# Quantifying Scope 3 Supply Chain Emissions using IoT Devices

## Utkarsh Mathur<sup>1</sup>, Saurav Bansal<sup>2</sup>

<sup>1</sup>Intel Corporation, USA Email: *mathur.utkarsh[at]gmail.com* 

<sup>2</sup>Fortune Brands Innovations, USA Email: *saurav.bansal.kbl[at]gmail.com* 

Abstract: Scope 3 emissions, representing indirect emissions from a company's supply chain, significantly contribute to the overall carbon footprint but are challenging to measure due to supply chain complexity and the need for standardized frameworks. This research explores using Internet of Things (IoT) devices to improve Scope 3 emissions measurement and reporting. IoT, combined with big data analytics and cloud computing, offers companies enhanced visibility and insights into supply chain operations. IoT-enabled sensors and tracking devices collect real-time data on energy use, transportation, and resource flows, enabling accurate Scope 3 emissions measurement. This data feeds into advanced analytics models, identifying emissions hotspots and optimizing supply chain processes for reduction. However, implementing IoT across a global, multi-tier supply chain is challenging, requiring significant investment, collaboration, and standardized data collection frameworks. Despite these challenges, IoT can help companies take essential steps toward quantifying and reducing their Scope 3 footprint. A critical application of IoT is real-time tracking and monitoring of products, assets, and transportation, collecting data on energy consumption, miles traveled, and more. For instance, sensors on delivery vehicles track fuel usage and routing inefficiencies, providing insights to optimize logistics. IoT transforms supply chain visibility and enables agile management to reduce emissions by quickly addressing issues like product delays and inventory shortages.

Keywords: Sustainability, Internet of Things, Supply Chain, Carbon Footprint, Scope 3 Emissions

## 1. Introduction

Scope 3 emissions are a consequence of a company's activities but originate from sources the company does not own or control. For example, emissions from the transportation of purchased goods, business travel, waste disposal, and use of sold products would fall under Scope 3 emissions. These emissions often account for most of a company's carbon footprint, making them a critical area for measurement and mitigation. However, accurately quantifying Scope 3 emissions has proven challenging due to the complexity of supply chains and the need for consistent reporting frameworks.

## 1.1 The Urgency of Climate Action and the Rise of Corporate Sustainability

Climate change, driven by rising greenhouse gas emissions, presents an unprecedented global challenge. The scientific consensus is clear: human activities, notably the burning of fossil fuels, are the primary driver of this warming trend, leading to severe consequences such as rising sea levels, extreme weather events, and disruptions to ecosystems.

Corporations are under increasing pressure to acknowledge and mitigate their environmental impact in response to this growing crisis. This shift is driven by several factors: growing public awareness and concern about climate change, regulatory and policy changes, investor demands for sustainable practices, and the recognition that addressing emissions can unlock new business opportunities like Government Regulations and International Agreements like The Paris Agreement, for instance, aims to limit global warming to well below 2 degrees Celsius, prompting governments to implement stricter environmental regulations and incentivize emissions reductions. Investor Pressure and ESG Investors increasingly incorporate Environmental, Social, and Governance factors into their decision-making. Companies with strong sustainability performance are seen as less risky and more likely to generate long-term value. Consumer Demand and Brand Reputation Consumers are becoming more environmentally conscious, favoring brands that align with their values. Companies with poor environmental records risk reputational damage and loss of market share. Ethical Considerations and Corporate Social Responsibility is a growing recognition that businesses have a moral obligation to operate sustainably and contribute to a healthier planet.

This confluence of factors has led to a surge in corporate sustainability efforts. Companies are setting ambitious emissions reduction targets, investing in renewable energy, improving resource efficiency, and engaging in sustainable supply chain practices. Measuring and managing Scope 3 emissions, often the largest source of a company's footprint, is crucial for achieving these goals and demonstrating genuine commitment to a sustainable future.

The emergence of Internet of Things (IoT) devices presents a promising solution to this problem. By deploying IoT sensors throughout the supply chain, companies can capture real-time data on energy use, transportation, and other activities that contribute to Scope 3 emissions [1][2][3]. This can provide a comprehensive understanding of a company's full climate impact.

The data collected from IoT devices can be aggregated and analyzed to identify hot spots, quantify emissions, and guide targeted mitigation strategies. For instance, sensors on delivery vehicles can track fuel consumption and mileage,

while warehouse sensors can monitor electricity usage and waste generation. Leveraging this wealth of supply chain data empowers companies to make informed, data-driven decisions to curb their Scope 3 emissions and work towards a more sustainable future [4].

