



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.

Corporate Standard, Scope 2 Guidance, Scope 3 Standard, Scope 3 Calculation Guidance

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

Several points are addressed with propositions, see below

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

Below are the problems we identified within the GHGP methodology and our propositions.

- a) Methodology to evaluate **telecommuting** should be more precise: There is a need for clarification of GHGP position, and maybe put it mandatory as other scope 3 categories, and clarify the methodology (If needed EcoAct has published a methodology to evaluate those emissions)
- b) **Use of sold products**: The evaluation of the use of the products sold over the lifespan does not highlight the actions of durability and favors planned obsolescence or short lifespan. This is not in line with environmental performance. Maybe set a depreciation method, which could be based on the companies' warranty on the product. Maybe rules should be defined. Or fix the emissions of use over 1 year... Or else propose lifespans type by type of product for the evaluation, in the same logic as the depreciation period. Have a common calculation framework to be able to compare, act and monitor.
- c) **Capital goods** without depreciation period make reporting harder to follow. Accounting method with depreciation periods like the French BC method. Depreciation may be fixed according to the goods and according to the country + Specify the purchase of buildings new or not: perhaps just the purchases of new buildings should be evaluated if actual method is

kept. + specify how to consider the rental of real estate.

- d) Emissions related to the **construction of rented assets** is currently optional. We propose to make mandatory the emissions related to the construction of rented asset, as capital goods owned.
- e) Specify how to calculate emissions from **purchases of reconditioned goods or second hands goods** (or if 0 should be considered)
- f) GHG P does not precise if and where **visitors travels** should be reported. Proposition to report it in the same category than customer travels.
- g) **Freight** categories are not clear. Suggest separating into upstream (related to purchases), internal and downstream (from the company sites) freight, like the French BC method, rather than by funding mechanism or operational/non-operational question.
- h) **Investments** approach may be clarified
In an operational approach, investments are considered according to a financial approach: this is a mix of approaches: shouldn't it be clarified and harmonized for a single approach (financial approach for investments only if this approach for the whole footprint, and for a footprint in operational approach, use this approach for investments)?
- i) **Donations and sponsorships**: clarify the position: to be included or not, in inputs or in investments?
- j) Define **scope 3** as mandatory (with threshold, for example French regulation has define scope 3 mandatory for main emissions with 80% threshold, SBTi has define it mandatory too with specific threshold.
- k) GHGP position regarding **bio-methan credits** should be clarified: Clarify in the guidance GHGP position in considering bio-methan credits.
- l) **Biogenic emissions** consideration should be clarified. Rather vague position of the GHGP about biogenic emissions: reported compulsorily separately, or optionally integrated, or not at all. Recommendation: not at all, but should be clarified in the guidance.
- m) Define **threshold for recalculate** of GHG emissions when changes in perimeter. Be transparent on the need for recalculation or not when change in the perimeter, and propose a default threshold of what "significant" means (5%, 10%, 20%?). Recommendation (alignment with Frech methodology: significant ~80%)
- n) **Numeric emissions** are not specified in the guidance. Clarify in which category emissions related to numeric (servers externalized consumption, email sent, etc.) should be reported as they are not product sold. Precise if optional or not (recommendation: optional). Could be

reported in another category called "other", or in Use of sold products which could be renamed in Use of sold products and services.

- o) Methodology is not clear on GHGP position regarding **trading goods** consideration in terms of emissions. Clarify if trading goods of raw materials like wheat, barley, etc. should be considered for a trading company.

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

See above for each problem, the solution proposed.

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

All principles are concerned by our propositions above

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.

Our propositions are aligned with climate science and global climate goals. Our propositions aim at making reporting more exhaustive and clarify methodology.

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)?

Our propositions support ambitious climate goals since they aim at extending the reporting perimeter. It informs better decision with a clearer methodology.

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?

Our propositions are feasible and have mostly been tested in our missions;

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

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

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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.

Our telecommuting Whitepaper : <https://info.eco-act.com/hubfs/0%20-%20Downloads/Homeworking%20emissions%20whitepaper/Homeworking%20Emissions%20Whitepaper%202020.pdf>

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

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

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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, 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.

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.