EXPONENTIAL ROADMAP INITIATIVE    NORDIC CLIMATE ADVISORY GROUP

# Key requirements of the GHG Protocol Corporate Standard

## Introduction

This document lists the requirements that corporates shall fulfil when accounting for and reporting GHG emissions as outlined in the GHG Protocol Corporate Standard.

The document includes only explicit requirements of the Corporate Standard, i.e. those introduced by the term "shall"[1], and does not include scope-specific guidance. The Corporate Standard includes other implicit requirements, which "should" be followed during the accounting and reporting process. For more information, read the source document.

## Key requirements

### I. Foundational principles

GHG accounting and reporting shall be based on the following principles:

- Relevance
- Completeness
- Consistency
- Transparency
- Accuracy.

### II. Setting organisational boundary

1. Companies shall account for and report their consolidated GHG data according to either the equity share or control approach.
2. When using the control approach to consolidate GHG emissions, companies shall choose between either the operational control or financial control criteria.
3. Once a corporate consolidation policy has been selected, it shall be applied to all levels of the organisation.
4. The above rules shall also be applied to account for GHG emissions from industry joint operations that involve state ownership or a mix of private and state ownership.

### III. Setting operational boundaries and defining scopes

1. Companies shall separately account for and report on scopes 1 and 2 at a minimum.
2. Direct $CO_2$ emissions from the combustion of biomass/biofuel shall not be included in scope 1 but reported separately.

[1] "The term "shall" is used in the chapters containing standards to clarify what is required to prepare and report a GHG inventory in accordance with the GHG Protocol Corporate Standard." (GHG Protocol, 2004)

3. GHG emissions not covered by the Kyoto Protocol, e.g. CFCs, NOx, etc., shall not be included in scope 1 but may be reported separately.

## IV. Tracking emissions over time

1. Companies shall choose and report a base year for which verifiable emissions data are available and specify their reasons for choosing that particular year.

2. Companies shall develop a base year emissions recalculation policy and clearly articulate the basis and context for any recalculations.

3. If applicable, the policy shall state any "significance threshold" applied for deciding on historic emission recalculation.

4. The following cases shall trigger the recalculation of base year emissions:

    - Structural changes in the reporting organisation that have a significant impact on the company's base year emissions, such as:
        - Mergers, acquisitions, divestments
        - Outsourcing and insourcing of emitting activities
    - Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emission data
    - Discovery of significant errors, or a number of cumulative errors, that are collectively significant.

5. Base year emissions shall be retroactively recalculated to reflect changes in the company that would otherwise compromise the consistency and relevance of the reported GHG emission information.

6. The recalculation policy shall be applied in a consistent manner, i.e. it shall apply for both increases and decreases in GHG emissions.

## V. Public reporting requirements

1. Reported information shall be
    - relevant
    - complete
    - consistent
    - transparent
    - accurate.

2. A public GHG emissions report that is in accordance with the GHG Protocol

Corporate Standard shall include the following information:

- Description of the company and the inventory boundary
    - An outline of the organisational boundaries chosen, including the chosen consolidation approach
    - An outline of the operational boundaries chosen, and if scope 3 is included, a list specifying which types of activities are covered
    - The reporting period covered

- Information on emissions – General
    - Emissions data separately for each scope
    - Year chosen as base year, and an emission profile over time that is consistent with and clarifies the chosen policy for making base year emission recalculations
    - Appropriate context for any significant emissions changes that trigger base year emissions recalculation (acquisitions/divestments, outsourcing/insourcing, changes in reporting boundaries or calculation methodologies, etc.)
    - Methodologies used to calculate or measure emissions, providing a reference or link to any calculation tools used
    - Any specific exclusion of sources, facilities, and/or operations
    - Emissions data for direct $CO_2$ emissions from biologically sequestered carbon (e.g. $CO_2$ from burning biomass/biofuel), reported separately from scopes.

- Information on emissions – Scope 1 & 2 only
    - Total scope 1 and 2 emissions independent of any GHG trades such as sales, purchases, transfers, or banking of allowances
    - Emissions data for all six GHGs separately ($CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$) in metric tonnes and in tonnes of $CO_2$ equivalent