#### 1.2 Scope 1 & Scope 2 Emissions

Scope 1 and Scope 2 emissions are relatively straightforward to measure and mitigate, as they encompass a company's direct emissions (Scope 1) and indirect emissions from purchased energy (Scope 2) [5]. However, these scopes typically account for a small portion of a company's total footprint. In contrast, Scope 3 emissions, which include all other indirect emissions in a company's value chain, often make up the majority of a company's carbon footprint. These emissions can be challenging to quantify due to the complexity and opacity of global supply chains[2][5].

Scope 1 Emissions are greenhouse gas emissions that a company directly produces within its operations and facilities. Scope1 emissions stem from sources the company owns or controls, such as the combustion of fuels in boilers, furnaces, and vehicles, as well as any accidental releases of greenhouse gases from the company's on-site activities. Examples include Emissions from company-owned vehicles, on-site manufacturing processes, and fugitive emissions from equipment leaks.

Scope 2 Emissions are generated from the consumption of purchased electricity, heat, or steam the company uses. They are a proxy for the emissions associated with the generation of electricity that the company consumes but does not produce directly. Examples include Emissions from a power plant that generates the electricity a company uses in its offices.

Scope 3 Emissions encompasses all other indirect emissions that occur in a company's upstream and downstream value chain. These emissions are a consequence of the company's activities but originate from sources they do not own or control. Scope 3 emissions can include various activities, such as employee commuting, business travel, transportation and distribution of goods, purchasing raw materials, and end-of-life treatment of sold products. This scope is typically the largest and most complex to measure, requiring tracking emissions across the entire supply chain. Scope 3 emissions are often 10 to 100 times greater than a company's Scope 1 and Scope 2 emissions [5][2]. Examples include Emissions from transportation of purchased goods, business travel, employee commuting, waste disposal, use of sold products, and even investments.

While acknowledging the importance of Scope 3 emissions is crucial, measuring them presents a significant challenge for many companies. Here is a breakdown of the critical obstacles as per Figure 1



Figure 1: Scope 3 Measurement Obstacles

Data Collection and Availability, like Supply Chain Opacity in Scope 3 emissions, often involve activities outside a company's direct control, making it difficult to gather accurate data from various tiers of suppliers and partners. Data Gaps and Inconsistency Many companies in the value chain may not track or disclose their emissions data, leading to incomplete or unreliable information. Data Aggregation and Verification Even when data is available, aggregating and verifying information from diverse sources with varying levels of accuracy can be a complex and resource-intensive process. Supply Chain Complexity, such as Globalized and Interconnected Networks, with modern supply chains are often global and highly interconnected, involving numerous suppliers, subcontractors, and transportation modes, making tracking emissions across the entire network challenging. Product Lifecycle Considerations in Scope 3 emissions encompass emissions from the entire lifecycle of a product, from raw material extraction to end-of-life disposal, requiring a comprehensive understanding of each stage. Variability in Products and Processes: Companies with diverse product lines or those operating in industries with fluctuating production processes may need help establishing consistent measurement methodologies. Lack of Standardized Reporting Frameworks like Multiple Reporting Standards While frameworks like the Greenhouse Gas Protocol provide guidance, there still needs to be universally adopted standards for Scope 3 emissions reporting, leading to inconsistencies and difficulties in comparing data across companies. Evolving Methodologies that measure and report methodologies for Scope 3 emissions are constantly evolving, requiring companies to adapt and update their approaches, which can be resource-intensive. Limited Assurance and Verification differ from financial reporting; there is often limited independent assurance or verification of Scope 3 emissions data, raising concerns about accuracy and reliability.

These challenges highlight the need for robust data management systems, collaborative partnerships within supply chains, and the development of more standardized and transparent reporting frameworks to improve the accuracy and comparability of Scope 3 emissions data. It is a complex issue, but emerging technologies like the Internet of Things offer promising solutions.

