



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 March 14, 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 upload the file via this [online folder](#). 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

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

Double counting, greenwashing and improved consideration of short-lived GHG emissions.

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

The current guidance does not ensure that greenwashing and double counting are avoided with certainty.

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

Integrate the whole GHG accounting system to create a total GHG accounting system. Make it more comprehensive and close all known loopholes. Only allow accounting and reporting of total GHG emissions (Scope 1+2+3) for any product or business activity. Do not allow reporting of scope 1, 2, 3 emissions separately. Instead, make Scope 1, 2 and 3 emissions mandatory subsets of a total GHG emissions reporting system.

Consider internal electricity generation in normal electric grids only as a means for reduction if it is used directly on-site and NOT connected to the grid to avoid double counting with certainty. Ensure that the GHG emissions reported are as complete and realistic as possible.

Allow subtracting internal low-GHG generation fed into the grid only from grid consumption, if the power market design prohibits double counting – that means if the fed in electricity is not accounted for in the national electricity mix.

Update the guidelines continuously based on the latest findings for emission factors and GHG effects. Provide emission factors in CO₂ equivalents based on a 20 years and 100 years period to better consider short-lived GHG gases that are very relevant to avoid tipping points.

All loopholes for double counting of emission reductions and for allowing greenwashing by only reporting partial emissions must be closed. If accounting systems do not ensure that double counting and externalization of emissions are avoided, they should not be allowed in reporting according to GHG protocol.

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 CO₂ removals: Conservativeness, Permanence, and Comparability if relevant

Completeness of GHG accounting is currently not ensured, due to the fragmentation of the accounting practice into separate scopes that can be reported independently. The only relevant GHG emissions for the global environment are the total GHG emissions caused by the production of a product or service that is then consumed. Maintaining the scopes as part of a total GHG emissions reporting system, ensures a maximum accuracy and transparency and allows to consistently improve the accounting based on Scope 1 emissions. The suggested approach is consistent with the existing ones but binds them together to create a new metric that avoids greenwashing – namely, total 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.

The proposal is fully aligned with the latest climate science that has continuously asked for a system that ensures maximum comprehensiveness of reporting. Continuous updates of a vetted emission factors database ensure the alignment with the latest science.

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)?

Double counting and externalization would be avoided, thus making GHG efforts more effective. The prohibition of separate reporting of Scope 1, 2 and 3 – while instead mandating a transparent total GHG emissions reporting – would create a level playing field, as the origin of emissions would no longer be relevant – just as it is for the global climate.

The reporting of Scope 1, 2 and 3 emissions as subsets of the total emissions allows using the data for statistical and overarching purposes, while stopping companies and applicants to externalize emissions to other entities.

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?

No additional data is required. The proposed change allows integrating existing publications, so that only guidelines on calculation of scope 1, 2 and 3 are required as well as a general guideline on how to report the total GHG emissions (scope 1+2+3).

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

A shift from separate reporting of scope 1–3 emissions to an integrated one, will likely meet the opposition of entities that profited from greenwashing. However, it is important to note that economic interests are of lower priority than keeping the global climate stable, as this is the foundation of economic prosperity.

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

The proposal would potentially lead to a lack of alignment with other rules and programs that require separate scope reporting. By implementing the suggested change, GHG protocol can take leadership in the GHG accounting world and help bring it to a place where greenwashing and double counting are a thing of the past.

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.

Since the idea is simple and most of the GHG protocol guidelines show clearly how with the given framework, relevant emissions can be overlooked or double counted, additional research is not required. It should be common sense that only a total GHG emission accounting can ensure that greenwashing and double counting are avoided.

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

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 CO₂ 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, the GHG Protocol should provide additional guidance and tools to support implementation.

GHG Protocol Accounting and Reporting Principles

| Principle | Definition |
|---------------------|---|
| Accuracy | 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. |
| Completeness | 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. |

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|---|--|
| Consistency | 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. |
| Relevance | 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. |
| Transparency | 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. |
| Conservativeness (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. |
| Permanence (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. |
| Comparability (optional) (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. |