



# MATERIALITY CHECKLIST



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This checklist will help you to identify any material Scope 3 emissions in your business. If you identify any Scope 3 emissions that you believe to be material to your total emissions and they're possible to measure, you should include them in your baseline and as part of your reduction target.

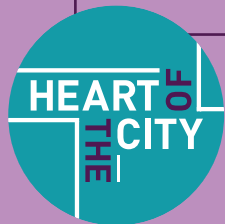
Scope 3 emissions beyond our suggested minimum of employee commuting, business travel including accommodation, employees working from home, water usage, waste and purchased goods and services (measured by monetary value) can be extremely difficult to measure and we don't cover that in this course, but you can use our [list of useful organisations](#) to find help with calculating these emissions.

Work through each category, reading through the descriptions to determine what's material to your business.



*Every business can be a force for good*  
*Updated in October 2021*

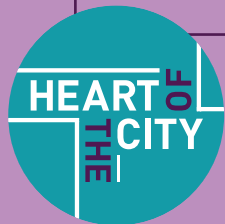
Category	Description (from the Greenhouse Gas Protocol)	What this looks like for your business	Potentially more than 40% of total emissions? (Y/N)	Clear opportunity for energy efficiency? (Y/N)	Potential future resource or energy risk in supply chain? (Y/N)	Opportunity to engage with key suppliers and employees? (Y/N)
Purchased goods and services	Extraction, production and transportation of goods and services purchased or acquired	Do you purchase goods that are then resold? For example, raw materials that are processed to make a product. This includes your water utility.				
Capital goods	Extraction, production and transportation of capital goods (goods that are used in producing other goods) purchased or acquired	Do you purchase goods to make products and transport them? Ovens in a bakery, for example				



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Fuel and energy related services (not included in Scopes 1 or 2)	Extraction, production and transportation of fuels and energy purchased or acquired	Do you have any additional fuel or energy related activities that you haven't covered in your Scopes 1 and 2 reporting? This includes employees working from home.				
Upstream transportation and distribution	Transportation and distribution of products purchased by the business between tier 1 suppliers and your own operations	If you purchase goods which are then transported to your premises, can you account for them?				



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	(in vehicles and facilities not owned or controlled by you)					
Waste generated in operations	Disposal and treatment of waste generated in your operations (in facilities not owned or controlled by you)	Do you produce waste in your workplace? Any waste sent to landfill, to be recycled etc. is included.  If goods are manufactured by third parties, can you account for the waste they produce on your behalf?				



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Business travel	Employees travelling for business-related activities (in vehicles not owned or operated by you)	Business travel in employee owned cars, taxis, trains, planes and so on, and accommodation used during business travel				
Employee commuting	Employees travelling between their homes and workplaces (in vehicles not owned or operated by you)	Cars, tubes, trains, buses, taxis etc.				



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Upstream leased assets	Operation of assets leased by you not included in Scopes 1 or 2 - reported by lessee	Only applicable if you operate leased assets such as buildings				
Downstream transportation and distribution	Transportation and distribution of products sold by you between your operations and the end consumer (if not paid for by you), including retail and storage (in vehicles and facilities not owned by you)	Do you sell products online that are delivered by a distribution partner such as DPD or Yodel?				



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Processing of sold products	Processing of intermediate products sold by downstream companies (e.g. manufacturers)	Are your products or parts of products processed by a manufacturer?				
Use of sold products	End of use goods and services used by you	Do the goods you produce use energy (such as electrical items, gas stoves and boilers)?				
End-of-life treatment of sold products	Waste disposal and treatment of products sold by you at the end of their life	Do you produce goods that need disposal (such as consumer food waste, packaging and electrical goods)?				



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Downstream leased assets	Operation of assets owned by you (lessor) and leased to other entities not included in Scopes 1 or 2 - reported by lessor	Do you own assets that are leased to others, such as buildings or warehouses?				
Franchises	Operations of franchises not included in Scopes 1 or 2 - reported by franchisor	Does your business run on a franchise basis? Examples of franchised businesses are Starbucks, Snappy Snaps and McDonald's				



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Investments	Operation of assets owned by you (lessor) and leased to other entities not included in Scopes 1 or 2 - reported by lessor	Do you offer pensions? They're often investments. Or are you a finance company making significant investments? You can now consistently determine the carbon footprint of your investments in <a href="#">SBTi guidance</a>				



*Climate for SMEs: 4 Steps to Action is funded by the City of London Corporation in support of its Climate Action Strategy targets for a net zero and resilient Square Mile*