Think of the IoT as a network of interconnected devices, sensors, and software collecting and exchanging data. Enhanced Visibility Sensors embedded in trucks, ships, or even individual products can track movement and energy consumption throughout the journey from supplier to customer. This real-time data provides unprecedented visibility into previously opaque supply chain operations. Improved Data Accuracy: Instead of relying on estimates or infrequent reporting from suppliers, companies can gather precise, real-time data on emissions-generating activities like transportation distances, energy usage in manufacturing, and even waste disposal. Automated Data Collection and Analysis IoT platforms can automate the collection, aggregation, and analysis of vast amounts of data from various sources within the supply chain. This reduces the manual effort involved in data management and minimizes the risk of human error. Imagine a clothing company wanting to track the carbon footprint of its cotton supply chain and using IoT sensors at the Farm Level where Sensors monitor water usage, fertilizer application, and energy consumption for more accurate emissions calculations from raw material production. Transportation where GPS trackers on trucks and ships provide real-time data on fuel consumption and distances traveled, enabling precise emissions tracking during transportation. Factory Floor: Sensors in factories monitor energy use for each stage of the manufacturing process, providing granular data for emissions calculations. This interconnected data, powered by the IoT, allows for a more granular and accurate assessment of Scope 3 emissions. This helps companies comply with reporting requirements and enables them to identify hotspots, optimize processes, and collaborate more effectively with suppliers to reduce their overall environmental impact.

While still in its early stages, the application of IoT for Scope 3 emission quantification holds immense potential to revolutionize how companies measure, manage, and ultimately reduce their environmental footprint. This paper aims to evaluate the potential of the Internet of Things as a transformative solution for improving the accuracy, efficiency, and transparency of Scope 3 emissions quantification in complex supply chains, lyzing the current challenges, and examining the limitations of existing Scope 3 emissions measurement practices and highlighting the need for innovative approaches. Exploring IoT capabilities in investigating how specific IoT technologies, such as sensors, data analytics, and connectivity, can address these challenges by providing real-time visibility and granular data collection across the supply chain and developing a framework for integrating IoT-generated data into existing or novel Scope 3 emissions quantification methodologies and assessing benefits and limitations in a balanced assessment of the potential benefits, costs, and challenges associated with implementing IoT-based solutions for Scope 3 emissions tracking and providing recommendations where offering actionable insights and best practices for companies seeking to leverage IoT technologies to improve the accuracy and effectiveness of their Scope 3 emissions reporting and management.

## 2. Literature Review

Scope 3 Emissions: A Deep Dive on Scope 3 emissions encompass all indirect greenhouse gas emissions in a company's value chain, excluding those directly from its operations and purchased energy. These emissions are often the most significant part of a company's footprint, particularly in sectors with complex supply chains.

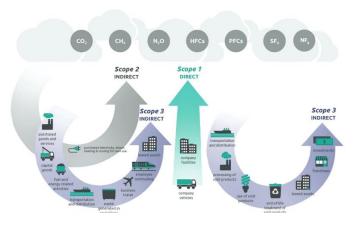


Figure 2: Overview of GHG Protocol scopes and emissions across the supply chain

The Greenhouse Gas Protocol[6], the most widely used framework for corporate GHG accounting, categorizes Scope 3 emissions into 15 categories as per Figure 2:

Upstream Activities include purchased goods and services that are Emitted from producing and transporting purchased goods and services. Capital Goods that is Emissions associated with manufacturing, transporting, and using capital goods (e.g., machinery and equipment). Fuel-andenergy-related activities (Not Included in Scope 1 or 2) are Emissions from extracting, refining, and transporting fuels and energy used in the value chain. Upstream Transportation and Distribution that is Emissions from transporting materials and products to the company's facilities. Waste Generated in Operations: Emissions from treating and disposing of waste generated by the company's operations. Business Travel is Emissions from employees' business-related travel (e.g., flights, car rentals). Employee Commuting: Emissions from employees commuting to and from work. Upstream Leased Assets are Emissions from leased assets (e.g., buildings, vehicles) used in the value chain.

Downstream Activities include downstream Transportation and Distribution, which is Emissions from transporting products to customers and distributors. Processing of Sold Products: Emissions from processing or transforming products after they are sold. Use of Sold Products: Emissions from using products sold by the company (significant for energy-consuming or fuel-dependent products). End-of-Life Treatment of Sold Products: Emissions from treating and disposing of products at the end of their life cycle. Downstream Leased Assets are Emissions from leased assets used by customers or within the downstream value chain. Franchises that are Emissions associated with investments (e.g., equity, debt) in other companies.

