

## Carbon Accounting for Health Systems: Steps to Address Scope 3

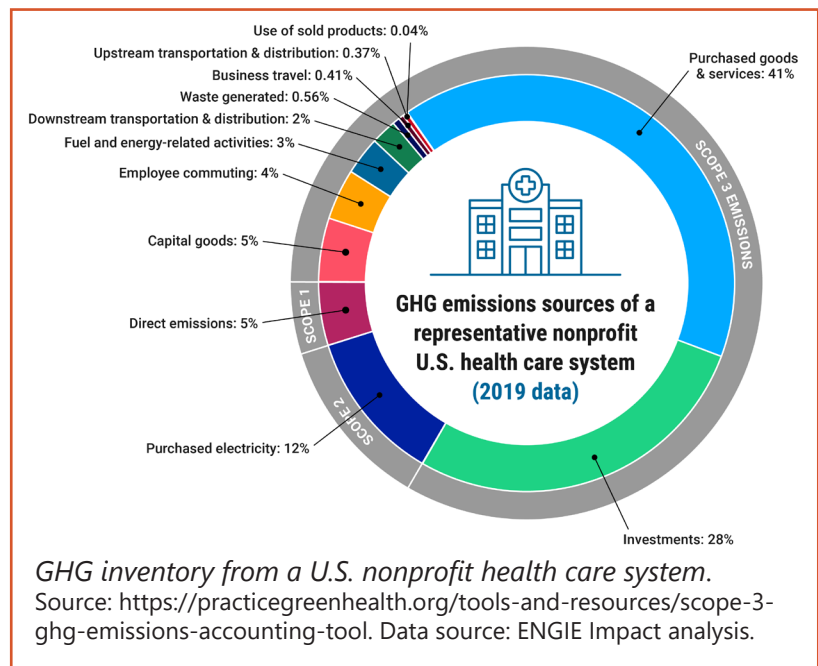
### Overview

Carbon accounting is the process of measuring, tracking, and reporting an organization's greenhouse gas (GHG) emissions. Carbon accounting helps organizations understand how they are contributing to climate change and how they can most effectively reduce their emissions.

The health care sector is responsible for 4% of global GHG emissions and 8.5% of U.S. GHG emissions. These emissions are driven by the energy and fuel used to power health care facilities; use of anesthetic gases; purchased goods and services; investments; employee commuting; and waste management. Carbon accounting is a way to categorize these emissions, ensuring consistency of reporting, avoiding double counting, and allowing for comparison between organizations.

There are three scopes in carbon accounting for GHG emissions:

- *Scope 1*: Fuels burned in assets owned by the organization, which typically include natural gas, anesthetic gas, and diesel/gasoline fuels.
- *Scope 2*: Purchased steam and electricity.
- *Scope 3*: Everything not listed above, including purchased goods and services, investments, capital goods, employee commuting, energy emissions not in Scope 1 or 2, waste management, business travel, and leased assets.



By implementing carbon accounting, health care facilities can understand their current carbon footprint and take efficient and effective action to reduce it. Sharing progress will help health care systems learn from one another and ensure that health care begins to reduce its overall carbon footprint as rapidly as possible.

Learn more at: [nam.edu/CarbonClinics](https://nam.edu/CarbonClinics)

# Steps Organizations Can Take to Begin Carbon Accounting: Scope 3

## 1. Getting Started

To begin carbon accounting, health care organizations should collect data from a variety of locations utilizing different methods, including drawing data from energy billing systems, purchasing systems, investment teams, employee surveys, waste data systems, and real estate. This is often a time-intensive activity but is necessary to understand when and how the system is emitting GHGs.

## 2. Setting Boundaries

Hospitals typically set boundaries based on operational control, which includes facilities where they have the ability to make changes and sustain them.

## 3. Determining a Baseline

After data collection, the baseline GHG emissions for the health care system should be calculated and will serve as a benchmark for the development of a reduction strategy. Carbon footprints should be determined by activity data multiplied by carbon factors, and reductions can be planned by using less material or energy or switching to a lower carbon modality.

## 4. Setting a Reduction Goal

A reduction goal should include an anticipated percentage reduction in emissions, specific goal emissions levels, percentage reduction in emissions necessary to reach the goal levels, and a target date for achievement. Some organizations aim for a carbon neutral goal by reducing Scope 1 and 2 emissions to zero, but the cutting-edge approach is to reduce Scope 1, 2, and 3 emissions down to net zero.

## 5. Developing a Reduction Strategy

Once the reduction goal is set, organizations can use the data they have collected to launch their reduction strategies and then monitor progress.

*The biggest targets for reducing Scope 3 emissions include:*

- Reducing usage of supplies and eliminating waste.
- Not-for-profit systems, in particular, can consider implementing investment strategies that reduce their exposure to high carbon industries.
- Implementing policies to support low carbon commuting, such as using electric vehicles and allowing and encouraging remote work.
- Tracking and reducing Scope 3 energy in conjunction with Scope 1 and 2 reduction efforts.
- Tracking waste diversion by type and processing method.
- Keeping track of business travel activities and their emissions.
- Tracking leased assets.

## 6. Monitoring Progress

Regularly monitoring selected reduction strategies is crucial for understanding how emissions are being reduced, especially for Scope 3, where product level detail may be lacking. Tracking products and services by industry can provide additional data specificity and add detail to the monitoring of individual reduction projects. Investment carbon footprint and employee commuting patterns can be monitored through surveys. Additionally, monitoring waste reduction through waste stream diversion, reducing business travel, closely managing leased assets, and monitoring Scope 3 energy (in parallel with Scope 1 and 2 energy) is encouraged.

## 7. Reporting Carbon Footprint, Strategy, and Goals

Publicly disclosing the health system's reduction goal is important, and there are several reporting frameworks available to ensure transparency. Reporting should include the standard used to calculate the data, how data accuracy is managed, and as much strategy disclosure as leadership is comfortable with.