

# AUSTRALIAN SUSTAINABILITY REPORTING STANDARD

## **SCOPE 3 EMISSIONS PRIORITISATION GUIDELINES**

For assistance or questions about this resource, please contact:

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These guidelines are meant to be used as a starting point, not a substitute for legal advice and should be used alongside professional judgment and consultation of the full AASB S2 standard.

## **CRITERIA FOR IDENTIFYING RELEVANT SCOPE 3 ACTIVITIES**

CRITERIA	DESCRIPTION OF ACTIVITIES									
SIZE	They contribute significantly to the company's total anticipated scope 3 emissions									
INFLUENCE	There are potential emissions reductions that could be undertaken or influenced by the company									
RISK	They contribute to the company's risk exposure (e.g., climate change related risks such as financial, regulatory, supply chain, product and technology, compliance/litigation, and reputational risks)									
STAKEHOLDERS	They are deemed critical by key stakeholders (e.g., customers, suppliers, investors or civil society)									
OUTSOURCING	They are outsourced activities previously performed in-house, or activities outsourced by the reporting comp that are typically performed in-house by other companies in the reporting company's sector									
SECTOR GUIDANCE	They have been identified as significant by sector-specific guidance									
SPENDING OR REVENUE ANALYSIS	They are areas that require a high level of spending or generate a high level of revenue (and are sometimes correlated with high GHG emissions)									
OTHER	They meet any additional criteria developed by the company or industry sector									

### **SCOPE 3 CATEGORIES & EXAMPLES**

#### **SCOPE 3 UPSTREAM**

	CATEGORY	EXAMPLES
1	Purchased goods & services	Cotton, metals, other materials
2	Capital goods	Machinery, buildings, facilities, and vehicles.
3	Fuel- and energy related Activities (not included in Scope 1 & 2)	Purchased fuels, electricity, T&D losses (including extraction, production & transportation of energy)
4	Upstream transportation and distribution	Activities throughout value chain including air, road, rail, marine and storage
5	Waste generated in operations	Disposal (landfill), recovery, incineration, composting, waste treatment
6	Business travel	Air, rail, bus
7	Employee commuting	Air, rail, bus
8	Upstream	Leased buildings factories

<sup>8</sup> leased assets

Leased buildings, factories

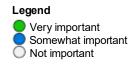
#### SCOPE 3 DOWNSTREAM

	CATEGORY	EXAMPLES					
9	Downstream transportation and distribution	Activities throughout value chain including air, road, rail, marine and warehousing					
10	Processing of sold products	Energy consumed to process product (e.g. cooking)					
11	Use of sold products	Products that consume energy, fuels and feedstocks, products that emit GHGs during use					
12	End-of-life treatment of sold products	Disposal (landfill), recovery, incineration, composting, waste treatment					
13	Downstream leased assets	Leased buildings, factories					
14	Franchises	Franchise outlets, stores					
15	Investments Designed for financial institutions	Equity investments, debt investments, project finance, managed investments and client services					

### **SCOPE 3 CATEGORIES & RELATIVE IMPORTANCE**

This table lists the top 15 industries in Australia and a qualitative assessment of importance of each Scope 3 category assessed according to ASX-listed corporate sustainability reports.

CATEGORY	Mining	Financial services & banking	Healthcare and social assistance	Construction	Manufacturing	Professional, scientific, and technical services	Education & training	Retail trade	Public administration and safety	Transport, postal, and ware housing	Wholesale trade	In formation media and telecommunications	Administrative and support services	Agriculture, forestry, and fishing	Accommodation and food services
1. Purchased goods & services	۲	•	٠	٠	٠	•	•	۲	۲	٠	۲	۲	٠	٠	•
2. Capital goods	٠	٠	٠	٠	۲	٠	٠	•	۲	۲	٠	۲	٠	٠	•
3. Fuel- and energy related activities	۲	٠	٠	٠	۲	٠	•	•	۲	۲	٠	۲	٠	٠	٠
4. Upstream transportation and distribution	٠	0	٠	٠	۲	0	0	٠	۲	۲	٠	٠	0	٠	•
5. Waste generated in operations	٠	٠	٠	٠	۲	٠	•	•	۲	٠	٠	٠	•	٠	•
6. Business travel	•	٠	٠	٠	•	٠	٠	•	۲	٠	٠	۲	٠	٠	•
7. Employee commuting	•	٠	٠	٠	•	٠	٠	•	۲	۲	٠	۲	٠	٠	•
8. Upstream leased assets	٠	٠	٠	٠	•	٠	•	•	۲	۲	٠	٠	٠	٠	•
9. Downstream transportation and distribution	٠	0	٠	٠	٠	0	0	٠	0	٠	٠	•	0	٠	•
10. Processing of sold products	٠	0	0	٠	٠	0	0	•	0	0	٠	0	0	٠	•
11. Use of sold products	٠	0	٠	٠	٠	0	0	٠	0	•	٠	٠	0	٠	•
12. End-of-life treatment of sold products	•	0	٠	٠	٠	0	0	٠	0	•	٠	٠	0	•	•
13. Downstream leased assets	•	٠	٠	٠	٠	•	•	•	٠	•	٠	•	٠	0	•
14. Franchises	0	٠	٠	0	٠	0	0	٠	0	•	٠	٠	0	0	•
15. Investments	•	٠	٠	٠	٠	•	•	•	٠	•	•	•	•	٠	•



Note: This matrix is based on analysis of ASX-listed company sustainability reports and general industry emission patterns in Australia. Actual relevance may vary by specific company operations and size.