Reporting Frameworks, as per the GHG Protocol's Corporate Value Chain Accounting and Reporting Standard[6], provide comprehensive guidance on Identifying Relevant Categories and Determining which Scope 3 categories are most relevant to a company's operations and impact. Setting Boundaries and Defining the scope of emissions included in the inventory (e.g., specific suppliers, geographic regions). Data Collection and Calculation in gathering activity data and use appropriate emission factors to calculate emissions. Reporting and Disclosure in Communicating Scope 3 emissions data transparently and consistently. Other Relevant Standards include ISO 14064-1 that Provides a framework for quantifying and reporting GHG emissions at the organizational level, including Scope 3. Science-Based Targets Initiative encourages companies to set ambitious emissions reduction targets, including Scope 3, aligned with climate science.

Challenges and Opportunities in measuring and managing Scope 3 emissions presents challenges due to data collection complexities, supply chain intricacies, and evolving reporting standards. However, addressing these emissions is crucial for comprehensive climate action. By leveraging tools like the GHG Protocol and emerging technologies like the Internet of Things, companies can improve their Scope 3 accounting, mitigate their existing Methods for Measuring Scope 3 Emissions includes Spend-Based Method on emissions are estimated based on the financial value of purchased goods and services, using industry average emission factors. Limitations of this method is relatively simple but highly inaccurate as it needs to consider specific supplier practices or product variations. Average Data Method uses average emission factors for specific activities (e.g., transportation distances, material production) across a sector or industry. The limitations of this relies on generalized data, which may not reflect the actual emissions of a company's specific supply chain. Process-Based Method involves gathering supplier activity data (e.g., fuel consumption and material usage) and multiplying it by relevant emission factors. Limitations of this are significant data collection efforts from multiple tiers of suppliers are required, which can be challenging and resource intensive. Limitations of Existing Methods Data Availability and Reliability in many companies need help to obtain accurate and complete data from their suppliers, especially those in developing countries with less stringent reporting requirements. Lack of Granularity in most methods provides aggregate estimates rather than granular insights into emissions hotspots within the supply chain, limiting opportunities for targeted reductions. Static Data is the traditional methods often rely on historical data, which may reflect something other than real-time changes in supplier practices or supply chain dynamics. Resource Intensity in collecting, verifying, and analyzing data from numerous sources can be time-consuming and costly, particularly for companies with complex global supply chains. The Need for Innovative Solutions due to the limitations of existing methods highlight the need for more accurate, efficient, and dynamic approaches to Scope 3 emissions quantification. This is where the Internet of Things can play a transformative role by providing real-time data, enhanced visibility, and automated data management capabilities.

Imagine a network of physical objects-from vehicles and shipping containers to individual products-embedded with sensors, software, and connectivity. This network allows these "things" to collect and exchange data, creating a system seamlessly integrating physical processes with digital insights. Critical Components of IoT includes Sensors that are the "eyes and ears" of the IoT, collecting data from the physical environment. Examples include temperature, pressure, location, motion, and product quality sensors [7].[8] Location sensors is to Track the movement of goods in real time. Temperature and humidity sensors to Monitor conditions during transportation and storage of sensitive goods. Energy meters to Measure energy consumption in factories, warehouses, and transportation. Networks to Provide the communication channels for data to flow between devices and systems. This could involve Cellular networks for wide-area coverage. Wi-Fi for local area connectivity within facilities. Low-Power Wide-Area Networks for Energyefficient options for long-range data transmission. Data Storage to collected data needs to be stored securely and efficiently for analysis and decision-making. This often involves cloud-based storage solutions. Data Analytics is where the actual value of IoT lies. Advanced analytics tools process vast amounts of data to Identify patterns and trends, generate insights into supply chain operations, and Trigger alerts for potential disruptions or anomalies.

IoT in Supply Chain Management includes real-time visibility and monitoring, optimizing inventory levels, managing fleets to reduce costs and emissions, enhancing supply chain security through product tracking, and promoting sustainable practices by monitoring environmental impacts.

In the context of Scope 3 emissions, IoT provides the data granularity and real-time insights needed to move beyond estimations and achieve more accurate and actionable emissions accounting.

Optimizing the Supply Chain and Decreasing Emissions in Transportation and Logistics: Utilizing IoT sensors for realtime vehicle and goods tracking allows for improved routing, decreased idle times, and enhanced fleet management. These factors collectively contribute to reduced fuel consumption and emissions. Environmentally Friendly Manufacturing: Factories can utilize IoT sensors to monitor energy usage in real time, detect inefficiencies, and optimize production processes to minimize energy consumption and waste generation. Sustainable Sourcing implementing IoT enhances transparency within the supply chain, empowering companies to assess their suppliers' environmental performance more effectively while making sustainable sourcing decisions.

