

TAKING CLIMATE RESPONSIBILITY

A HOW-TO GUIDE FOR NGOs TO MEASURE, SET TARGETS AND REDUCE GHG EMISSIONS

GLOBALT **FOKUS**

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3.	Identifying levers and setting climate targets	<i>Introduction to identifying reduction levers and setting carbon reduction targets</i>
4.	Designing a climate action plan and reporting on progress	<i>Inputs to developing action plans and climate reporting</i>
5.	Appendix	<i>Long-list of carbon reduction levers (non-exhaustive)</i>

Reader guide to the document (1/2)

GUIDE TO READING THE DOCUMENT:

This practice oriented how-to guide walks through the key steps of how organizations can run an engaging and solid process for accounting for GHG emissions, setting targets and making a climate action plan.

The guide includes a combination of:

- Guidelines and key principles of known frameworks, particularly the GHG Protocol
- The Footprint Firm's inputs on how these principles can be practically applied, hereunder a step-by-step guide of the CO₂e-baseline Excel model provided
- Frequently-asked-questions (covered separately in each chapter)
- References to useful links, The Footprint Firm recommendations provided in seminars and sparring sessions and key learnings from the organizations in the climate responsibility project (see how these will be indicated below)



Useful link:

Links to useful sources for further details and explanations.



The Footprint Firm's recommendation:

The Footprint Firm's recommendations on applying principles to NGOs. Ultimately it is your organization's decision how you do it – but you should be transparent on assumptions and scope.



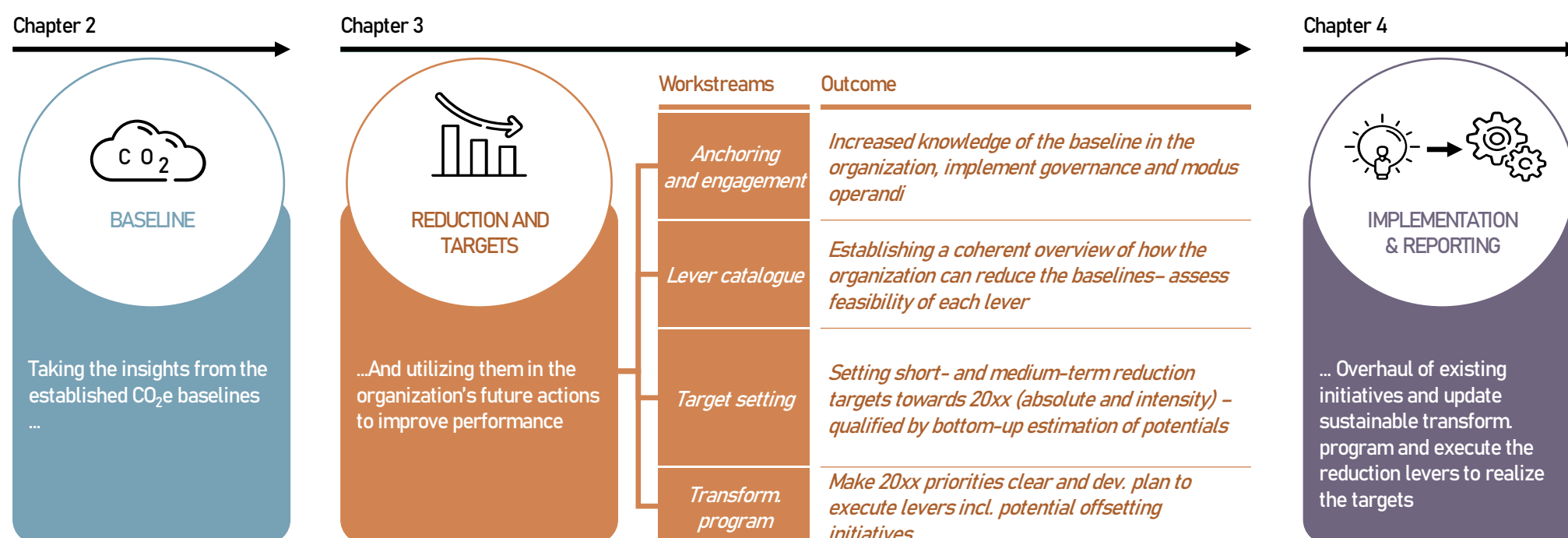
Key learnings:

Key learnings from the Climate Responsibility project, and, where relevant, a brief overview of how the organizations in the project have interpreted and implemented the principles.

GUIDE TO THE STRUCTURE OF THE DOCUMENT:

The structure of the document follows The Footprint Firm's recommended sequential approach to carbon accounting, carbon reduction and target setting. As illustrated in the figure below, the process covers:

- Chapter 2: Estimating your organization's CO₂e-baseline
- Chapter 3: Using insights to identify relevant levers and set reduction targets, and finally
- Chapter 4: Implementing the initiatives and targets and, if relevant, communicating and reporting your climate efforts and ambitions



Reader guide to the document (2/2)

MAPPING OF THE CHAPTERS:

CHAPTER		WHAT IS COVERED?	WHEN TO READ IT?
2	Accounting for GHG emissions	<ul style="list-style-type: none"> • Introduction to GHG accounting, including key definitions • “How-to” guide to establish your first organizational baseline, hereunder: <ul style="list-style-type: none"> • Decide what part of the organization and which activities are covered • Map types of data needed, collect data and fill data gaps • Find emission factors • Suggestions to approach common challenges that you may face when estimating your organizations baseline 	<ul style="list-style-type: none"> • When you are starting and planning your first organizational baseline • Relevant to those involved in data collection and baseline estimations
3	Identifying levers and setting climate targets	<ul style="list-style-type: none"> • Suggested four-step approach to use the insights from the baseline to set targets and identify carbon reduction initiatives/levers • Inputs to what to be aware of when deciding on the ambition level of your organization, to ensure targets are ambitious, yet realistic, and the importance of linking targets and levers • Introduction to offsetting and how it should be used 	<ul style="list-style-type: none"> • When you are starting to identify how to reduce emissions and set targets (note, you do not have to have a finished baseline to start thinking about reducing emissions) • Relevant to those setting targets and identifying reduction initiatives
4	Designing a climate action plan and reporting on progress	<ul style="list-style-type: none"> • Introduction on how you ensure the targets and ambitions you have made are implemented, hereunder an introduction to: <ul style="list-style-type: none"> • Developing action plans • Involving the organizations • Designing a good sustainability governance structure • Insights into key elements to be included – both optional and required - - in external reporting 	<ul style="list-style-type: none"> • When you are developing an internal operating model for working with carbon accounting and management across the organization • When you are planning and designing reporting of results

Specific challenges for NGOs

SPECIFIC CONSIDERATIONS FOR NGOs DEVELOPING CO₂e-BASELINES AND SETTING TARGETS:

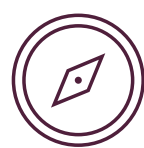
The Climate Responsibility Project has highlighted that the process of carbon accounting and the subsequent reduction and target setting is not straight forward for NGOs, and that there are some unique dynamics for these organizations, which can make the process particularly challenging. These include:



Find the right balance with core mission activities: Climate falls outside of many NGOs' direct core mission activities, particularly in the humanitarian sector. And, while organizations desire to green their operations, dedicating resources to carbon accounting and reporting will oftentimes come secondary to pressing humanitarian focuses. As such, NGOs must balance ambitions with reality at least in the short term – this means you may not cover all categories and country offices in the first year, but you should make an ambitious - yet realistic - plan for how to broaden scope in the medium-to-long-term.



Donor support is essential: Donors are very influential in prioritizing NGOs initiatives, and since achieving climate targets and commitments will most likely require investments, support from donors is essential. If an NGO is funded by strictly humanitarian-oriented donors it may struggle to justify diverting a part of resources from core mission activities. However, donor requirements seem to put more and more emphasis on NGOs climate and environmental efforts which may push the agenda and provide further funding for greening operations.



Climate accounting and reporting is not yet mainstream in the NGO community: Detailed environmental and climate reporting is a fairly new tendency across NGOs, and there is limited public information and guidelines about how other NGOs have approached the process. This means there are few, directly relevant best practice examples to learn from. However, this also gives NGOs the opportunity to be first movers and hence the opportunity to shape the environmental and climate agenda for NGOs.



Making long-term strategic plans may not be an option: Depending on your core mission, it may be difficult to make long-term strategic plans and commitments – e.g., if you provide humanitarian efforts in the aftermath of natural disasters you cannot know where and when your activities will be needed in the coming years and to what extent. This means, your targets, initiatives and implementation plan should be made within the boundaries of what is possible.



Useful link:

The Climate and Environment Charter for Humanitarian Organizations explains the need for NGOs to have climate-focused operations. You may be able to use elements of this when developing material to present to management and the broader organization to explain why environmental accountability is required by NGOs and through this ensure the required buy-in.

Link: [Climate Charter – Sign the Climate and Environment Charter \(climate-charter.org\)](https://climate-charter.org)

The importance of carbon accounting and management for NGOs

Scientific evidence is unequivocal, any further delay in concerted anticipatory global action on climate change adaptation and mitigation will miss a brief and rapidly closing window of opportunity to secure a liveable and sustainable future for all. Moreover, inequity and poverty constrain adaptation, resulting in disproportionate exposure and impacts for most vulnerable groups. Climate change is increasingly recognized as a threat multiplier for international peace and security, especially in fragile and instable governmental contexts and societies characterised by structural inequalities. Thus, climate change is undermining collective efforts to eradicate poverty, build resilience and achieve equitable and inclusive societies. In this context, it is of increasing importance for organizations engaged in development and humanitarian activities to address climate change holistically and start urgently mainstreaming climate change and environmental considerations.

Measuring and managing our emissions to reduce our carbon footprint is one of the action areas highlighted in Global Focus' mainstreaming tool and a concrete step to demonstrate civil society's true commitment to lead by example and contribute towards global climate goals to prevent the worst effects of climate change. It also contributes to accountability towards our donors who are increasingly taking an interest in reducing the climate and environmental impacts of humanitarian and development efforts, our partners, and vulnerable populations in the South. Moreover, it gives legitimacy in the public dialogue and negotiations to increase climate ambitions and accelerate climate action.

This guide has been developed as part of the Global Focus' Climate Responsibility Project that aims at strengthening the capacity of NGOs to prepare GHG emissions accounts, set targets, develop an action plan in a way that creates collective motivation and action, and monitor and report with transparency. During 2021, five member organizations: DanChurchAid, World Wildlife Fund Denmark, MS Action Aid, Danish Refugee Council and Danish Red Cross, with the guidance of 'The Footprint Firm' started a learning process with a mix of capacity-building seminars, ongoing support from resource persons and peer coaching through Action Learning groups. Key learnings from the implementation of the Climate Responsibility Project have informed this how-to-guide to make it relevant for the sector and to feed into sector-wide learning loops led by Global Focus. With this guide we also aim at promoting the use of a harmonized approach across the sector to allow for benchmarking of individual efforts in relation to each other and to actors outside the sector.

