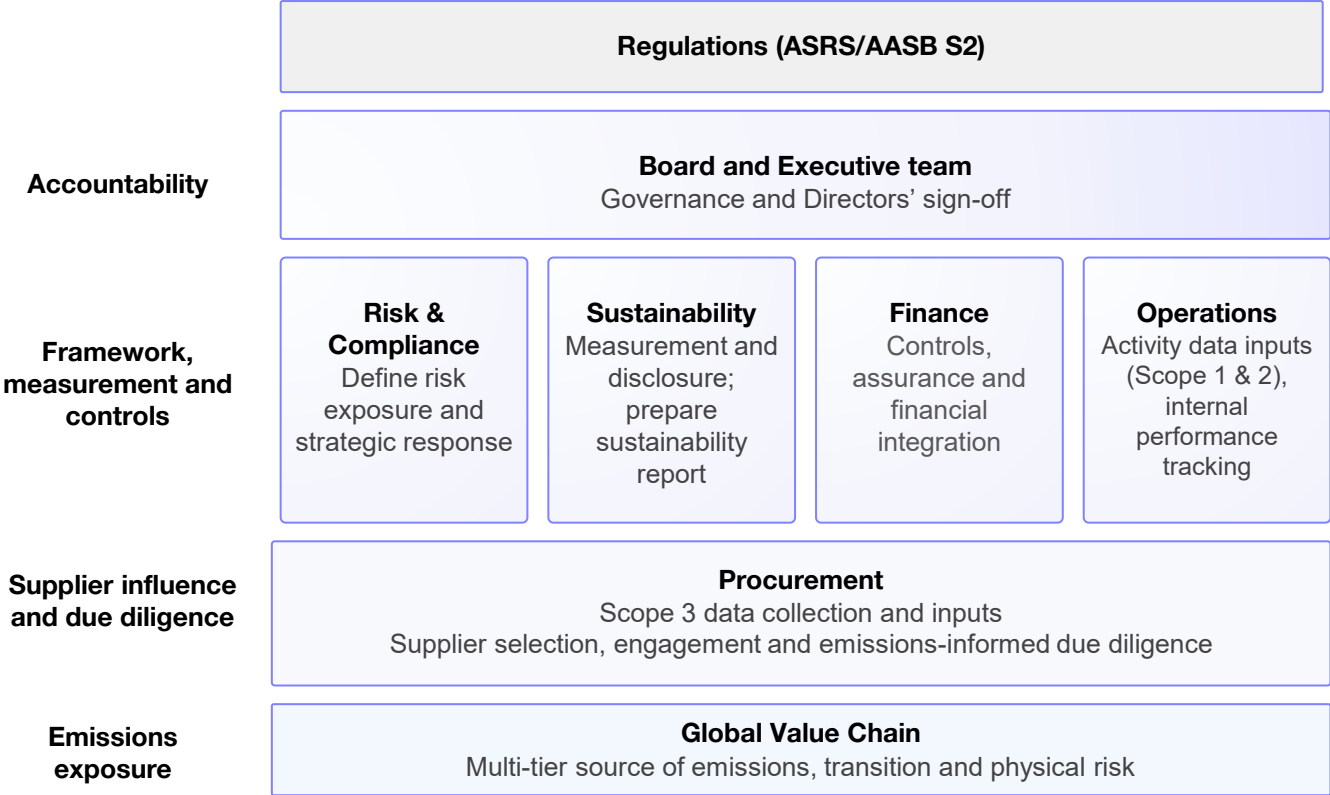
- ❌ Spreadsheet-based inventories
- ❌ Undefined or undocumented data sources and methodologies
- ❌ Unclear data ownership
- ❌ Ad hoc, annual scramble

Governance requirements

- ✅ Clear audit trail, immutable snapshots and version control
- ✅ Documented sources, methodology and data justification
- ✅ Clear data ownership
- ✅ Repeatable, scalable process and continuous data monitoring

Data governance gap

Scope 3 governance is an organisation-wide system



Scope 3 data governance must operate as a connected system across the organisation.

