

# Allocate Emissions

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CDP Supply Chain



## Allocate your emissions

Allocating GHG emissions to your customers provides them clarity on the **emissions associated with goods and products** sold to them over the reporting period.

It will help the member to:

- Better model supply chains emissions
- Evaluate your contribution to progress towards targets
- Identify and prioritize opportunities for collaboration

Your responses to Supply Chain questions are visible only to your customer regardless of whether you elect to make your CDP response private or public

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Data points to be considered when allocating GHG emissions:

- Scope of emissions (e.g. Scope 1 / Scope 2/ Scope 3)
- Allocation level (e.g. facility/ business unit/ company wide)
- Emissions in metric tons of CO<sub>2</sub>e
- Allocation method (e.g. allocation based on revenue/ market value or quantity of goods/ other physical factors)
- Unit for market value or quantity of goods/services supplied
- Verification

Resources:

[Chapter 8 of the GHG Protocol Scope 3 Accounting Standard](#)



# Allocation of emissions Example



## Formula for allocating emissions to your customer based on revenue

$$\begin{array}{l} \text{Total GHG} \\ \text{Emissions for} \\ \text{Scope 1 or Scope 2} \end{array} \times \frac{\text{Revenue of products/services purchased by the member}}{\text{Total revenue of products/services produced}} = \text{Allocated GHG emissions}$$

## Working example of allocating emissions to your customer based on revenue

$$\begin{array}{l} 100,000 \text{ tons of CO}_2\text{e} \\ \text{(Company-wide Scope 1} \\ \text{GHG emissions)} \end{array} \times \frac{\begin{array}{l} \text{US\$500,000 revenue from your} \\ \text{customer} \end{array}}{\text{US\$200,000,000 total revenue}} = \begin{array}{l} 250 \text{ metric tons of CO}_2\text{e} \\ \text{allocated the member} \end{array}$$