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The GHG protocol (1/2)

WHY MAKE A CO₂e-BASELINE

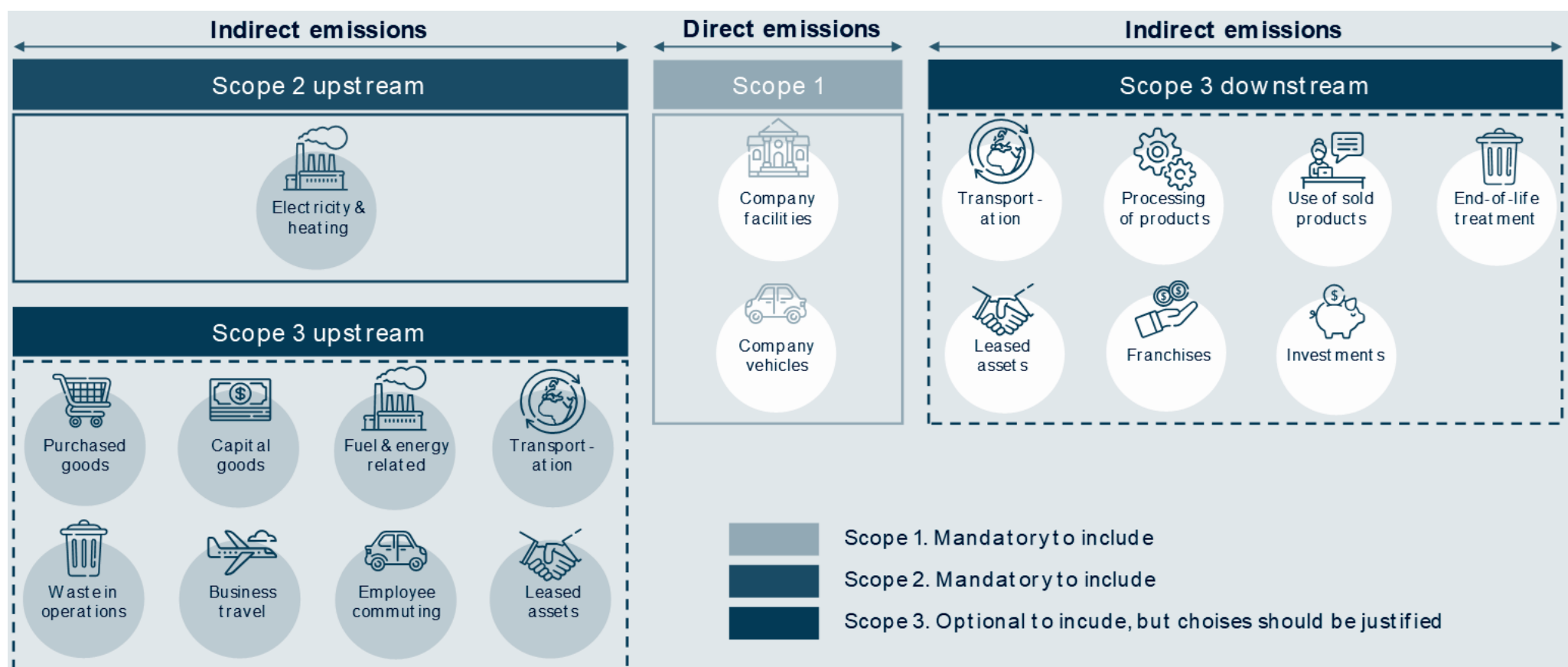
A CO₂e-baseline can be used to provide organizations a structured, comprehensive understanding of the climate impact of their organization throughout the whole value chain. It can be used to:

- Initiate reduction measures
- Set a public target and commit to it internally and externally
- Start a dialogue with suppliers to green your supply chain
- Engage with stakeholders about how to contribute to their climate goals
- Anchor change among employees

THE GHG PROTOCOL

The GHG Protocol is a comprehensive global, standardized framework used to measure and manage greenhouse gas (GHG) emissions. Emissions in the GHG Protocol are broken down into three Scopes to provide a systematic framework to organize and understand the diversified activities within a value chain:

- **Scope 1 – Direct emissions:** Emissions from sources that are owned or controlled by the organization. This could be the emissions that are directly created by transportation in organization vehicles
- **Scope 2 – Indirect emissions:** Emissions that result from the generation of electricity, heat or steam purchased by the organization from a utility provider
- **Scope 3 – All other indirect emissions:** Emissions from activities that the organization indirectly impacts in its value chain, but from assets not owned or controlled by the organization. As illustrated below, there are 15 Scope 3 Categories (detailed on the next page)



Key learnings:

The GHG Protocol is not designed for NGOs, and so there may be elements that are difficult to apply directly to your organization. As such, consider what is relevant for your organization given your activities and the accountability you have of these. The key thing is to document which assumptions and decisions you have made when estimating your baseline.

The GHG protocol (2/2)

Definitions of Scopes and categories & NGO-relevant examples

Scope & Category	Category description	Potential relevance for NGOs (non-exhaustive)
1 Combustion emissions	Direct combustion emissions from organization's facilities and vehicles/equipment	<ul style="list-style-type: none"> • Diesel used for generators for heat or electricity • Diesel or petrol used in organization-owned or -operated vehicles
2 Electricity & heating	Direct consumption of electricity and heating by the reporting organization	<ul style="list-style-type: none"> • Electricity or district heating/cooling for owned, leased or otherwise operated buildings/offices • Electricity for owned or operated vehicles (EVs or hybrids)
3.1 Purchased goods & services	Extraction, production, and transportation of goods and services purchased or acquired in the reporting year (that is, cradle-to-gate emissions), not otherwise included in Categories 2 - 8	<ul style="list-style-type: none"> • Admin: Campaign materials, IT equipment, food, paper & pens • Project based: Tents, emergency equipment, cash and voucher donations (considered outsourced procurement – see FAQ section)
3.2 Capital goods	Extraction, production, and transportation of capital goods purchased or acquired in the reporting year	<ul style="list-style-type: none"> • Equipment/ vehicles purchased in relation to projects
3.3 Fuel & energy-related	Extraction, production, and transportation of fuels and energy purchased or acquired in the reporting year, not already accounted for in scope 1 or scope 2	<ul style="list-style-type: none"> • Derived from scope 1 and 2 (<i>So same data required as for Scopes 1 and 2</i>)
3.4 Upstream transport. & distr.	Transportation and distribution of products between tier 1 suppliers and all other transportation paid by reporting organization (but not in own or leased vehicles)	<ul style="list-style-type: none"> • Transportation of equipment between country offices
3.5 Waste generated in operations	Disposal and treatment of waste generated in the reporting organization's operations in the reporting year (in facilities not owned or controlled by the reporting organization)	<ul style="list-style-type: none"> • Admin.: Municipal Solid Waste and other waste from offices • Project related: Waste created during projects • Other waste (medical waste)
3.6 Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting organization)	<ul style="list-style-type: none"> • Admin: Flights, taxis, driving in own cars for business, trains • Projects: Transport to project locations • Hotels
3.7 Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting organization)	<ul style="list-style-type: none"> • Employee commuting to/from offices/project locations • Teleworking (optional)
3.8 Upstream leased assets	Operation of assets leased by the reporting organization (lessee), not included in scope 1 and scope 2	<i>Relevant only if you pick the financial control approach or equity share control approach – see page 11</i>
3.9 Downstream transport. & distr.	Transportation and distribution of products sold, between the reporting organization's operations and the end consumer (if not paid for by the reporting organization), including retail and storage (in vehicles not owned or controlled by the reporting organization)	<ul style="list-style-type: none"> • Transport of aid to pick-up spot • Aid delivery not paid by reporting organization
3.10 Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)	<ul style="list-style-type: none"> • Hand-out of intermediate products
3.11 Use of sold products	Use of goods and services sold by the reporting organization	<ul style="list-style-type: none"> • Emissions from e.g., stoves and generators donated directly or through vouchers
3.12 End-of-life treatment of sold goods	Waste disposal and treatment of products sold by the reporting organization (in the reporting year) at the end of their life	<ul style="list-style-type: none"> • Disposal of products handed out, e.g., disposal of tents
3.13 Downstream leased assets	Operation of assets owned by the reporting organization (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2	<ul style="list-style-type: none"> • Buildings owned by the organization, but leased to other entities • Office space leased by the organization and sub-leased by other organizations
3.14 Franchises	Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor	<i>No relevant examples identified</i>
3.15 Investments	Operation of investments in the reporting year, not included in scope 1 or scope 2	<ul style="list-style-type: none"> • Pension funds • Debt investments inform of microloans, if known use of proceeds

The process and key principles for establishing a CO₂e-baseline

SETTING ORGANIZATIONAL BOUNDARIES:

The first step in carbon accounting is to define the organizational boundary – that is, which operations are included in the organization’s organizational boundary and how are emissions from each operation consolidated by the reporting organization.

Organizations should use a consistent consolidation approach across the Scope 1, Scope 2, and Scope 3 inventories. There are three different consolidation approaches, described below. Note that operations or activities that are excluded from an organization’s Scopes 1 and 2 inventories as a result of the organizational boundary definition (e.g., leased assets, investments, and franchises) may become relevant when accounting for Scope 3 emissions:

Equity share approach

An organization **accounts for GHG emissions from operations according to its share of equity**. The equity share reflects economic interest.

Financial control

An organization accounts for **100% of the GHG emissions over which it has financial control**. It does not account for GHG emissions in Scopes 1-2 from operations in which it owns an interest but does not have financial control – these are accounted for in Scope 3.

Operational control

An organization accounts for **100% of the GHG emissions over which it has operational control**. It does not account for GHG emissions in Scopes 1-2 from operations in which it owns an interest but does not have operational control - these are accounted for the in Scope 3.

When selecting which consolidation approach your organization proceeds with, it is important to consider:

- Which approach ensures accountability for the activities and operations of your organization?
- What is your organization’s goal for GHG accounting and reporting?

Useful link:



See page 30 of the ‘GHG Protocol Corporate Value Chain’ for an example of how the selection of consolidation approach affects where the emissions are accounted for in the inventory.

Link: [Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf \(ghg protocol.org\)](#)



The Footprint Firm’s recommendation:

See FAQ for The Footprint Firm’s recommended consolidation approach for NGOs.



Key learnings:

In terms of selecting which part of the organization is covered by the CO₂e-baseline, most organizations in the Climate Responsibility Project have in the first year prioritized the headquarter and 2-3 country offices. This selection is viewed as ‘pilot projects’ to gain experience to roll out carbon accounting across remaining country offices. One way to approach the roll out, is making the baseline process voluntary, but set a target year for when all country offices should have completed their baseline.

If organizations decide to start by estimating their baseline for a limited scope, they should make a clear plan for broadening the scope in years to come. Furthermore, when communicating baseline results, organizations must be transparent about scope and key assumptions and make it clear which part of the organization is and is not covered.

Process and key principles for establishing a CO₂e-baseline

SETTING OPERATIONAL BOUNDARIES:

The second step is to select which operations to include in your baseline, that is, which Scope 3 categories to include (Scope 1 and Scope 2 are mandatory to report). Scope 3 emissions are optional, though encouraged to report and you should justify why any Scope 3 categories have been excluded from the inventory. When setting the operational boundary (i.e. selecting Scope 3 categories), consider these principles:

- **Relevance:** Ensure the GHG inventory appropriately reflects the GHG emissions of the organization and serves the decision-making needs of users – both internal and external to the organization
- **Completeness:** Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions
- **Accuracy:** Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, 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
- **Consistency:** Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series
- **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

The GHG Protocol acknowledges that accounting for all Scope 3 emissions may not be feasible, at least not in the short term, and that some categories may not be applicable to your organization. It also recognizes that you get smarter over time and that your first baseline may not be perfect. However, as stated above, you should be transparent on coverage and underlying assumptions, and you should make a plan for how to broaden the scope in years to come.



Key learnings:

Most organizations in the Climate Responsibility project prioritized a selection of key Scope 3 categories in the base year, based on data availability and relevance.

Commonly prioritized categories include Category 1 (Purchased goods & services), Category 3 (Energy and fuel related emissions) and Category 6 (Business travel).