Why screening Scope 3 emissions is so important

Scope 3 emissions typically follow a **Pareto distribution**. Meaning a small number of categories drive the majority of impact.

Screening allows organisations to **focus effort on the highest-impact areas** first, rather than distributing resources evenly across the entire supplier base.

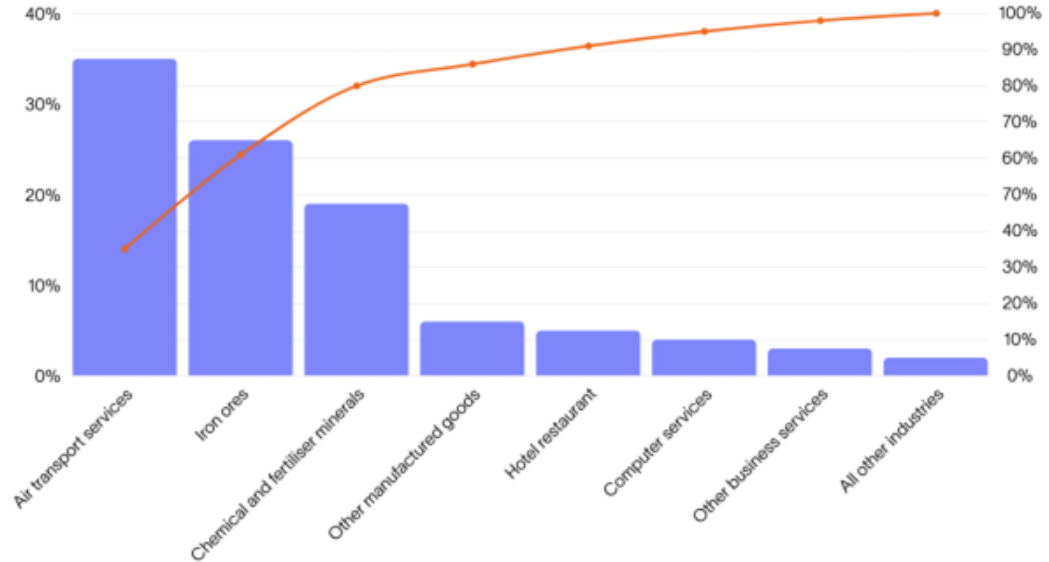
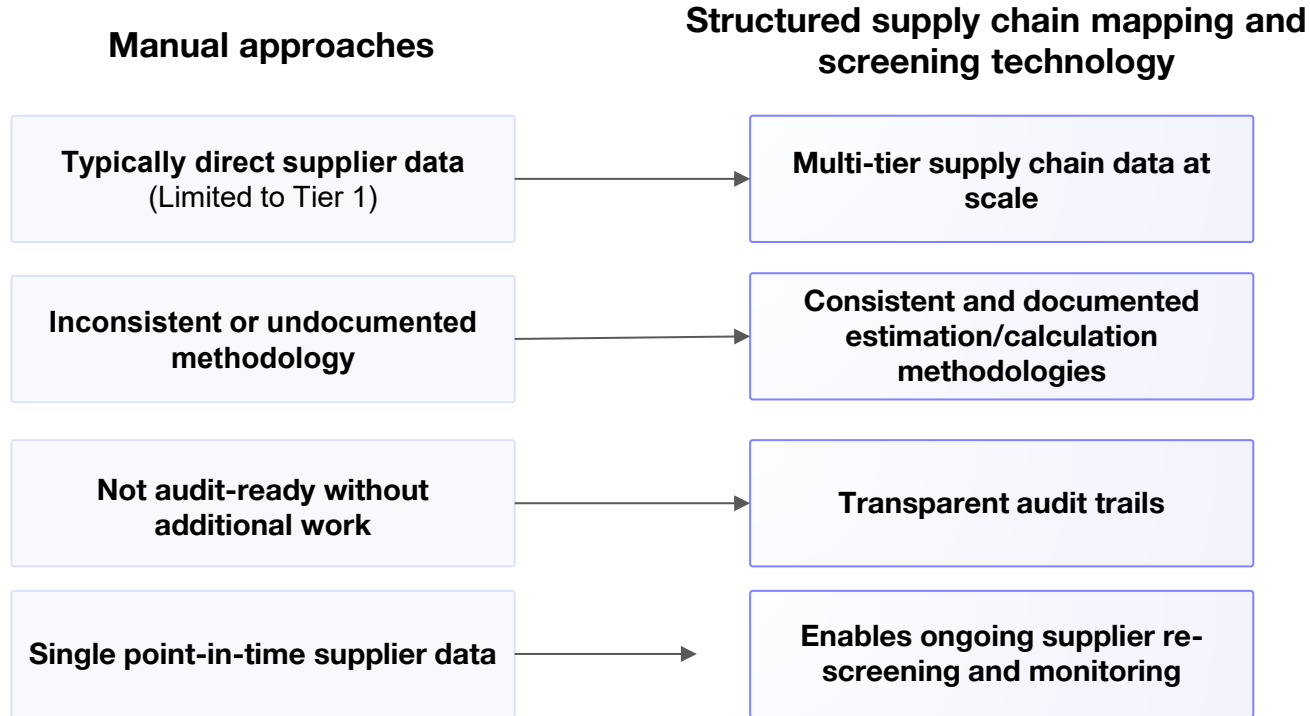


