

## Template for submitting proposals related to GHG Protocol's *Corporate Standard*, *Scope 2 Guidance*, *Scope 3 Standard*, *Scope 3 Calculation Guidance* and market-based accounting approaches

(Optional)

### Proposal instructions

GHG Protocol is conducting four related surveys in reference to the following GHG Protocol standards, guidance and topics:

1. Corporate Accounting and Reporting Standard (Revised Edition, 2004) ("Corporate Standard")
2. Scope 2 Guidance (2015)
3. Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) ("Scope 3 Standard"), and Technical Guidance for Calculating Scope 3 Emissions, version 1.0, 2013 ("Scope 3 Calculation Guidance")
4. Market-based accounting approaches

**The survey is open until February 28, 2023.** To fill out the survey, [click here](#).

As part of the survey process, respondents may provide proposals for potential updates, amendments, or additional guidance to the *Corporate Standard*, *Scope 2 Guidance*, *Scope 3 Standard*, or *Scope 3 Calculation Guidance*, by providing the information requested in this template. You may also use this template to provide justification for maintaining a current approach on a given topic.

Submitting proposals is optional. Respondents may submit multiple proposals related to different topics.

Proposals should be as concise as possible while providing the requested information. Submissions that are outside of the template may not be considered. Proposals may be made publicly available.

To submit the proposal, please save this file and fill out the fields below. When you've completed your proposal, please send the file as an attachment to [info\\_ghg@ghgprotocol.org](mailto:info_ghg@ghgprotocol.org). Please name your file STANDARD\_Proposal\_AFFILIATION, e.g., *Scope 2\_Proposal\_WRI*.

## Proposal and supporting information

1. Which standard or guidance does the proposal relate to (Corporate Standard, Scope 2 Guidance, Scope 3 Standard, Scope 3 Calculation Guidance, general/cross-cutting, market-based accounting approaches, or other)? If other, please specify.

General/Cross-cutting

2. What is the GHG accounting and reporting topic the proposal seeks to address?

Enabling of data sharing across organizations without need for a data broker or manual search.

3. What is the potential problem(s) or limitation(s) of the current standard or guidance which necessitates this proposal?

Currently any company seeking to collect GHG information must either send surveys to supplier/customers/etc. or must go through a data broker (e.g., CDP, S&P, etc.). Both of these scenarios involve costs to an organization that hinder reporting of Scope 2 or 3 GHG emissions for an organization or use of the data by other stakeholders. This proposal seeks to create a standard file format (e.g., XML standard) for sharing data between organizations.

4. Describe the proposed change(s) or additional guidance.

This proposal seeks a data format schema (such as XML) to clearly communicate GHG emissions for an organization that can be used by other organizations for their reporting. For example, all required reporting elements in any of the GHG Protocol standards can be individual elements to be reported. The standard must make the data machine and human readable, including the numeric value, a text field for units, and a secondary text descriptor for comments by the publishing organization. Additional data may be disclosed following the format specified in the standard.

An organization can then publish this data publicly and it can be pulled by any stakeholder for use in their emission calculations or analysis. The standard may also suggest a URL standard to help direct inquiries to the data (e.g., [https://organization.org/GHG\\_emissions](https://organization.org/GHG_emissions))

**5. Please explain how the proposal aligns with the GHG Protocol decision-making criteria and hierarchy (A, B, C, D below), while providing justification/evidence where possible.**

**A. GHG Protocol accounting and reporting approaches shall meet the GHG Protocol accounting and reporting principles (see Annex for definitions):**

- Accuracy, Completeness, Consistency, Relevance, Transparency
- Additional principles for land sector activities and CO<sub>2</sub> removals: Conservativeness, Permanence, and Comparability if relevant

This improves the GHG Protocol standards by requiring disclosure of the data in a format that is easily accessed and read into computer systems while still being human readable. This would vastly improve all the principles of the standard when calculating Scope 2 or 3 GHG Emissions.

**B. GHG Protocol accounting and reporting approaches shall align with the latest climate science and global climate goals (i.e., keeping global warming below 1.5°C). To support this objective (non-exhaustive list):**

- Direct emissions reported in a company's inventory should correspond to emissions to the atmosphere. Reductions in direct emissions reported in a company's inventory should correspond to reductions in emissions to the atmosphere.
- Indirect emissions reported in a company's inventory should in the aggregate correspond to emissions to the atmosphere. Reductions in indirect emissions reported in a company's inventory should in the aggregate correspond to reductions in emissions to the atmosphere.

This augments the standard in reporting of emissions and lowers the barrier to collect accurate data. For example, a utility provider could calculate their GHG Inventory and publish their emissions under this data file format, and any customer of the utility could download it for use in their GHG inventory calculations.

**C. GHG Protocol accounting frameworks should support ambitious climate goals and actions in the private and public sector.**

- Would this proposal enable organizations to pursue more effective GHG mitigation/decarbonization efforts as compared to the existing standards and guidance? If so, how?
- Would this proposal better inform decision making by reporting organizations and their stakeholders (e.g. related to climate-related financial risks and other relevant information associated with GHG emissions reporting)?

Enabling communication of emissions helps all organizations collect their Scope 3 data and improve options for actions to be taken by the organization. Additional stakeholders could utilize the data in analysis to more rapidly identify if the global emissions are on track.