## 3. Systematic Review Methodology

To quantify Scope 3 emissions using IoT, a systematic, multistep approach can be employed. This process begins with the company conducting an in-depth examination of its entire supply chain network, meticulously identifying and mapping out the intricate web of suppliers, transportation channels, and operational nodes that underpin its global operations [9][10]. With this detailed supply chain map in hand, the company can then strategically deploy a network of IoT sensors at critical

junctures to capture real-time data on various parameters, such as energy consumption, fuel usage, product movement, and environmental conditions[11][8][10].

For a comprehensive study on the application of IoT in measuring and managing Scope 3 emissions, conducting a systematic literature review would be the most suitable research method. Formulating a clearly defined research question focusing on IoT's role in Scope 3 emissions allows for synthesizing existing evidence to address well-defined inquiries. Furthermore, it enables an extensive examination of all relevant studies related to the topic at hand. A systematic review not only helps in understanding the current state of knowledge about IoT and Scope 3 emissions but also aids in identifying research gaps and providing guidance for future investigations. Additionally, by adhering to rigorous methodology and transparency standards, systematic reviews ensure their findings are replicable while minimizing bias through clear inclusion/exclusion criteria and thorough evaluation of study quality. Moreover, although qualitative data synthesis is primarily emphasized for your research question requirement, a systematic review can accommodate quantitative data, such as analyzing numerical data related to emission reductions achieved through IoT-based initiatives.

A systematic literature review is well-suited to this research due to the burgeoning field of IoT application for Scope 3 emissions management, which has a growing body of literature. This review will help aggregate knowledge and identify notable trends and research gaps. By systematically examining existing studies, you can present evidence-based insights into the efficacy of various IoT-based approaches for measuring and managing Scope 3 emissions. The results obtained from the systematic review could guide practical recommendations and guidelines for businesses seeking to utilize IoT to reduce Scope 3 emissions. Employing a systematic literature review ensures an exhaustive, impartial, and rigorous analysis of existing research on this significant subject matter.

The data sources for this research paper are [12][13][14][15]. These sources provide valuable insights into the application of IoT in various domains, including supply chain management, healthcare, and logistics, highlighting the potential for leveraging IoT to enhance sustainability and emissions accounting. The data collection process involves a comprehensive search of relevant databases, such as IEEE Xplore, Scopus, and Web of Science, to identify peerreviewed journal articles, conference proceedings, and other reputable sources that specifically address the use of IoT in measuring and managing Scope 3 emissions. The review would follow a well-defined protocol, including clearly defined inclusion and exclusion criteria, to ensure the systematic and unbiased selection of primary studies. Industry reports and case studies are used for this content analysis as well. The extracted data from the selected studies include details on IoT-based technologies, sensors, analytical techniques employed for Scope 3 emissions quantification, and reported outcomes regarding emissions reductions, supply chain optimization, and enhanced transparency.

The content analysis in this paper takes a comprehensive look at the current state of research on utilizing IoT to measure and manage Scope 3 supply chain emissions. Findings from the analysis highlight the ability of IoT to provide granular, realtime data on energy consumption, transportation, logistics, and manufacturing processes across the value chain. The deployment of a network of IoT sensors at critical touchpoints, such as supplier facilities, warehouses, and delivery vehicles, enables firms to obtain a detailed, end-toend view of their carbon footprint [15][16]. By leveraging IoT-generated insights, companies can identify emission hotspots, optimize logistics, and implement targeted initiatives to mitigate Scope 3 emissions, ultimately enhancing the overall sustainability of their supply chain [17][18].