Fig 1.7. A Pareto chart showing how a handful of suppliers or categories dominate total Scope 3 emissions.

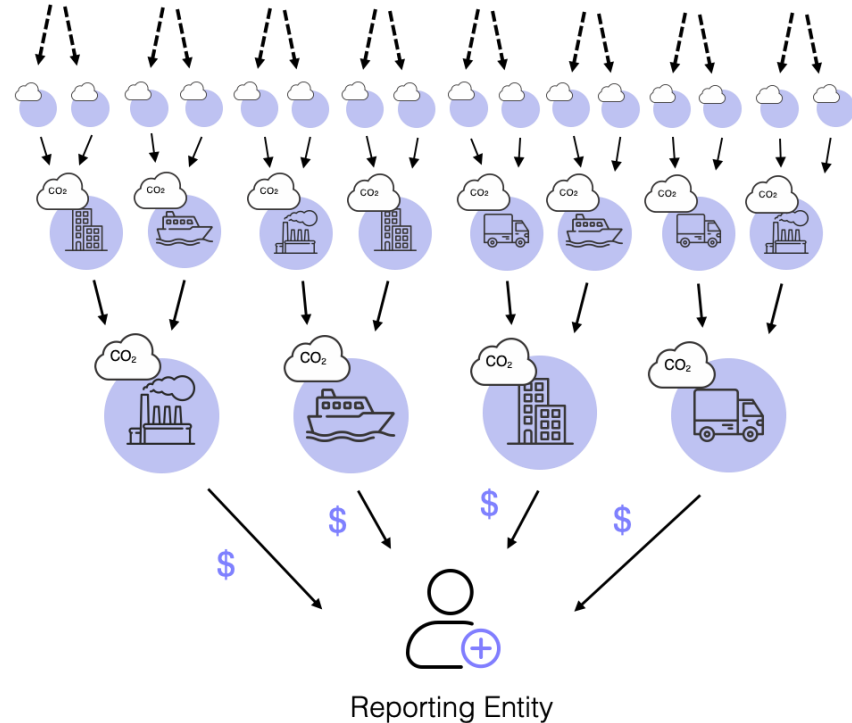
Technology as an enabler for scalable Scope 3 governance