**D. GHG Protocol accounting frameworks which meet the above criteria should be feasible. (For aspects of accounting frameworks that meet the above criteria but are difficult to implement, GHG Protocol should provide additional guidance and tools to support implementation.)**

- What specific information, data or calculation methods are required to implement this proposal (e.g., in the case of scope 2, data granularity, grid data, consumption data, emission information, etc.)? Would new data/methods be needed? Are current data/methods available? How would this be implemented in practice?
- Would this proposal accommodate and be accessible to all organizations globally who seek to account for and report their GHG emissions? Are there potential challenges which would need to be further addressed to implement this proposal globally? What would be the potential solutions?

XML standards are standard text files with little to no barrier to entry and all data that would be included would already be calculated by an organization. Enabling this standard would lower barriers to data collection, improving data accuracy and collection time. XML formats do have a slight learning curve, but template files can be provided with full outlines which would nearly eliminate the learning curve.

**6. Consistent with the hierarchy provided above, are there potential drawbacks or challenges to adopting this proposal? If so, what are they?**

Developing a data format is a considerable undertaking but given the requirements of the Corporate and Scope 3 standards, considerable work is already accomplished (defining data to be disclosed).

**7. Would the proposal improve alignment with other climate disclosure rules, programs and initiatives or lead to lack of alignment? Please describe.**

Additional organizations or program operators could supplement the standard by adding fields to the format. The GHG Protocol minimum requirements could include an additional information section where these data items would be stored.

**8. Please attach or reference supporting evidence, research, analysis, or other information to support the proposal, including any active research or ongoing evaluations. If relevant, please also explain how the effectiveness of the proposal can be evaluated and tracked over time.**

In benchmarking resource requirements for Scope 3 Category 1 calculations for a large corporation, the typical answer tended toward 1 full time employee per 100 suppliers. My organization has over 50,000 suppliers and hiring 50 people to support GHG reductions is difficult to justify. Additionally, requests for GHG data tie up many resources within the company from the customer support person

to sustainability and GHG reporting teams. Having a consistent source to point customers to instead of filling out multiple surveys each year would ease reporting burdens dramatically.

**9. If applicable, describe the process or stakeholders/groups consulted as part of developing this proposal.**

Any reporter of GHG emissions could be considered a stakeholder and may like to have input.

I would recommend consulting a company utilizing the GHG Protocol standards in the IT space who may have experience with authoring data format standards.

**10. If applicable, provide any additional information not covered in the questions above.**

## Proposal Annex

### GHG Protocol Decision-Making Criteria and Hierarchy

**A. First, GHG Protocol accounting and reporting approaches shall meet the GHG Protocol accounting and reporting principles:**

- Accuracy, Completeness, Consistency, Relevance, Transparency
- Additional principles for land sector activities and CO<sub>2</sub> removals: Conservativeness, Permanence, and Comparability if relevant
- (See table below for definitions)

**B. Second, GHG Protocol accounting and reporting approaches shall align with the latest climate science and global climate goals (i.e., keeping global warming below 1.5°C). To support this objective (non-exhaustive list):**

- Direct emissions reported in a company's inventory should correspond to emissions to the atmosphere. Reductions in direct emissions reported in a company's inventory should correspond to reductions in emissions to the atmosphere.
- Indirect emissions reported in a company's inventory should in the aggregate correspond to emissions to the atmosphere. Reductions in indirect emissions reported in a company's inventory should in the aggregate correspond to reductions in emissions to the atmosphere.

**C. Third, GHG Protocol accounting frameworks should support ambitious climate goals and actions in the private and public sector:**

- Accounting framework/s would enable organizations to pursue more effective GHG mitigation/decarbonization efforts as compared to the existing standards and guidance
- Accounting framework/s would better inform decision making by reporting organizations and their stakeholders (e.g. related to climate-related financial risks and other relevant information associated with GHG emissions reporting)

**D. Fourth, GHG Protocol accounting frameworks which meet the above criteria should be feasible to implement for the users of the frameworks.**

- For aspects of accounting frameworks that meet the above criteria but are difficult to implement, GHG Protocol should provide additional guidance and tools to support implementation.

### GHG Protocol Accounting and Reporting Principles

Principle	Definition
<b>Accuracy</b>	Ensure that the quantification of GHG emissions (and removals, if applicable) is systematically neither over nor under actual emissions (and removals, if applicable), and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.
<b>Completeness</b>	Account for and report on all GHG emissions (and removals, if applicable) from sources, sinks, and activities within the inventory boundary. Disclose and justify any specific exclusions.

<b>Consistency</b>	Use consistent methodologies to allow for meaningful performance tracking of emissions (and removals, if applicable) over time and between companies. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.
<b>Relevance</b>	Ensure the GHG inventory appropriately reflects the GHG emissions (and removals, if applicable) of the company and serves the decision-making needs of users – both internal and external to the company.
<b>Transparency</b>	Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.
<b>Conservativeness</b> (Land Sector and Removals Guidance)	Use conservative assumptions, values, and procedures when uncertainty is high. Conservative values and assumptions are those that are more likely to overestimate GHG emissions and underestimate removals, rather than underestimate emissions and overestimate removals.
<b>Permanence</b> (Land Sector and Removals Guidance)	Ensure mechanisms are in place to monitor the continued storage of reported removals, account for reversals, and report emissions from associated carbon pools.
<b>Comparability (optional)</b> (Land Sector and Removals Guidance)	Apply common methodologies, data sources, assumptions, and reporting formats such that the reported GHG inventories from multiple companies can be compared.