

The [Greenhouse Gas Protocol](#) today released two important methods for figuring out the carbon footprint of a product throughout its life and throughout the supply chain necessary to create the product. These methods should - if implemented — help answer questions like how much carbon is emitted over the whole life cycle of a car, from the time a car company first purchases steel to the time when the car ends up as scrap? And how carbon intensive is the television I purchased from Costco?

Here's important background. The Greenhouse Gas Protocol is a joint effort between the [World Resources Institute](#) and the [World Business Council for Sustainable Development](#). Its [purpose](#) is to provide uniform and highly respected ways of calculating and reporting carbon emissions from products and businesses. The Protocol already has adopted widely used methodologies for reporting a business's direct emissions, including those from company vehicles and from other company owned sources and from purchased electricity from utilities. But for many businesses, the emissions from their supply chain — those that provide the raw materials and component parts that make up a product — may actually amount to a much higher percentage of the emissions for which they're responsible. And the individual products they produce may emit carbon long after leaving the factory floor. It is these indirect emissions — which the Protocol calls Scope 3 emissions — that the new methodologies are designed to measure. One of the new protocols measures emissions on a corporate level basis, called the [GHG Protocol Corporate Standard](#), and the other measures emissions on an individual product level, called the [GHG Protocol Product Standard](#). If you want more information you can even watch a youtube video explaining the accounting protocols. Really.

So what difference does it make to have accurate accounting and reporting methods of greenhouse gases if companies aren't required — in most countries outside the European Union — to do anything to reduce those emissions? Well, potentially a lot. To begin with, a number of companies tout their green reputations and have committed to reducing their overall carbon footprints. The biggest and best example is [Wal-Mart](#). But if all a company is measuring is its own direct emissions and emissions from purchased electricity, then a big part of the picture is missing. How green can a company be if it doesn't measure, for example, the carbon content of the steel it purchases or the batteries it buys to build its electric vehicles? And finding out this information can actually save companies money if the company uses the carbon footprint of its suppliers to pressure them to become more efficient. If companies engage in serious carbon accounting and use what they learn to reduce their overall emissions the new standards can have a real and measurable effect on carbon emissions. Moreover, with accurate accounting of a product's carbon content, consumers who care about the environmental integrity of their purchases can engage in

more intelligent green consumerism. Additionally, standardizing accounting methods through an independent and well-regarded body provides credibility to the numbers.

Of course it's one thing to release new accounting standards for supply chain and product emissions. It's quite another to get companies to actually use them — all of the GHG Protocol's efforts are, after all, voluntary. The Protocol's staff also works with companies and with developing countries to get the accounting standards implemented. If successful the standards can have a real effect, though of course nothing substitutes for meaningful government regulation.