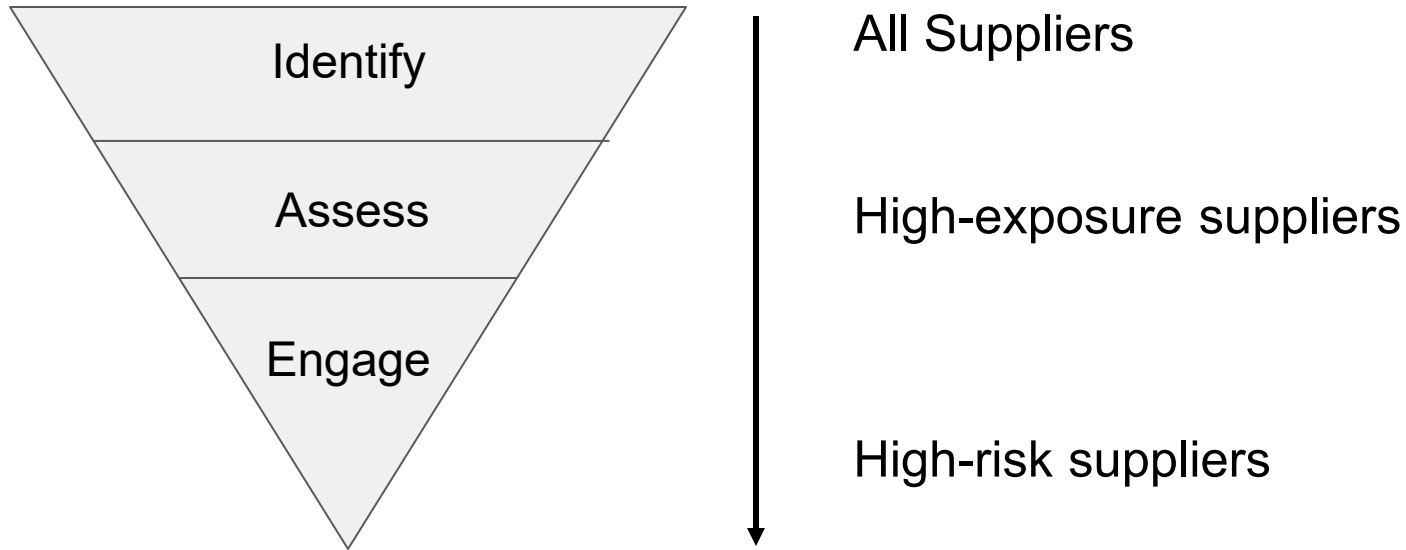
Screening as a practical response to the Scope 3 data challenge

Identify where to focus using high-level estimation methods.