Key learnings:

The subsequent reduction lever identification and target setting process can be eased by selecting set Scope 3 categories across all country offices – or, to allow for more flexibility, have strong recommendations on Scope 3 category selection. The pilot projects can be used in selecting these set categories (note, pilot projects from the project have shown country offices generally select the same Scope 3 categories). Pros and cons of this are listed below:




- + Creates clear synergies in cross-cutting reduction levers
- + Reduces complexity in the target setting process
- + Ensures country offices are ambitious in their operational boundary setting
- May come at a cost of co-creating with country offices

Remember, even with clear recommendations, cross-country variations will exist and so support should be provided, and dialogue facilitated across country offices.

Process and key principles for establishing a CO₂e-baseline

COLLECTING DATA, INCL REQUESTING DATA FROM KEY STAKEHOLDERS (1/2):

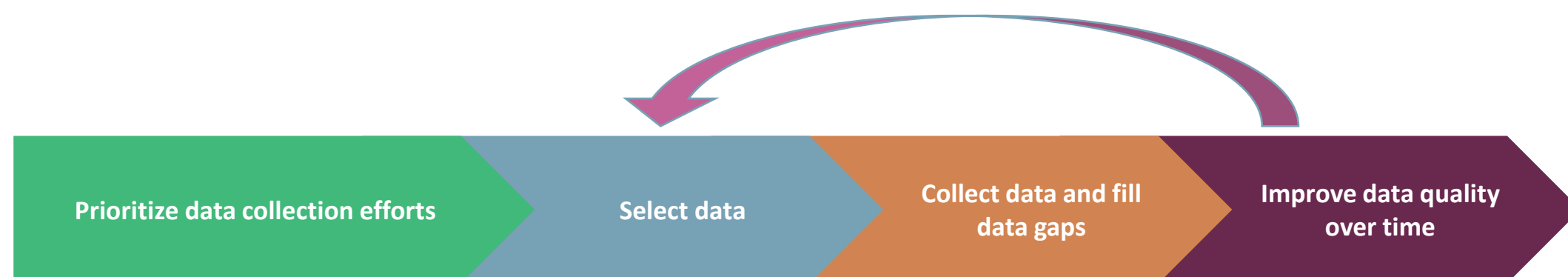
There are different types of data inputs that can be used to estimate your CO₂e-baseline, each are described below with corresponding pros and cons per data type. Note, each category may contain multiple data types, that is, different calculation methods can be used for different activities within a category (e.g., using spend-based for electricity in Denmark and activity-based for electricity in Sweden).

	 Spend-based (high-level)	 Average-data based	 Supplier-specific (actual data)
Basis for calculation	Per spend: Average emission per DKK spent within this category across all SKU's, suppliers, etc.	Per weight/ other metric: Average emission per weight/ other metric for this category of product	Per SKU/supplier: Actual emission per SKU based on supplier, country of origin, etc.
Advantages	<ul style="list-style-type: none"> Quick calculation, if knowledge of materials or specific product type is unknown Gives a broad overview of emissions CO₂e emissions Enables completeness of activities even in early years 	<ul style="list-style-type: none"> Relatively precise CO₂e calculations Possibility to work more strategically with CO₂e emissions 	<ul style="list-style-type: none"> Most precise CO₂e calculations Good foundation to work strategically with CO₂e emissions
Dis-advantages	<ul style="list-style-type: none"> Unprecise and difficult to use strategically in terms of reducing emissions 	<ul style="list-style-type: none"> Requires relatively high data quality Can be time consuming 	<ul style="list-style-type: none"> Requires very high data quality Likely rather time consuming
Applicability	<ul style="list-style-type: none"> Can be used to identify which categories to prioritize collecting more detailed information on 	<ul style="list-style-type: none"> Can be used to identify which suppliers to engage with, to get more detailed information 	<ul style="list-style-type: none"> Accurate CO₂e baseline calculation for selected categories

Creating a comprehensive and exhaustive scope 3 baseline can seem like a daunting task. As such, it can be beneficial to start by calculating a “spend-based baseline” based on spend and then prioritize the most important areas to collect more sophisticated data.

In general, you should over time seek to improve the breadth and depth of data collection by replacing lower quality data with higher quality and more accurate data as it becomes available. This also means that if there are areas of your business where no data is currently available, or where the data quality is particularly poor, discuss with a relevant data owner how this data can become available in years to come.

At the end of each baseline process, you should make a list of the key priorities for improving data availability and/ or quality. This iterative process is illustrated below.



Process and key principles for establishing a CO₂e-baseline

COLLECTING DATA, INCL REQUESTING DATA FROM KEY STAKEHOLDERS (2/2):

When collecting data, either internally or externally, it is beneficial to send a data request. A data request should be as simple as possible and define:

- Time
- Scope/ coverage
- Format, structure and required breakdown/detail level
- Preferred unit
- Uncertainties - When receiving the data, make sure you understand any underlying assumptions

Electricity consumption

If kWh not available please adjust unit

Category	Country	Year	Preferred unit	Quantity	What is the data source/origin	Does the utility supplier provide CO2 factor	Do you buy green certificates	Do you buy all electricity directly from the grid	Comments on uncertainty
Country office A	Denmark	2020	kWh						
Country office B	Sweden	2020	kWh						
Country office C	Tanzania	2020	kWh						
Country office D	Uganda	2020	kWh						

To motivate stakeholders, make the data collection process meaningful. For example, before sending a data request, reach out to the specific stakeholder and explain the final goal and how the data they provide will be used as part of the organization's climate ambitions. This makes buy-in from stakeholders more likely and encourages them to prioritize the data collection process to the extent possible.



Key learnings:

When expanding the baseline process to other country offices, organizations in the Climate Responsibility project have typically picked a focal point that is relevant for the data needed – usually an employee from supply chain and/or finance

FILLING DATA GAPS AND CREATING PROXY ESTIMATES:

If sufficient data is not available, organizations may use proxy data to fill data gaps, that is, data from a similar activity that is used as a stand-in for the given activity. However, you should also discuss how data can become available in years to come and make a clear plan for collecting more accurate data.

Proxy data can be extrapolated, scaled up, or customized to be more representative of the given activity (e.g., partial data for an activity that is extrapolated or scaled up to represent 100% of the activity). Examples of proxy data:

- Electricity data exists for the Ugandan country office but not the Kenyan country office. Given similar office context and setup, the organization assumes consumption per square meter is similar and so estimate electricity consumed in Ugandan office using i) consumption per square meter from Kenyan office and ii) square meters of Kenyan office
- An organization collects data for 80% of its procurement for a given product category, but 20% is unknown. The organization assumes the unknown 20% has similar characteristics to the known 80% so applies a linear extrapolation to estimate 100% of the procurement data



The Footprint Firm's recommendation:

If data from all country offices is not available in the short term, you can also start by creating country office archetypes (i.e., group country offices based on characteristics, such as location and types of projects delivered) and assume these offices have similar CO₂e-baseline characteristics. You can then extrapolate baselines from the offices where data is available to offices within the same archetype where it is not available based on metrics such as spend, project size, etc.

Process and key principles for establishing a CO₂e-baseline

FINDING EMISSION FACTORS:

For all (sub-) activities included in the inventory, you must find a corresponding emissions factor. An emission factor is a representative value that relates the GHG emissions of a product, material or activity, with the amount your organization have purchased or consumed. To the extent possible multiple emissions factor data points should be collected to validate the source.

Note, you should find emission factors estimated in CO₂e, in order to include all six greenhouse gases covered by the Kyoto Protocol: Carbon dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluoro-carbons (HFCs), Perfluorocarbons (PFCs), and Sulphur Hexafluoride (SF₆).

A good place to start when looking for emission factors it to ask the suppliers if they have an available emission factor – companies likes pension funds oftentimes do. Otherwise see below overview:

Data sources	Relevant Scopes	Key notes
IEA	Scope 2	Electricity and electricity & heating emission factors across all geographies.
DEFRA (activity)	Scopes 1 & 3	Open source; Updated annually; Contains numerous average-based emission factors
DEFRA (spend)	Scope 3	Open source; Contains numerous spend-based emission factors ; Data from 2013 (not updated annually)
EPD	Scope 3	Open source; Product-specific LCAs developed by manufacturers (e.g., construction materials)
Eio. Lca	Scope 3	Open source; Spend-based LCA database from the US; Data from 2002/2007 (not updated annually)
ResearchGate	Scope 3	Product LCA's; Can for example be found in academic articles

If you cannot find an emissions factor for the specific product, a proxy can be used (that is an emission factor for a similar product). If you use a proxy emissions factor, this should be stated when reporting. It should be noted that there may be different emission factors for the same product.

MARKET-BASED VS. LOCATION-BASED BASELINE (SCOPE 2):

According to the GHG protocol organisations with any operations in markets providing product or supplier-specific data, shall report on both the market-based and location-based approach.

- The location-based method reflects the average emissions intensity of the grids on which energy consumption occurs
- The market-based method reflects emissions from electricity that organisations have purposefully chosen (e.g., if they choose to purchase green electricity certificates, reducing Scope 2 emissions)



The Footprint Firm's recommendation:

If your organisation buys Green Electricity certificates, we recommend communication to be based primarily on the location-based approach, since the Green Electricity certificates refer to an additionality of renewable electricity that does not necessarily exist.



Useful link:

See page 25 of the 'GHG Procotol Scope 2 guidance' for further details on the two approaches.

Link: [Scope 2 Guidance Final 0.pdf \(ghg_protocol.org\)](#)

Process and key principles for establishing a CO₂e-baseline

USING THE SPEND-BASED APPROACH

As mentioned, spend-based data can be used where more detailed, average-data is not available, to ensure completeness (i.e., to be able to cover all/more relevant categories). However, note, spend-data:

- Is associated with a high levels of uncertainty
- Should only be used until more accurate data becomes available

When using spend-based emission factors it is important to go through the following steps to be sure you are comparing like-for-like. To it in the correct order to ensure consistency – note, **Step 3 should be repeated every year**.

STEPS 1: VAT

Check that the emissions factors and the spend data are both with or without VAT – if not, then align (normally, spend data pulled from your ERP system will be without VAT)

STEP 2: CURRENCY

Check that the emissions factors and the spend data are in the same currency – if not, then convert your emissions factor to the local currency of the spend data using the relevant exchange rate in the year of the emissions factor

STEP 3: INFLATION - SHOULD BE ADJUSTED FOR ANNUALLY!

Check that the emission factors and the spend data are from the same year – if not, adjust the emission factors for inflation using the local inflation rate (since the emission factors are converted to local currency, cf. step 2).