For instance, integrating IoT with big data analytics can help enterprises better understand their energy usage patterns and material flows, allowing them to make data-driven decisions to reduce waste and resource consumption. Furthermore, IoTpowered monitoring and control systems can monitor energy usage, optimize equipment performance, and trigger immediate corrective actions, leading to significant emissions reductions.[19]

## 4. Results & Discussion

The systematic review highlights the substantial potential of IoT in tackling Scope 3 emissions but also underscores the need for a comprehensive, holistic approach. Findings of the research on the topic indicate that the successful deployment of IoT for Scope 3 emissions management requires not only the integration of sensor technologies but also the alignment of data analytics capabilities, supply chain visibility, and targeted emissions reduction strategies [18][16][19]. For instance, studies have demonstrated the value of combining IoT-generated data with predictive analytics to forecast emissions, identify opportunities for optimization, and support informed decision-making. By integrating IoT-based monitoring of energy consumption, material flows, and transportation activities across the supply chain, organizations can obtain granular visibility into their Scope 3 footprint. This enhanced transparency enables the identification of emissions hotspots and the development of targeted initiatives to mitigate the environmental impact of the value chain. Furthermore, IoT-powered monitoring and control systems can monitor energy usage, optimize equipment performance, and trigger immediate corrective actions, leading to significant emissions reductions. The systematic review highlights the substantial potential of IoT in tackling Scope 3 emissions but also underscores the need for a comprehensive, holistic approach.

Results of the research paper indicate that the successful deployment of IoT for Scope 3 emissions management requires the integration of sensor technologies and the alignment of data analytics capabilities, supply chain visibility, and targeted emissions reduction strategies. Studies have demonstrated the value of combining IoT-generated data with predictive analytics to forecast emissions, identify opportunities for optimization, and support informed decision-making [16][19][18]. By integrating IoT-based monitoring of energy consumption, material flows, and transportation activities across the supply chain. organizations can obtain granular visibility into their Scope 3 footprint. This enhanced transparency enables the

identification of emissions hotspots and the development of targeted initiatives to mitigate the environmental impact of the value chain. Furthermore, IoT-powered monitoring and control systems can monitor energy usage, optimize equipment performance, and trigger immediate corrective actions, leading to significant emissions reductions. The systematic review highlights the substantial potential of IoT in tackling Scope 3 emissions but also underscores the need for a comprehensive, holistic approach. Findings from the analysis highlight the ability of IoT to provide granular, realtime data on energy consumption, transportation, logistics, and manufacturing processes across the value chain. The deployment of a network of IoT sensors at critical touchpoints, such as supplier facilities, warehouses, and delivery vehicles, enables firms to obtain a detailed, end-toend view of their carbon footprint. By leveraging IoTgenerated insights, companies can identify emission hotspots, optimize logistics, and implement targeted initiatives to mitigate Scope 3 emissions, ultimately enhancing the overall sustainability of their supply chain.

Integrating IoT with big data analytics can help enterprises better understand their energy usage patterns and material flows, allowing them to make data-driven decisions to reduce waste and resource consumption. Furthermore, IoT-powered monitoring and control systems can monitor energy usage, optimize equipment performance, and trigger immediate corrective actions, leading to significant emissions reductions. The systematic review highlights the substantial potential of IoT in tackling Scope 3 emissions but also underscores the need for a comprehensive, holistic approach. Findings from the analysis indicate that the successful deployment of IoT for Scope 3 emissions management requires integrating sensor technologies and aligning data analytics capabilities, supply chain visibility, and targeted emissions reduction strategies. Studies have demonstrated the value of combining IoT-generated data with predictive analytics to forecast emissions, identify opportunities for optimization, and support informed decision-making. By integrating IoT-based monitoring of energy consumption, material flows, and transportation activities across the supply chain, organizations can obtain granular visibility into their Scope 3 footprint. This enhanced transparency enables the identification of emissions hotspots and the development of targeted initiatives to mitigate the environmental impact of the value chain.

The practical implications of this research for businesses include leveraging IoT-generated insights to identify emission hotspots, optimize logistics, and implement targeted initiatives to mitigate Scope 3 emissions, ultimately enhancing the overall sustainability of their supply chain. Policymakers can utilize these findings to inform the development of regulations and incentives that promote the adoption of IoT-enabled solutions for emissions management. Other stakeholders, such as sustainability consultants and technology providers, can leverage the insights to develop innovative IoT-based services and solutions that address the needs of organizations seeking to reduce their Scope 3 carbon footprint.

Limitations of the study and suggest areas for future research to be explored. One fundamental limitation is the lack of empirical case studies that quantify the real-world impact of IoT-enabled Scope 3 emissions management. Future research could focus on conducting in-depth case studies to evaluate the operational and financial benefits realized by organizations that have successfully implemented IoT-based solutions for supply chain emissions tracking and mitigation. Further investigation is needed to understand the specific challenges and barriers to widespread IoT adoption for Scope 3 emissions management, such as data privacy concerns, sensor integration complexity, and the maturity of supporting analytics capabilities. Another area warranting exploration is the role of policy and regulation in incentivizing the adoption of IoT-enabled emissions management strategies.