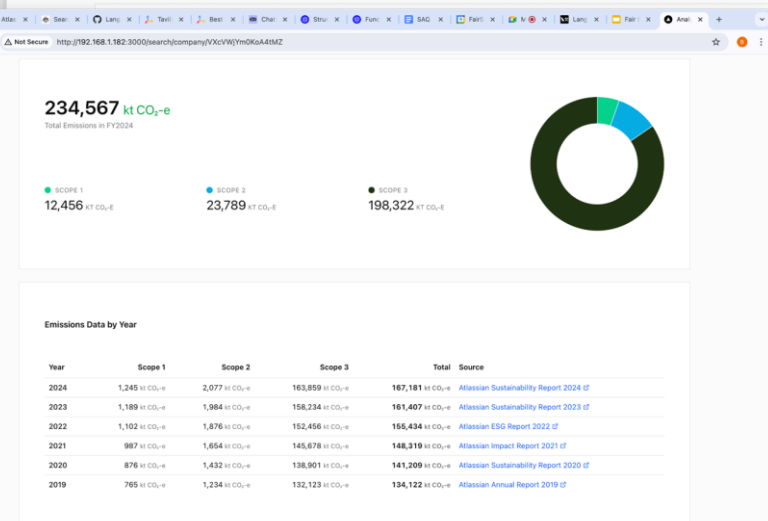
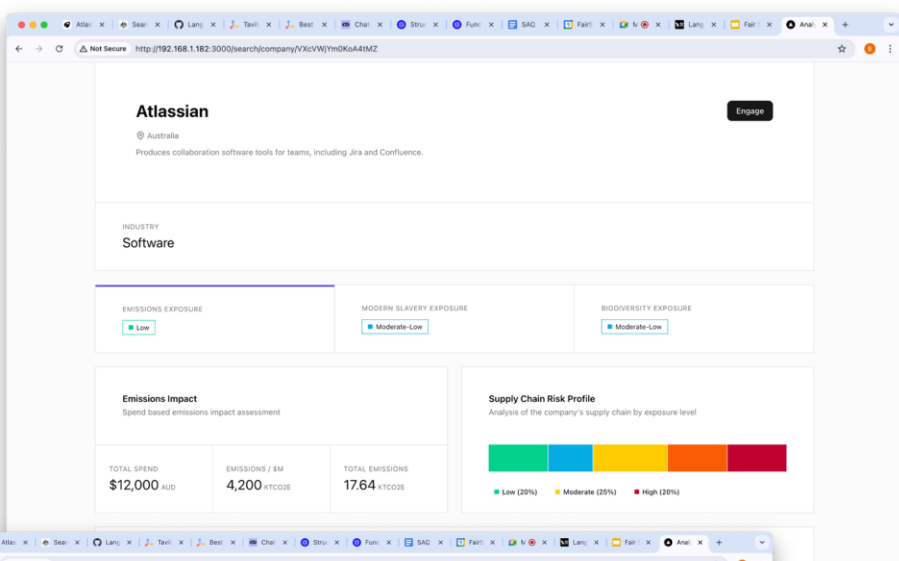
- **Cross-functional data alignment:**
Leverages existing finance and procurement data
- **Prioritisation of effort:** Strategically target resources before deep data collection
- **Scalable inventory building:** Structured, staged inventory development to align with reporting maturity
- **Governance alignment** with consistent methodology supports audit-readiness



Assess all suppliers but focus only on the ones that matter



Early identification & assessment means you can take action only on the highest risk suppliers for data collection and assurance, and for future decarbonisation work.



How Fair Supply supports end-to-end emissions reporting and unified due diligence



Integrate emissions measurement and due diligence directly into the supplier lifecycle. Eliminate data gaps and reduce the heavy lifting needed at reporting time.

- Build a compliance-ready Scope 1 and 2 dataset
- Automate Scope 3 screening and classification
- Accelerate your decarbonisation strategy with supplier data visibility and engagement.

Scan to book a short session to learn how to strengthen your emissions reporting and due diligence processes. →



Supply Chain visibility is the starting point.

Supply chain mapping can enable better decisions, stronger governance and proactive due diligence when it comes to managing Scope 3 exposure and impact.

Read Green Review interview by scanning the code to the right or by visiting:





<https://greenreview.com.au/mag/FEBRUARY2026.html>



PANEL DISCUSSION, THURSDAY, 4.50PM, NORTHCOTT ROOM

The road ahead: what reporting will look like beyond 2026

- How are leading organisations preparing for the next phase of mandatory and voluntary reporting?
- Which shifts in priorities will most influence compliance, investor confidence, and market credibility?
- What practical actions will future-proof reporting strategies beyond 2026?

Moderator	Speakers
 <p>Rebecca Gunn Senior Manager, Sustainability AIA Australia</p>	 <p>David Beard Sustainability Reporting & Communications Manager Essential Energy</p>
	 <p>Aida Golneshin Innovation and Sustainability Advisor Edlyn Foods</p>
	 <p>Arne Geschke Chief Data Officer Fair Supply</p>

Let's stay in touch!

1. Come have a chat at the **Fair Supply Booth** in the Remington Room
2. Connect with me on LinkedIn (scan QR code) or via email:
arne@fairsupply.com



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Data & Supply Chain Risk Expert | Advancing Res...