Explanation: Because of inflation, 1 Kr. today buys more than 1 Kr. in 10 years (assuming positive inflation). This means inflation data is required to convert market values between the year of the emissions factors and the year of the spend data. For example, if inflation was 10% between Year 1 and Year 10, then the emission factor should be divided by 110%

A comprehensive step-by step guide and a supporting tool is also provided in the Excel tool

Step I: Select emission factor, and check VAT	Step II: Adjust to local currency	Step III: Adjust for inflation			
<p>Use an emissions factor database, such as DEFRA, to find an appropriate emission factor and ensure that the that the emission factor is spend based. Check that the emission factors is with or without VAT, and check which year the emission factor is last updated.</p>	<p>Check that the emission factor and the spend data you have available from your company are in the same currency – if not, then convert your emission factor to the local currency of your spend data using the relevant exchange rate in the year of the emission factor. The spend based calculator below can help you with the conversion. If it is the same currency type in 1.</p>	<p>Check that the emission factors and the spend data are from the same year – if not, adjust the emission factors for inflation using the local inflation rate (since the emission factors are converted to local currency, cf. step 2)</p>			
<p>Insert year of emission factor *Type in the year the emission factor is calculated</p> <p>E.g. 3.10 (from database Table 13 on kgCO₂/GBP agriculture products) E.g. 2011</p>	<p>If emission factor includes VAT, type in VAT in % *If the emission factor includes VAT and your spend does not include VAT then write the VAT rate in the country where the emission factor is from. If your spend includes VAT and the emission factor also includes VAT, then VAT should not be excluded from the emission factor (leave this field blank). If emission factor does not include VAT, leave this field blank</p> <p>E.g. Defra is UK based, and VAT in the UK is 20%, therefore write 20%</p>	<p>Insert exchange rate in the year of emission factor * The emission factor should be converted to the same currency as your spend. Emission factors from DEFRA are calculated in GBP. If your own spend data is provided in DKK, it is therefore necessary to convert the emission factor from GBP to DKK as well (or other currencies). Type in the exchange rate from the year of the emission factor. Use 1=1, e.g. 1GBP=8.23DKK</p> <p>E.g. 8.9 (exchnage rate from Nationalbankens Statistik GPB to DKK in 2011)</p>			
		<p>Use local inflation rate from base year to baseline year *Type in the inflation rate</p> <p>E.g. 1.09 (using the Inflationtool.com to calculate inflation from 2011 to 2020)</p> <p>E.g. using the exemplified numbers will give the adjusted emission factor: 0.38</p>			
3.10	2011	20%	8.9	1.09	0.38

Step-by-step guide for using the Excel model (1/3)

OVERVIEW OF SECTIONS IN THE EXCEL TOOL:

Table of content	Before you start	Step-by-step guide	Calculations	Results	Emission factors database	Data management									
Scope 1	Scope 2	Scope 3.1	Scope 3.2	Scope 3.3	Scope 3.4	Scope 3.5	Scope 3.6	Scope 3.7	Scope 3.8	Scope 3.9	Scope 3.10	Scope 3.11	Scope 3.12	Scope 3.13	Scope 3.14

1

Table of content:

- Overview of all tabs in the Excel tool

2

Before you start:

- High-level introduction to the GHG protocol
- Key steps for estimating a baseline (also covered in this chapter of the how-to guide)

3

Step-by-step guide:

- Brief introduction to how the model should be filled out
- Tool to use spend-based emission factors

4

Calculations:

- Each Scope and Category has a tab where all calculations are to be included
- Further, there is a corresponding Appendix

5

Results:

- Table and graphs with results from calculations tabs (filled out automatically as you fill out each calculations tab)

6

Emission factor database:

- Overview of available emission factor databases, including description, guide, price and pros/cons

7

Data management:

- Data management plan-template that can be used to keep track of data

Table of content	Before you start	Step-by-step guide	Calculations	Results
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Table of content

*Click on each topic to go to the right tab in the sheet

Before you start
Introduction to the GHG Protocol and Scope 1, 2, 3
Developing a CO2 baseline
Step-by-step guide
Using the model

Table of content	Before you start	Step-by-step guide	Calculations	Results	Emission factors database
------------------	------------------	--------------------	--------------	---------	---------------------------

Introduction to the GHG Protocol	Developing a CO2 baseline
----------------------------------	---------------------------

Introduction to the Greenhouse Gas Protocol
Before you get started, it might be useful to read through this section. It will give you an introduction to the Greenhouse Gas Protocol and Scope 1-2-3, and explain how to carbon emissions are calculated.

Introduction to the Greenhouse Gas Protocol
GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. The Protocol is the world's most widely used greenhouse gas accounting standard.

Table of content	Before you start	Step-by-step guide	Calculations	Results	Emission factors database
------------------	------------------	--------------------	--------------	---------	---------------------------

Using the model	Spend-based calculator
-----------------	------------------------

Using the model: Step-by-step
How to work with the Excel model

How to activate macros

Before you get started with your GHG calculations, click on "Enable Content" to ensure full model functionality



Table of content	Before you start	Step-by-step guide	Calculations	Results	Emission factors database
------------------	------------------	--------------------	--------------	---------	---------------------------

1	Scope 2	Scope 3.1	Scope 3.2	Scope 3.3	Scope 3.4	Scope 3.5	Scope 3.6	Scope 3.7
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Calculations: Start by typing in your company data
When you get started, you should add basic information about your organisation in the fields below. Moreover, you should select which topics are relevant for your scope 3 assessment.

Company data

Basic information about your company

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Table of content	Before you start	Step-by-step guide	Calculations	Results	Emission factors database
------------------	------------------	--------------------	--------------	---------	---------------------------

Scope 2	Scope 3.1	Scope 3.2	Scope 3.3	Scope 3.4	Scope 3.5	Scope 3.6	Scope 3.7	Scope 3.8	Scope 3.9	Scope 3.10
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Results
This tab contains the company's total CO2e-emissions

Scope category	kgCO2e	tCO2e	Share
Scope 1	-	-	-
Scope 2	-	-	-
Scope 2 (Market-based)	-	-	Not in
Scope 3	-	-	-
Scope 3.1: Upstream purchased goods and services	-	-	-
Scope 3.2: Upstream capital goods	-	-	-
Scope 3.3: Upstream fuel and energy related activities not included in scope 1-2	-	-	-

Before you start	Step-by-step guide	Calculations	Results	Emission factors database	Data management
------------------	--------------------	--------------	---------	---------------------------	-----------------

Emission factor database: on first hand use and desk research - split into recommended for use and others

Database sources for emission factors with more specific academic records of lifecycle assessments (LCAs). Further, we apply environmental product declaration (EPD) data (third party verified). In general we apply the GHG Protocol methodology for baseline estimation (though not necessarily the database).

Description of the database	Type of data	Step-by-step guide on how to use the database	When is the data from	Price	Pros
Published by the UK Government (Department for Business, Energy & Industrial Strategy)	Activity-based data (kgCO2/ac activity unit)	- Select the datasheet called 'Conversion factors 20XX: full set (for advanced users)' - The database is split into different tabs, with a description of which scope to be included in the top. An overview of	Updated annually	Free	-High degree of detail on e.g. freight types, business travel & freight goods -Compliant with and structure partially around the GHG-protocol WTT factors for fuel separator

Before you start	Step-by-step guide	Calculations	Results	Emission factors database	Data management
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request

GHG Protocol

Description

Responsible	Status	Next steps (e.g. focus baseline)
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Step-by-step guide for using the Excel model (2/3)

PRACTICAL EXAMPLE OF FILLING OUT DATA FOR A GIVEN CATEGORY

1

Before you get started, it is recommended that you read through the top section (i.e. the guidance), and determine which categories are relevant for your organization.

To help you fill out the section, look at 'TIPS & TRICKS' and the relevant links

2

Ensure that you are always able to find relevant background data ("raw data"), by saving relevant information in the Appendix sheet corresponding to the particular Scope/Category

3

Always select one calculation method, i.e., either spend-based or activity-based for each item to avoid double counting

4

Fill out identifying data such as "Description", "Country", "Department", "Unit", "Quantity" and other relevant information (subject to variations across Scopes/Categories)

5

Fill out the corresponding emissions factor. Ensure the emissions factor is up to date and in the correct unit (e.g., CO₂e per Kg if your unit is Kg).
Include links and a description of where the emissions factor is found.

The results are then calculated automatically

Table of content				Before you start				Step-by-step guide				Calculations				
Scope 1	Scope 2	Scope 3.1	Scope 3.2	Scope 3.3	Scope 3.4	Scope 3.5	Scope 3.6	Scope 3.7	Scope 3.8	Scope 3.9	Scope 3.10	Scope 3.11	Scope 3.12	Scope 3.13	Scope 3.14	Scope 3.15
Appendix																
APPENDIX SCOPE 1																
Here you should add relevant documentation, calculations, and assumptions related to Scope 1																
Brændstof forbrug 2020																
							Fuel type	Liter	DKK							
Arval							Diesel	1.627,34	13.619,23							
Alm Brand							Diesel	9.116,81	81.491,73							
Q8							Diesel	11.551,16	98.677,00							
Eurocard							Diesel	12.367,38	103.886,68							
								34.662,69	297.674,63							

Company vehicles driven by fuel (mobile combustion)					
Activity based: Fuel use calculated based on quantity (Liters/KM)					
*Use of electricity for electrical vehicles should be recorded in Scope 2. For hybrid vehicles, only account for the fuel use in Scope 1.					
Description	Country	Department	Vehicle category	Type of fuel	Unit
			n/a	Diesel	Liter
			n/a	Petrol	Liter
			Average car	Diesel	Liter
			Average car	Petrol	Liter
Spend based: Fuel use calculated based on spend (monetary values excluding VAT)					
Description	Country	Department	Type of fuel	Spend ex VAT	Unit

Company vehicles driven by fuel (mobile combustion)					
Activity based: Fuel use calculated based on quantity (Liters/KM)					
*Use of electricity for electrical vehicles should be recorded in Scope 2. For hybrid vehicles, only account for the fuel use in Scope 1.					
Description	Country	Department	Vehicle category	Type of fuel	Unit
			n/a	Diesel	Liter
			n/a	Petrol	Liter
			Average car	Diesel	Km
			Average car	Petrol	Km
Spend based: Fuel use calculated based on spend (monetary values excluding VAT)					
Description	Country	Department	Type of fuel	Spend ex VAT	Cur

Emission factor [kg CO ₂ e/unit]				
2,35	Diesel, Average fuel-blend; DEFRA, 2020	Link	kg CO ₂ e	Where we found it
2,17	Petrol, Average fuel-blend; DEFRA, 2020	Link	kg CO ₂ e	Where we found it
0,17	Diesel, Average car size; DEFRA, 2020	Link	kg CO ₂ e	Where we found it
0,17	Diesel, Average car size; DEFRA, 2020	Link	kg CO ₂ e	Where we found it

Emission factor [kg CO ₂ e/spend]				
			kg CO ₂ e	Where we found it
			kg CO ₂ e	Where we found it
			kg CO ₂ e	Where we found it

Step-by-step guide for using the Excel model (3/3)

CHECKLIST FOR UPDATING THE YEAR 2 BASELINE

- Revisit the organizational scope
 - Are there any new parts of the organization (e.g., new facilities, new country offices, etc.), that should be included in the baseline? If so, gather data and update the baseline accordingly
 - Are any old parts of the organization (e.g., closed country offices, cars no longer in the fleet etc.), that should be excluded from the baseline? If so, update the baseline accordingly
- Revisit Scope 3 categories included in the baseline and check if there are any more categories that should be included (and similarly, any categories that are no longer relevant). For example, if you have made a CAPEX investment in the reporting year, and there were no CAPEX investments in the previous year, you should include Scope 3 Category 2
- Revisit the data collection approach for the categories where the spend-based approach have previously been used and see if average-data is now available (similarly check if average-data can be replaced with supplier-specific data)
 - If this change in method significantly impacts the baseline, you should adjust the previous years' emission estimates to the same method (for example through extrapolation based on spend on the given category or FTEs). This will enable a like-for-like comparison
 - Ensure only one data approach per activity – that means if you used spend-based method last year, but activity-based this year then delete the spend-based data from the excel model
- Collect all data for the reporting year (following the point above)
 - Include all raw data in the Excel model so you always can revert to the original data sources if needed and to be able to answer questions related to the data and approach. It also eases a potential model hand-over to a colleague
- Find new emission factors
 - Find new emission factors for the given year by checking the same data source (e.g., DEFRA releases a new data source every year)
 - For spend-based emission factors, update the inflation factor as described in the model
- Document changes and assumptions
 - If there is a reduction in the baseline that is not driven by an actual reduction in emissions, but rather by a change in methodology, this needs to be documented and disclosed in reporting and communication

FAQ (1/5)

QUESTION: HOW DO I INCORPORATE BUSINESS TRAVEL DATA INTO OUR ERP SYSTEM?

Answer:

If only spend-based data is available for business travel, it can be an option to incorporate data collection into the ERP system, by requesting that more detailed information is filled out when a certain activity is invoiced.

Below are examples of the types of text strings that can be used for business travel, and how the data can subsequently be translated into relevant CO₂e data, which can then be translated into CO₂e emissions data.