While the existing literature highlights the strong potential of IoT in enabling granular visibility and data-driven decisionmaking for Scope 3 emissions reduction, more empirical evidence is needed to quantify the realized benefits and to develop comprehensive frameworks for the effective implementation of such solutions. Ultimately, integrating IoT technologies with big data analytics, supply chain optimization, and targeted emissions reduction strategies can enable organizations to make significant strides toward achieving their sustainability goals and mitigating the environmental impact of their value chains. Despite the promising findings, a fundamental limitation of the current body of research is the lack of in-depth case studies that evaluate the operational and financial benefits realized by organizations that have successfully implemented IoT-based solutions for Scope 3 emissions management. Future research should address this gap, shedding light on the specific challenges, best practices, and success factors in deploying IoT for end-to-end supply chain emissions monitoring and mitigation. Additionally, further investigation is warranted to understand the role of policy, regulation, and stakeholder collaboration in incentivizing the widespread adoption of these transformative technologies.

## 5. Conclusion & Future Scope

Integrating IoT-based monitoring and analytics holds immense promise in enabling organizations to gain unprecedented visibility into their Scope 3 emissions and take targeted actions to reduce their environmental impact. By leveraging IoT-generated insights to identify emissions hotspots, optimize logistics, and implement tailored mitigation strategies, companies can enhance the overall sustainability of their supply chains.

The systematic review highlights the multifaceted benefits of this technological convergence, including improved energy efficiency, waste reduction, and data-driven decision-making. However, implementing IoT for Scope 3 emissions management requires a holistic approach that aligns sensor technologies, data analytics capabilities, supply chain visibility, and targeted emissions reduction strategies.

Studies have demonstrated the value of combining IoTgenerated data with predictive analytics to forecast emissions, identify optimization opportunities, and support informed decision-making. By integrating IoT-based monitoring of energy consumption, material flows, and transportation activities across the supply chain, organizations can obtain

granular visibility into their Scope 3 footprint [16][20]. This enhanced transparency enables the identification of emissions hotspots and the development of targeted initiatives to mitigate the environmental impact of the value chain [16][18].

The practical implications of this research for businesses include leveraging IoT-generated insights to identify emission hotspots, optimize logistics, and implement targeted initiatives to mitigate Scope 3 emissions, ultimately enhancing the overall sustainability of their supply chain [16]. Policymakers can utilize these findings to inform the development of regulations and incentives that promote the adoption of IoT-enabled solutions for emissions management. Other stakeholders, such as sustainability consultants and technology providers, can leverage the insights to develop innovative IoT-based services and solutions that address the needs of organizations seeking to reduce their Scope 3 carbon footprint.

One fundamental limitation of the current body of research is the lack of in-depth case studies that quantify the real-world impact of IoT-enabled Scope 3 emissions management. Future research could focus on conducting comprehensive case studies to evaluate the operational and financial benefits realized by organizations that have successfully implemented IoT-based solutions for supply chain emissions tracking and mitigation. Further investigation is needed to understand the specific challenges and barriers to widespread IoT adoption for Scope 3 emissions management, such as data privacy concerns, sensor integration complexity, and the maturity of supporting analytics capabilities. Another area warranting exploration is the role of policy and regulation in incentivizing the adoption of IoT-enabled emissions management strategies.

While the existing literature highlights the strong potential of IoT in enabling granular visibility and data-driven decisionmaking for Scope 3 emissions reduction, more empirical evidence is needed to quantify the realized benefits and to develop comprehensive frameworks for the effective implementation of such solutions. Ultimately, integrating IoT technologies with big data analytics, supply chain optimization, and targeted emissions reduction strategies can enable organizations to make significant strides toward achieving their sustainability goals and mitigating the environmental impact of their value chains.

Future research in this area should address the lack of in-depth case studies that evaluate the operational and financial benefits realized by organizations that successfully implement IoT-based solutions for Scope 3 emissions management.[16] Such case studies would highlight the specific challenges, best practices, and success factors in deploying IoT for end-to-end supply chain emissions monitoring and mitigation.

