

# DISTRIBUTING SUSTAINABILITY: SCOPING EMISSIONS AND STRATEGIES

## Authors

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## INTRODUCTION

Organically Grown Company (OGC) is the largest independent distributor of organic fruits and vegetables in the Pacific Northwest, founded nearly 43 years ago to help transform and sustain a healthy and fair food system. OGC is also the nation's only trust-owned independent distributor of organic produce supporting farms of all sizes. Operating as a full-service organic produce wholesaler, OGC provides a wide range of services including sourcing, distribution, logistics, planning, and merchandising. The SPP Team engaged in three projects to enable an improved sustainability strategy.

## VALUE CHAIN

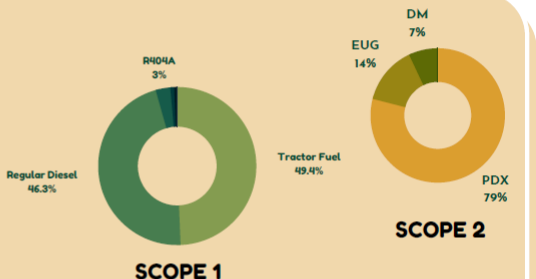
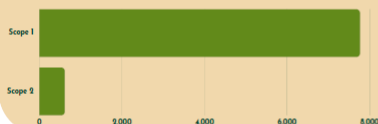


## SCOPE 1 - 2 GHG INVENTORY

The Greenhouse Gas Protocol (GHG) Emissions Calculation Tool was employed to calculate emissions data, establish CO2 equivalencies and Global Warming Potential (GWP). Guidance on the inventory process was followed using GHG Protocol's Corporate Accounting and Reporting Standard.

The inventory was based on the Operational Control approach, where a company accounts for 100% of emissions from controlled business operations.

The location-based method was used to calculate OGC's Scope 2 emissions.



## SCOPE 3

### SCOPE OF WORK



OGC tasked SPP to devise a plan for conducting a baseline Scope 3 GHG calculation. Scope 3 is divided into 15 categories covering activities occurring upstream and downstream.

Measuring Scope 3 GHG Emissions is often the most challenging of the three scopes. Scope 3 emissions are out of the company's direct ability to control and often situated within complex supply chains that may lack transparency and/or reliable data. SPP outlined a 6-step process, and prioritized relevant categories to aid in Step 1 of establishing boundaries.

## DECARBONIZATION STRATEGIES

SPP Team qualitatively assessed impacts and stakeholder alignment of the continued use of Renewable Energy Credits (RECs) vs. alternative internal and external GHG emissions reductions instruments.

While RECs are a low-risk option to reduce market-based Scope 2, they represent a recurring cost with minimal reputational return.

Carbon offsets are similarly convenient, but increasing stigma threatens their credibility.

Carbon insets are direct investments in carbon reduction projects within the supply chain, which can boost climate resiliency, improve partnerships and communities, create value, and demonstrate environmental leadership.

Priority	Category
HIGH	Purchased goods & services
	Upstream transportation & distribution
	Downstream transportation & distribution
MEDIUM	Capital goods
	End-of-life treatment of sold products
	Waste generated in operations
	Business travel
	Employee commuting

	Emissions Reduction	Implementation Difficulty	Risk	Materiality	Cost Effective
RECs (Purchased)	Up to 100%	Low	Low	Low	Low
On-Site Solar/Wind	Low (<50%)	High	High	High	Depends
Carbon Offsets	Up to 100%	Low	Med	Low-Med	Low
Carbon Insets	Low (<50%)	Med-High	Med	High	Depends

## RECOMMENDATIONS



Incorporate more robust data collection SOPs for Scope 1 + 2 sources, through improved tracking, internal controls, and external verification



Scope 1 emissions (which are over 85% of Scopes 1 + 2) can be reduced with adjustments to the fleet (tires, aerodynamic body kits, and eTRUs). Larger, or even complete, reductions could be realized with new hybrid/electric trucks.

Diversify current decarbonization tactics; evaluate opportunities for agricultural-based offsets and inset projects within own value chain.



INTERNAL CONTROLS							
INTERNAL AUDIT COMMITTEE							
Third Party	Internal	Industry	Government	Academy	NGOs	Non-Profit	Research