Note that when accounting for long-haul flights make sure to use the numbers that include Radiative Forcing* (that is, the full climate impact of the flight and not just CO₂e).

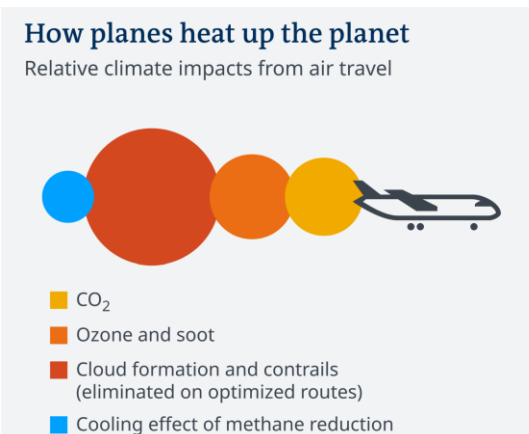
Scope 1 and 2					
Category	Type	String format	Description	Example	Calculations
Vehicle	Preferred input	"Fuel type, amount of fuel used in liters"	Fuel type covers: petrol, diesel	"Diesel, 52 L"	Volume
	Alternative 1	"Fuel type, distance driven in kilometers"	Fuel type covers: petrol, diesel	"Diesel, 350 KM"	Distance
	Alternative 2	"Fuel type"	Fuel type covers: petrol, diesel	"Diesel"	Cost
Electricity	Preferred input	"VAT number, Supplier Name, Energy used in kWh"	VAT-numbers starts with 2 letters followed by 2-13 characters.	"DK1009932840, Ørsted A/S, 11402 kWh"	Energy usage
	Alternative 1	"VAT number, Supplier Name"	VAT-numbers starts with 2 letters followed by 2-13 characters.	"DK1009932840, Ørsted A/S"	Cost
Heating	Preferred input	"VAT number, Supplier Name, Energy used in kWh"	VAT-numbers starts with 2 letters followed by 2-13 characters.	"DK307270145, HOFOR A/S, 11402 kWh"	Energy usage
	Alternative 1	"VAT number, Supplier Name"	VAT-numbers starts with 2 letters followed by 2-13 characters.	"DK307270145, HOFOR A/S"	Cost

Scope 3					
Category	Type	String format	Description	Example	Calculations
Business travel - flights	Preferred input	"Flight, departure / arrival airport", number of legs	Use the three letter codes for airports Number of legs	Flight, CPH / ARN, 2	Kilometer
Business Travel - other	Preferred input	"Transport mode"	Transport mode covers taxi, train, boat	Taxi	Cost
Other transactions	Preferred input	"VAT Number, Supplier name"	VAT-numbers starts with 2 letters followed by 2-13 characters.	"SE556091359101, Stables AB"	Cost



FROM/TO: CPH

Airport	IATA code	Climate impact (average airline) - ONE-WAY (in kg CO ₂ e)	
		Economy	Business
Aarhus	AAR	29	55
Aalborg	AAL	41	77
Stockholm, Arlanda	ARN	132	247
Oslo, Gardermoen	OSL	121	227
London, Heathrow	LHR	225	422
London, Gatwick	LGW	256	480



* Radiative Forcing (RF) is a change in the balance of solar and terrestrial radiation in Earth's atmosphere. Aviation contributes to climate change by increasing atmospheric radiative forcing through the emission of gases and aerosols and changing cloud abundance. By including the influence of radiative forcing in air travel emissions organisations can capture the maximum climate impact of their travel habits. However, it should be noted that there is very significant scientific uncertainty around the magnitude of the additional environmental impacts of aviation.

Useful link:

You can then use this website to translate the airport codes into CO₂e emissions data.

Link: <https://www.atmosfair.de/en/offset/flight/>

FAQ (2/5)

QUESTION: WHICH CONSOLIDATION APPROACH SHOULD I CHOOSE?

Answer:

Below we have described the approach that The Footprint Firm would take, if we were to do a baseline for an NGO. At the end of the day, however, this decision must be made by your organization.

If we at The Footprint Firm were to estimate a CO₂e-baseline for an NGO, we would select the **Operational control approach**. We believe this is the best way to take accountability of your operations, and that this is aligned with the principles of the Core Humanitarian Standard – since you will be taking full accountability of the emissions where you have the possibility to influence the operations of the project, and in the case of project where you don't have operational control you take responsibility of your proportional financial share.

Below are a few examples of how the selection of consolidation approach, influence how emissions are accounted for, for two different constellations of a project. In this example it is assumed that NGO X and NGO Y are two separate organizations. If the two organizations were different parts of the same organization (e.g. the Danish country office is NGO X and the Kenyan country office is NGO Y), we would use the same logic in estimating the baseline, but clearly mark which emissions are from another part of the same organization, to avoid double counting if the baselines will one day be consolidated.

- Example A (no operational control, no financial control): An NGO is making a baseline (NGO X). They have funded a project in Kenya (together with the partner organization NGO Y) and are accountable for 10% of the financing (does not have majority economic interest). The actual project is run by NGO Y (that is, NGO Y has operational control over the project). In the NGO X baseline the emissions from the project will be accounted for as follows:

	The full emissions from the project	Operational control approach	Financial control approach
Scp. 1	10 tCO ₂ e	0	0
Scp. 2	10 tCO ₂ e	0	0
Scp. 3.15	100 tCO ₂ e	12 tCO ₂ e (10%*120 tCO ₂ e)	12 tCO ₂ e (10%*120 tCO ₂ e)

- Example B (operational control, no financial control): An NGO is making a baseline (NGO X). They have funded a project in Kenya (together with the partner organization NGO Y) and are accountable for 10% of the financing (does not have majority economic interest). The actual project is run by NGO X (that is, NGO X has operational control over the project). In the NGO X baseline the emissions from the project will be accounted for as follows:

	The full emissions from the project	Operational control approach	Financial control approach
Scp. 1	10 tCO ₂ e	10 tCO ₂ e	0
Scp. 2	10 tCO ₂ e	10 tCO ₂ e	0
Scp. 3.15	100 tCO ₂ e	100 tCO ₂ e	12 tCO ₂ e (10%*120 tCO ₂ e)

Note that when choosing the operational control approach, it also means that the assets (buildings, cars, etc.) that you lease are perceived as your own (that is, fuel used in a car you lease is part of your Scope 1).

FAQ (3/5)

QUESTION: SHOULD PENSIONS BE ACCOUNTED FOR AS INVESTMENTS (CAT. 15)?

Answer:

Yes, according to GHG guidance, category 15 can include "All other types of investments, financial contracts, or financial services [...] (e.g., pension funds, retirement accounts, securitized products, insurance contracts, credit guarantees, financial guarantees, export credit insurance, credit default swaps, etc.) "

QUESTION: HOW DO WE ACCOUNT FOR CASH AND VOUCHER DONATIONS?

Answer:

We recommend accounting for cash and voucher donations in Scope 3 - Category 1, as a kind of "outsourced procurement", as this ensure that you account for emissions associated with production and sourcing of the materials (i.e., cradle-to-gate emissions) that are purchased for the cash and vouchers.

It may be difficult gathering data on what the cash and vouchers have been used for and so you will likely need to make an estimation and use proxy data. One way to do this is to make an assumption about which types of categories the cash and vouchers would typically be spent on, based on inputs from personnel close to the local markets (e.g., through dialogues, interviews or surveys). Then use the insights to make an assumption on how the cash and vouchers are split between these categories. Finally, you would need to find relevant emission factors to incorporate the figures into the baseline. Below is an illustrative example:

NGO X assumes their cash and vouchers are used primarily on four categories and that spend it split as follows:

1. Food: 45%
2. Clothes: 20%
3. Energy generation: 30%
4. Transportation: 5%

QUESTION: ONE OF OUR COUNTRY OFFICES DO NOT HAVE DATA FOR THE SAME YEAR AS OUR BASE YEAR. WHAT SHOULD I DO?

Answer:

From The Footprint Firm's perspective there are two ways to handle the absence of data:

1. You use proxy data for the scopes which you do not have data for – this is particularly relevant if you have set targets for a given year. In the base year you estimate the missing data based on industry averages or extrapolated based on partially available data – see examples on page 12. When the right data becomes available in coming years you adjust the base year according (by extrapolating the data backwards by comparing for example FTEs, square meters or spend), to ensure any reductions in the baseline is due to actual adjustments and not "simply" changes in the calculation method
2. You only include the scopes which you have data for and make a clear plan for how you will work to make the data accessible in the coming years. In this case, it is important that you in reporting and communications make it clear what is included and what is not included. In subsequent years, when the data is available you should then recalculate the base year through extrapolation to ensure the same calculation method is used (e.g., based on FTEs or square meters)

FAQ (4/5)

QUESTION: HOW DO I MANAGE CHANGES IN EMISSIONS NOT DRIVEN BY ACTUAL REDUCTIONS?

Answer:

A change in the baseline can be a result of either:

- An actual reduction (e.g., greener purchases, greener energy or something similar)
- A structural change (e.g., acquiring a new facility) or
- A methodological change (e.g., using another emissions factor or getting access to more accurate data)

Only the first (actual reductions) should be reported as reductions when reporting and communicating the new baseline. As such, in the reporting it needs to be clearly stated what is a result of actual reductions and what is a result of either methodological or structural changes.

If the change is sufficiently large (you can define what that means for your organization but could be for example 5%) and is driven by a methodological change, you should adjust the previous years estimates to the same method to allow for a like for like comparison (for example through extrapolation based on for example spend on the given category or FTEs). Again, make sure this is documented to ensure transparency in your reporting.

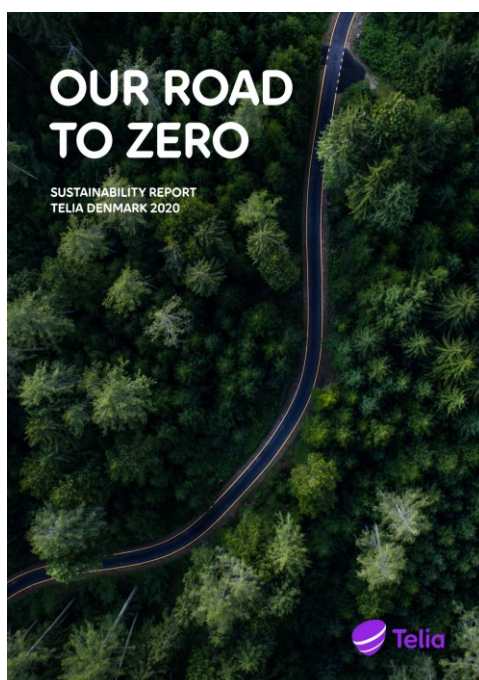
Your approach and guidelines for recalculating the baseline if there are structural or methodological changes should be formulated in a recalculation policy, in alignment with the GHG protocol. See an example of a recalculation below:

“In the case of structural changes, for example, acquisitions, divestments, mergers, outsourcing or insourcing, we will clearly indicate in the report added or subtracted parts of the baseline, which can then not be used for year-on-year comparisons. The same applies to the inclusion of more Scope 3 categories.

In the case of methodological change, for example, a change in emission factors, data accuracy, discovery of a significant error (or similarly, a number of cumulative errors that collectively have a significant impact on the CO₂e baseline), it will trigger a recalculation of the previous 2-3 years to ensure CO₂e baselines are comparable over time.