Summarize key findings and implications: The systematic review highlights the multifaceted benefits of the technological convergence of IoT, big data analytics, and supply chain optimization in enhancing the sustainability of value chains. By leveraging IoT-generated insights to identify emissions hotspots, optimize logistics, and implement tailored mitigation strategies, companies can significantly reduce their Scope 3 environmental impact. The practical implications include enabling organizations to make datadriven decisions, policymakers to develop effective regulations and incentives, and sustainability consultants to offer innovative IoT-based services.

## References

- [1] C. C. Blanco, F. Caro and C. J. Corbett, "The state of supply chain carbon footprinting: analysis of CDP disclosures by US firms".
- [2] Y. Huang, C. L. Weber and H. S. Matthews, "Categorization of Scope 3 Emissions for Streamlined Enterprise Carbon Footprinting".
- [3] "Stakeholder Engagement".
- [4] M. A. Toha, S. K. Johl and P. A. Khan, "Firm's Sustainability and Societal Development from the Lens of Fishbone Eco-Innovation: A Moderating Role of ISO 14001-2015 Environmental Management System".
- [5] H. S. Matthews, C. Hendrickson and C. L. Weber, "The Importance of Carbon Footprint Estimation Boundaries".
- [6] "Corporate Value Chain (Scope 3) Standard".
- [7] "Top 12 IoT applications and examples in business".
- [8] A. Rejeb, J. G. Keogh and H. Treiblmaier, "Leveraging the Internet of Things and Blockchain Technology in Supply Chain Management".
- [9] "Benefits of Using IoT in Supply Chain".
- [10] P. Lou, Q. Liu, Z. Zhou and H. Wang, "Agile Supply Chain Management over the Internet of Things".
- [11] T. Wang, H. Chen, R. Dai and D. Zhu, "Intelligent Logistics System Design and Supply Chain Management under Edge Computing and Internet of Things".
- [12] K. Kumar, S. Kumar, O. Kaiwartya, Y. Cao, J. Lloret and N. Aslam, "Cross-Layer Energy Optimization for IoT Environments: Technical Advances and Opportunities".
- [13] S. Taj, A. S. Imran, Z. Kastrati, S. M. Daudpota, R. A. Memon and A. Javed, "IoT-based supply chain management: A systematic literature review".
- [14] H. Golpîra, S. A. R. Khan and S. Safaeipour, "A review of logistics Internet-of-Things: Current trends and scope for future research".
- [15] H. H. M. M. Jawad, Z. B. B. Hassan, B. B. Zaidan, F. H. M. M. Jawad, D. H. M. M. Jawad and W. H. D. Alredany, "A Systematic Literature Review of Enabling IoT in Healthcare: Motivations, Challenges, and Recommendations".
- [16] S. E. Bibri, "The IoT for smart sustainable cities of the future: An analytical framework for sensor-based big data applications for environmental sustainability".
- [17] M. N. Shafique, A. Rashid, I. S. Bajwa, R. Kazmi, M. M. Khurshid and W. A. Tahir, "Effect of IoT Capabilities and Energy Consumption behavior on Green Supply Chain Integration".
- [18] E. Benkhelifa, M. Abdel-Maguid, S. Ewenike and D. Heatley, "The Internet of Things: The ecosystem for sustainable growth".
- [19] N. H. Motlagh, M. Mohammadrezaei, J. D. Hunt and B. Zakeri, "Internet of Things (IoT) and the Energy Sector".

## Volume 13 Issue 6, June 2024

## Fully Refereed | Open Access | Double Blind Peer Reviewed Journal

www.ijsr.net

- [20] F. A. Almalki et al., "Green IoT for Eco-Friendly and Sustainable Smart Cities: Future Directions and Opportunities".
- [21] WRI/WBCD GHG Protocol Corporate Value Chain (Scope3) Accounting and Reporting Standard

## **Author Profile**





**Saurav Bansal,** holds a pivotal role within the Enterprise Architecture, IT division at Fortune Brands Innovations, a leading American company renowned for its home and security product lines. Based in

Deerfield, Illinois, Fortune Brands Innovations boasts a portfolio of well-known brands such as Moen, the House of Rohl, Aqualisa, Therma-Tru, Larson, Fiberon, Master Lock, and SentrySafe. As a Fortune 1000 company, it is also recognized in the S&P 400 Index. With a global presence in the US, Canada, Europe, Asia, and Africa, Fortune Brands Innovations employs over 11,000 individuals.