Where we have defined CO₂e reduction targets from a given base year, we will recalculate the base year if either a structural or methodological change impacts our baseline. This is in order to ensure true and fair comparison of our CO₂e emission reduction progress”

Example from Telia on how to document change can in a public report reported:



ADJUSTMENTS TO THE 2019 BASELINE

As part of our efforts to improve our understanding of our emissions we have refined our calculation methods from 2019 to 2020. Specifically, we have revised our emission factors using a hierarchical approach based on three different calculation methodologies: LCA data, supplier CDP climate change questionnaire and annual reports data, and procurement spend data. This has improved the accuracy of our emission factors and in turn our baseline. In order to ensure true and fair comparison of our emission progress we have updated our 2019 emissions using the revised emission factors. This is in line with the guidance in “The GHG Protocol Corporate Accounting and Reporting Standard”.

FAQ (5/5)

QUESTION: HOW DO I CONSOLIDATE THE CALCULATIONS FROM DIFFERENT COUNTRY OFFICES?

Answer:

Several organizations in the Climate Responsibility project are planning for each country office to do their own organizational baselines and then ultimately consolidate all country offices' baselines into a full organizational baseline (i.e. to get the total baseline for the full international organization).

To do this, you add up all the Scope 1 emissions from across the country offices to get the full Scope 1 emissions, and the same for Scope 2 and each of the categories in Scope 3. In order to do this however, you must be sure that:

- Activities and baselines across the country offices are MECE (that is, mutually exclusive and collectively exhaustive). This means that all your organization's activities are covered, but you do not double count the same activity – for example, the purchase of a product should only be included by one country office. To avoid double counting, i) specify to the country offices where the boundaries of their baselines are, ii) include all raw data in the baseline excel model and iii) request country offices to specify exactly what the data they have included in their baselines covers
- All country offices use the same consolidation approach – e.g., if you have chosen the operational control approach then all other country offices should also use the operational control approach – if they do not, then you first have to align all calculations and baseline with one consolidation approach before adding emissions together (which is deemed to be more time consuming=

Illustrative example of three country offices baselines being added together to one total baseline (Total emissions = Country office A emissions + Country office B emissions + Country office C emissions):

Scope category	Country office A		Country office B		Country office C		Total emissions	
	kgCo2e	tCo2e	kgCo2e	tCo2e	kgCo2e	tCo2e	kgCo2e	tCo2e
Scope 1	1.000	1	1.000	1	1.000	1	3.000	3
Scope 2	2.500	3	2.500	3	2.500	3	7.500	8
Scope 2 (Market-based)	2.500	3	2.500	3	2.500	3	7.500	8
Scope 3	16.000	16	16.000	16	16.000	16	48.000	48
Scope 3.1: Upstream purchased goods and services	15.000	15	15.000	15	15.000	15	45.000	45
Scope 3.2: Upstream capital goods	-	-	-	-	-	-	-	-
Scope 3.3: Upstream fuel and energy related activities not included in scope 1-2	-	-	-	-	-	-	-	-
Scope 3.4: Upstream transportation and distribution	500	1	500	1	500	1	1.500	2
Scope 3.5: Upstream waste generated in operations	100	0	100	0	100	0	300	0
Scope 3.6: Upstream business travel	-	-	-	-	-	-	-	-
Scope 3.7: Upstream employee commuting	-	-	-	-	-	-	-	-
Scope 3.8: Upstream leased assets	400	0	400	0	400	0	1.200	1
Scope 3.9: Downstream transportation and distribution	-	-	-	-	-	-	-	-
Scope 3.10: Downstream processing of sold products	-	-	-	-	-	-	-	-
Scope 3.11: Downstream use of sold products	-	-	-	-	-	-	-	-
Scope 3.12: Downstream end-of-life treatment of sold products	-	-	-	-	-	-	-	-
Scope 3.13: Downstream leased assets	-	-	-	-	-	-	-	-
Scope 3.14: Downstream franchises	-	-	-	-	-	-	-	-
Scope 3.15: Downstream investments	-	-	-	-	-	-	-	-
Total	19.500	20	19.500	20	19.500	20	58.500	59

Table of content

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5.	Appendix	<i>Long-list of carbon reduction levers (non-exhaustive)</i>

Reduction lever and target setting process (1/3)

CARBON REDUCTION PROCESS (1/3):

Once the CO₂e-baseline has been established you can now use the insights to identify carbon reduction initiatives and set targets. We recommend the following 4-step process. Note, this is an iterative rather than a linear process:

1. **Anchor the baseline** – Anchor the baseline with leaders across departments (inputs to governance and ensuring ownership in the organization is described in Chapter 4). Use this step to ensure organizational buy-in and co-create and get ideas about potential reduction initiatives.

Some examples of ways to engage stakeholders are:

- In the beginning of the data collection process, communicate what the process is about and what some preliminary CO₂e-baseline results are
- During data collection and calculations, have regular meetings in relevant fora to present the results of the baseline and discuss how to go from a data collection exercise to a reduction exercise
- Once the baseline is done, present the full results and clear next steps for the whole organization

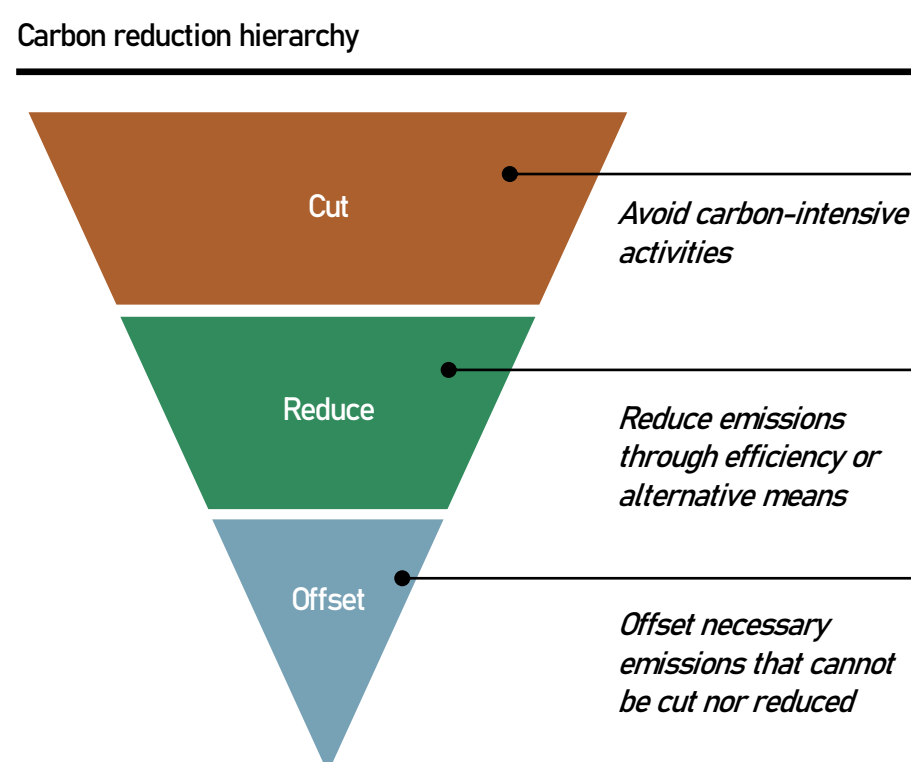
2. **Develop CO₂e-reduction lever catalogue** – There is a long-list of potential carbon reduction levers provided as part of the tool-box, that can be further populated based on inputs from the organization.

In order to structurally approach the development of a reduction lever catalogue, you can use the insights from your CO₂e-baseline to figure out what your 'Carbon Reduction Hierarchy' looks like. A Carbon Reduction Hierarchy is a categorization of emissions into:

- Emissions that can be cut completely,
- Emissions that can be reduced – e.g., improving virtual meeting facilities can reduce the need for in-person meetings, and hence reduce business travel and
- Emissions that are unavoidable and need to be offset.

Reduction levers are typically tied up to a specific category.

Once the long list is made, you can then assess the initiatives. While you can use the CO₂e-baseline to identify where the biggest emissions, and hence where the biggest carbon reduction potentials are, we recommend that you balance impact with engagement and sphere of influence – descriptions of these are provided below.



Key considerations to balance when selecting where and how to reduce emissions



IMPACT

Reduction initiatives should, at the end of the day, be about maximizing impact from efforts to reduce emissions.



ENGAGEMENT

However, sustainability works best if it is at the core of the organization. Some categories may be smaller in size but create engagement in the organization, which can enable delivery on impact initiatives beyond own operations.



SPHERE OF INFLUENCE

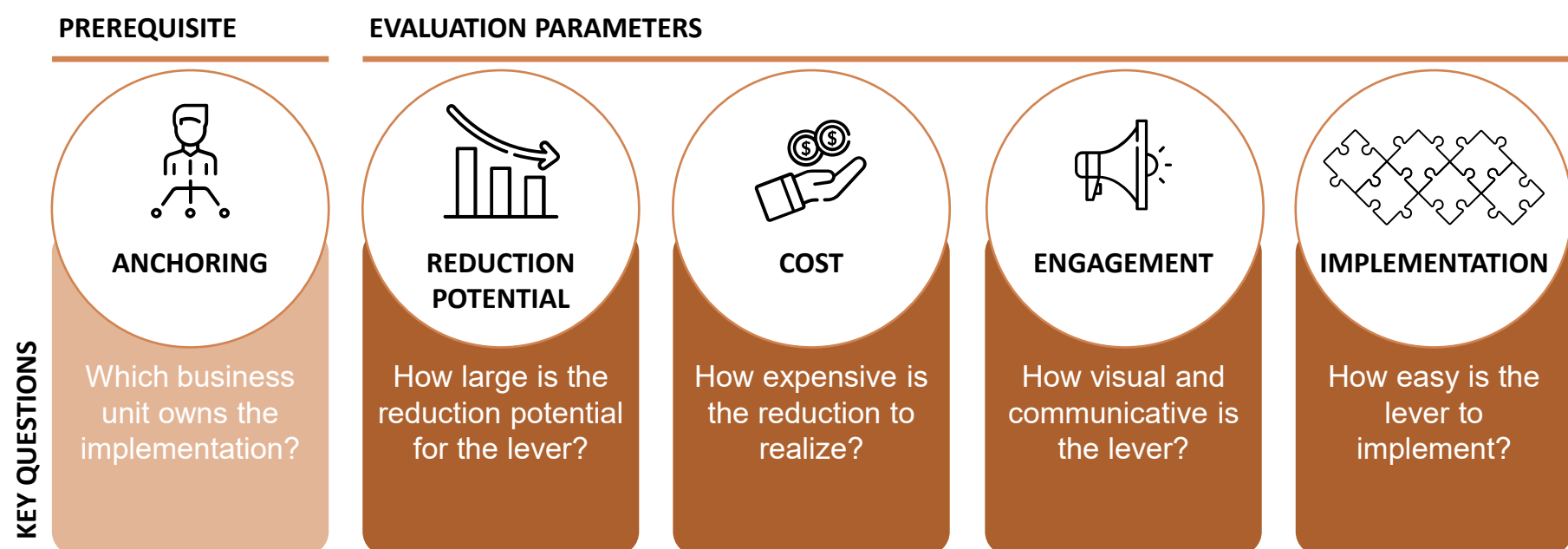
Consider how directly the organization can impact the various categories and anchor the change considering level of influence across various interfaces internally, e.g., with partners, and externally, e.g., across value chain

Reduction lever and target setting process (2/3)

CARBON REDUCTION PROCESS (2/3)

2. Develop CO₂e-reduction lever catalogue (continued)

It is useful to have a common, comparable way to assess initiatives across the organization. As each organization is different you should select and adapt the list of parameters that suits your organization's way of working and general strategic initiatives. However, we recommend to have a good mix of initiatives. Some examples of pre-requisites and evaluation parameters are provided in the figure below.



Once you have assessed the long-list of initiatives and developed a short-list of the carbon reduction initiatives that are particularly interesting for your organization, we recommend that you make a more detailed analysis and make a concrete business case. This is in order to be more persuasive and ensure buy-in from key decision makers, and to ensure necessary investments can be made. Examples of these are provided below.

LEVER DESCRIPTION || POWER PURCHASE AGREEMENT (1/2)

Power-Purchase-Agreement (PPA)

Description & sustainability rationale

- A PPA is a contract between an energy provider and an energy consumer which commits both parties to a long-term agreement on producing and buying new renewable energy.
- A real PPA is thus creating "additionality" by producing more renewable energy to the grid – differentiating this solution from e.g. certificates.

Reduction potential

- The new renewable energy has a CO₂e emission factor close to zero (the only emissions are from the production of the solar panel or the windmill) – causing an 85% CO₂e reduction compared to the Danish grid.

Business case

- Highly dependent on the future energy prices
- Most scenarios point towards increasing energy prices in Denmark in 2030 (from 0,3 DKK/kWh in 2019 to 0,36 in 2030) making the PPA a positive business case

Assumption

- PPA price set at 0,28 D of solar/wind energy, or
- Spot market price fore from Energinet and Da

Ton CO₂e reduced (share of baseline) and mD

Year	Spot (DKK/kWh)	PPA (DKK/kWh)
2021	0,32	0,28
2022	0,33	0,28
2023	0,34	0,28
2024	0,35	0,28
2025	0,36	0,28

2021 2022 2023 2024 2025

4.836 (6%) 9.673 (12%)

2-5 mDKK cost reduction compared spot price

LEVER DESCRIPTION || POWER PURCHASE AGREEMENT (2/2)

Power-Purchase-Agreement (PPA)

Declining energy price development:

- A declining energy price scenario – assuming that energy prices are halved by 2030 – have been established as a sensitivity
- It shows that from 2023 the energy prices becomes lower than the PPA and will cause an increasing cost

Carbon tax implication:

- The cost of a potential carbon tax have been included in the calculations as a sensitivity
- The cost per ton CO₂e is set at the current price level within the EU Emissions Trading System – and increasing in line with the expectations on this market
- The sensitivity shows that Company X will save -1 million DKK the first years decreasing to -0,2 million DKK in 2030 as the Danish energy mix becomes greener

Mio. DKK revenue / costs, 2021-2030

Year	Declining spot price (Mio. DKK)	Carbon tax (Mio. DKK)
2021	0,3	0,2
2022	-0,5	0,2
2023	-1,6	0,2
2024	-2,7	0,2
2025	-3,8	0,2
2026	-4,8	0,2
2027	-5,9	0,2
2028	-7,0	0,2
2029	-8,0	0,2
2030	-8,0	0,2

DKK/kWh on a declining spot market over the years

Year	Spot (DKK/kWh)
2021	0,30
2022	0,28
2023	0,27
2024	0,25
2025	0,23
2026	0,22
2027	0,20
2028	0,18
2029	0,17
2030	0,15

Carbon tax (euro/ton CO₂e) over the years

Year	Carbon tax (euro/ton CO ₂ e)
2025	25
2026	26
2027	27
2028	27
2029	29
2030	30
2031	30
2032	31
2033	32



Key learnings:

The organizations from the Climate Responsibility Project have identified many relevant levers, hereunder (non-exhaustive list):

- Define travel guidelines (several organizations see this as a 'quick win')
- Incorporate green criteria into new contracts – starting with larger contracts by HQ
- Implementing a supplier engagement program

Reduction lever and target setting process (3/3)

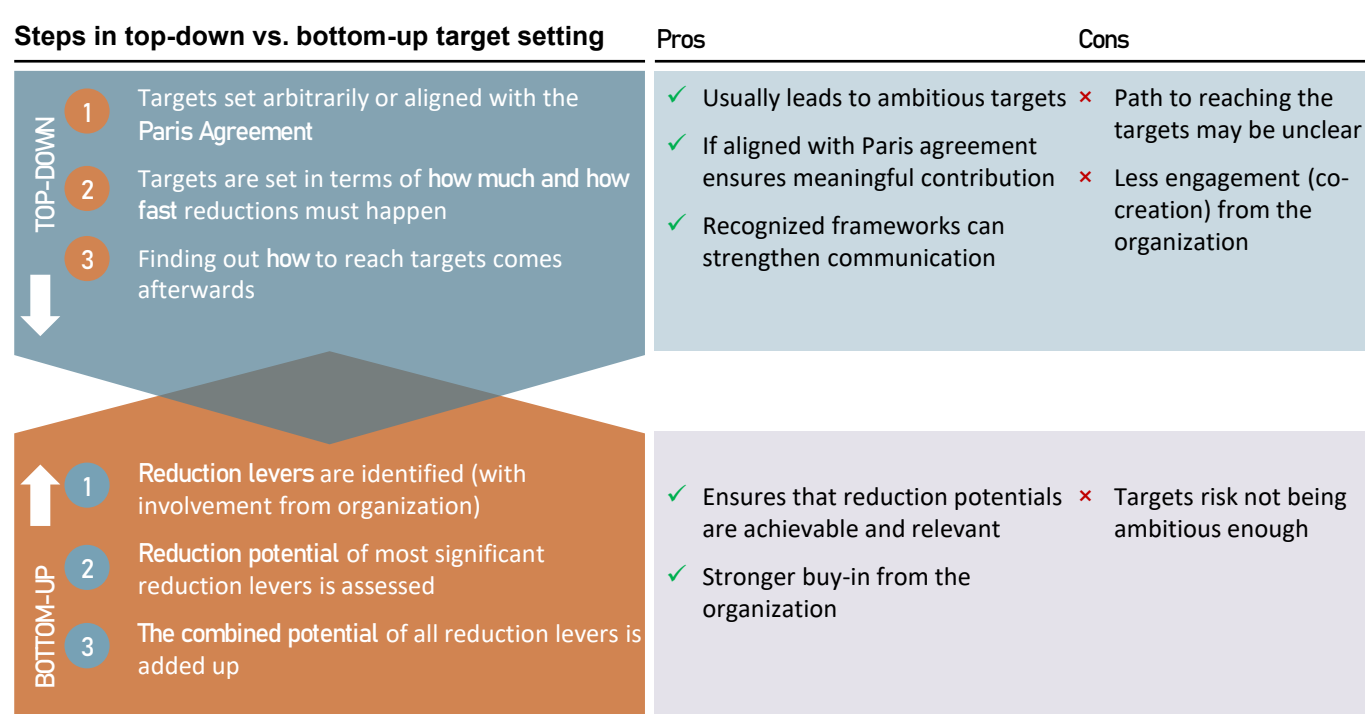
CARBON REDUCTION PROCESS (3/3)

3. Set targets:

Target setting can be approached bottom-up or top-down:

- **Top-down approach:** You start by simply setting targets in terms of how much to reduce emissions and by when – e.g., a target to be carbon neutral by 2030 or alignment of targets with the Science-Based Targets initiative. Finding out how to reach the targets comes later. In private organizations, this is the most common way to go about target setting, and while it can result in ambitious and meaningful targets that put pressure on the organization, it can be difficult to communicate how you will realistically achieve the target and you can end up relying too much on offsetting
- **Bottom-up approach:** You start identifying and prioritizing all relevant reduction levers, preferably in collaboration with the organization. You then find out what the reduction potential is for the prioritized reduction levers and set your target based on the combined potential of all initiatives

Since the top-down approach risks leaving a gap in terms of how to achieve the target, whereas bottom-up approach risks not being ambitious enough, the approaches should ideally be combined to get the best of both worlds – that is, do an iterative process between the top-down and bottom-up approach.



There are two types of targets. It is useful to consider both types in the target setting process:

- **Absolute targets** defines the total amount of emissions that needs to be cut. This ensures that you have an actual impact on reducing the amount of carbon in the atmosphere
- **Intensity targets** define targets per a defined metric (e.g. per FTE). This reduces sensitivity to growth and allows you to track progress despite changes in your organisation

When publishing and communicating your targets and progress externally you should publish both.

Furthermore, many organizations set short- and medium-term targets towards a final long-term target to ensure progress can be tracked continuously. Interim targets with accelerated timelines are also a way to ensure engagement among employees, who may have difficulties relating to a long-term goal that lies far beyond the end of their work life.

4. Develop a plan for implement/transformation program: To be explained in chapter 4.

Brief introduction to offsetting

HOW AND WHEN TO USE OFFSETTING

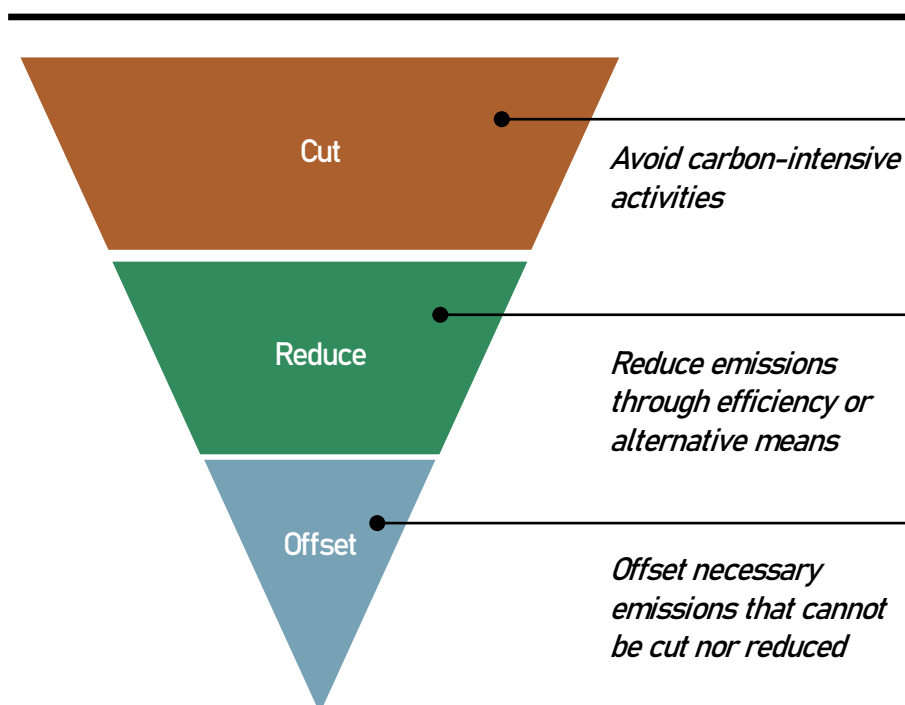
There will always be some emissions, since organizations need to be able to operate. For the emissions that are necessary and that cannot be neither cut nor reduced, offsetting is an option.

However, if your organization uses this approach, then you should proceed with caution. And it is important to highlight that 1 ton of CO₂e emissions that was never emitted is always better than 1 ton of offset CO₂e.

Key challenges and considerations to be aware of includes:

- Offsetting should never replace other actions
- In most of the current offsetting options CO₂e emissions is typically removed later than the emissions they are meant to offset. The time this additional CO₂e is then in the atmosphere will still have a negative effect and unfortunate side effect
- There are many different types of offsetting, including carbon-capture and storage, reforestation, etc. There is still no perfect solution to offsetting and therefore we recommend that you consider the following elements if, and when, choosing the offsetting option (please refer to Seminar 3 material for evaluation of different technologies, and for information on where the different technologies are at from a maturity point of view):
 - **Cost** of offsetting per Ton CO₂e
 - **Maturity** of the offset technology
 - **Additionality**, that is, are these reductions/removals that would otherwise not happen
 - **Leakage risk**, that is, does the carbon offset project displace CO₂e emitting activities which relocate and continue outside the boundaries of the project, thus negating the CO₂e removal
 - **Permanence** meaning whether offset project persist in the long run

Carbon reduction hierarchy



Useful link:

The Oxford Principles are a set of principles for offsetting, including:

- Cut emissions, use high quality offsets, and regularly revise offsetting strategy as best practice evolves
- Shift to carbon removal offsetting
- Shift to long-lived storage
- Support the development of net zero aligned offsetting

Please refer to the following link for the full Oxford principles for further guidance: [The Oxford Principles for Net Zero Aligned Carbon Offsetting 2020](#)

HOW DO I SET A TARGET WHEN MY BASELINE IS NOT COMPLETE?

Answer:

If you expect your emission estimate to change a lot, it may be beneficial to wait with setting absolute targets. It may be best to start with smaller interim targets (e.g., focused only on business travel), and only set absolute targets when you have a more complete picture of your emissions.

You can still set overall intensity targets even if your baseline is not complete in order to gain momentum on reduction initiatives, since it will be percentage-based and thus automatically adjusted as you adapt your baseline (e.g., if your target is to reduce emissions 50% across Scopes 1-3 and your baseline increases from 100tCO₂e to 1000tCO₂e due to a broader scope, then you would have to cut 500 tCO₂e instead of 50 tCO₂e).

HOW DO WE AVOID BAD PRESS WHEN ANNOUNCING AND PUBLISHING CLIMATE EFFORTS?

Answer:

To avoid bad press, here are some key input to consider for reporting:

- Ensure initiatives have a real impact
- Have an ambitious, yet realistic, long-term plan backed by concrete initiatives
- Align level of communication with size of efforts – if you have implemented a small initiative communicate less publicly about it, but if you have implemented an initiative that addresses a big part of your baseline you can do extensive communication
- Be transparent in your assumptions and the level of uncertainty in your calculations – and how you plan to improve your approach
- Report on both the positives and the negatives

SHOULD WE SET ONE GENERAL TARGET FOR THE WHOLE ORGANIZATION OR A TARGET FOR EACH COUNTRY OFFICE?

Answer:

At The Footprint Firm we usually recommend that targets are set centrally, as it creates direction and sets the ambition for the remaining organization.

To ease the target setting process, it is beneficial to have estimated CO₂e-emissions on the same (or roughly similar) Scope 3 categories across all country offices. One way to do this is to have a list of recommended Scope 3 categories, which country offices could consider when setting the operational boundary as part of the carbon accounting process. This would also enable a common reduction lever catalogue, where you have similar reduction initiatives across country offices, but with someone in each country office being responsible for implementing and tracking the initiative in that country office.

Having a top-down target poses the risk of there being a gap between the target and initiatives as operations and ways of working will undoubtedly be different across country offices. As such, even with a common list of recommended reduction levers, guidance and sparring should be available to each country office.

Another way to go about it, is setting hard targets for the headquarter, and then recommendations on targets for country offices.

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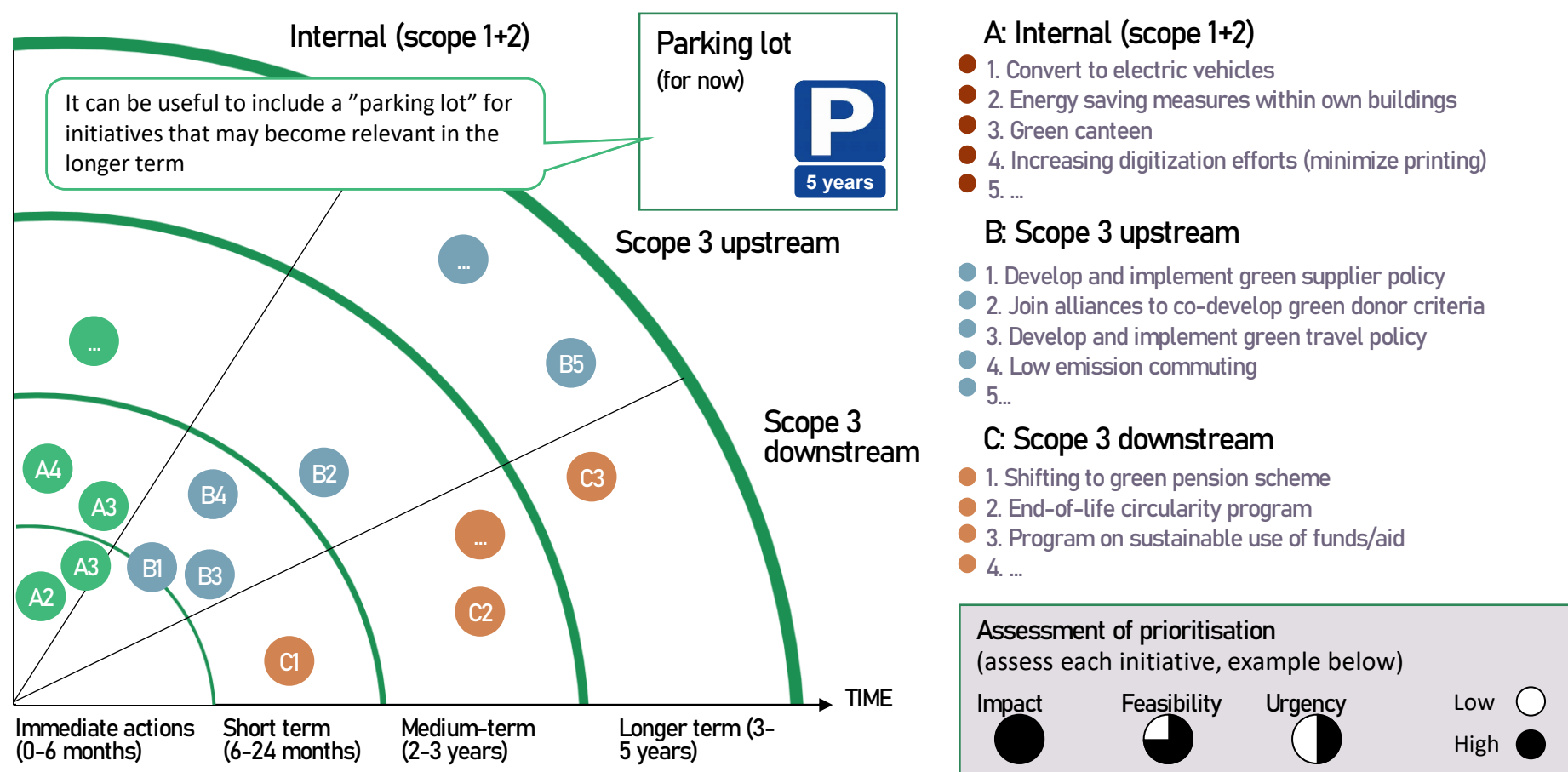
Inputs to developing action plans

DEVELOPING TRANSFORMATION PLANS AND PROJECT CHARTERS

Once you have estimated your baseline, identified and prioritized initiatives and set a target, it is time to start making an action plan, and implementing the new knowledge and initiatives in your organization.

A good action plan is clear about short-term and long-term initiatives and includes concrete actions, deadlines and responsible personnel.

It can be beneficial to visualize what the intermediate, short- and long-term targets are. One way to do this is in a transformation map - see example below. You would populate the transformation map by placing the initiatives based on an assessment of each initiative, for example based on impact, feasibility and urgency, though you can select the assessment criteria based on what makes the most sense for your organizations. The assessment can be more or less fact based depending on data availability.



Key learnings:

The Footprint Firm have good experience in using the transformation map format in workshops, to prioritize and plan initiatives in collaboration with senior management

Once you have made your transformation map, we recommend that you make project charters for the short term and intermediate term initiatives that details underlying KPIs, responsible personnel, etc.. Examples of project charters are illustrated below:

A **project charter** should detail relevant parameters, such as benefits and investment needs...

...as well as the milestones, overall time plan and team

<p>DESCRIPTION OF PROJECT</p> <p>To lift corporate governance in [the organisation] to the next level we will align with The XXX corporate governance principles and communicate both this alignment as well as disclosing policies and practices in accordance with the principles.</p> <ul style="list-style-type: none"> Analyse gaps across the IX principles (hypothesis is that assessment will not lead to major improvement requirements) Identify key areas with gaps to close and initiate gap closure projects Adjust key documents from being solely internal documents (policies, ways of working etc.) to be disclosable e.g. on [the organisation]'s website <p>KPIs AFFECTED, IF ANY</p> <table border="1"> <thead> <tr> <th></th> <th>From year</th> <th>Base year</th> <th>To year</th> <th>Target year</th> </tr> </thead> <tbody> <tr> <td>Share of relevant employees who have received training</td> <td>TBD</td> <td>TBD</td> <td>TBD</td> <td>TBD</td> </tr> </tbody> </table>		From year	Base year	To year	Target year	Share of relevant employees who have received training	TBD	TBD	TBD	TBD	<p>MAIN DELIVERY AND OTHER BENEFITS TO (the organisation)</p> <ul style="list-style-type: none"> "Walking the walk" in terms of taking internal governance to the next level - which is also a requirement when starting to take more external roles of advocating for responsible finance (being "squarely clean") Foundation for communicating corporate governance position externally under an umbrella that the market understands Foundation for strengthened public confidence (governance related) <p>DEPENDENCIES TO OTHER PROJECTS AND PRIORITIES</p> <ul style="list-style-type: none"> Close alignment between G1 and G2 required as strengthening of policies is a central element in both and should be cross-functional Remuneration policy being assessed as part of the Strengthening the internal "S" workstream - aligning between Base principles and best practices to be ensured Close alignment with G3 which is creating transparency (website setup etc.) <p>INVESTMENT NEEDS, IF ANY</p> <ul style="list-style-type: none"> Will require an effort from the Compliance team to go through all documentation of policies and practices to assess gaps Adjustments required on the website to allow for the governance and transparency space on the website 	<p>MAIN PHASES OF PROJECT - MILESTONES</p> <p>PHASE A: Gap assessment</p> <ul style="list-style-type: none"> Gap assessment of all current policies and practices in the light of the XXX principles Adjustment project identification and team setup developed <p>PHASE B: Adjustments</p> <ul style="list-style-type: none"> Adjustment teams to close gaps in alignment with XXX and best practices All documents made "disclosable" <p>PHASE C: Disclosure</p> <ul style="list-style-type: none"> Copywriting around governance setup for the website <p>CONSIDERATIONS ABOUT COUNTRY INVOLVEMENT</p> <ul style="list-style-type: none"> Policies to be assessed and adjustments launched simultaneously across offices <p>END PRODUCT, PHASE A</p> <ul style="list-style-type: none"> Gap assessment with key improvement projects identified Team setup and plan for adjustment execution developed <p>END PRODUCT, PHASE B</p> <ul style="list-style-type: none"> Policies and practices adjusted in accordance with BCBS-328 and best practices Policies and practices ready for disclosure <p>END PRODUCT, PHASE C</p> <ul style="list-style-type: none"> Content for website with policies and practices ready for launch (end of Q2 2021) 	<p>PROJECT OWNER: TBD</p> <p>PROJECT LEADER: TBD?</p> <p>TEAM MEMBERS</p> <ul style="list-style-type: none"> TBD TBD TBD <p>TIME PLAN 2021 & 2022</p> <table border="1"> <thead> <tr> <th></th> <th>G1</th> <th>G2</th> <th>G3</th> <th>G4</th> <th>G1</th> <th>G2</th> <th>G3</th> <th>G4</th> </tr> </thead> <tbody> <tr> <td>Phase A</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Phase B</td> <td></td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Phase C</td> <td></td> <td></td> <td></td> <td></td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> </tr> </tbody> </table> <p>2022 2023</p>		G1	G2	G3	G4	G1	G2	G3	G4	Phase A	█	█	█	█					Phase B		█	█	█					Phase C					█	█	█	█
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Phase C					█	█	█	█																																									

Inputs to defining a governance structure

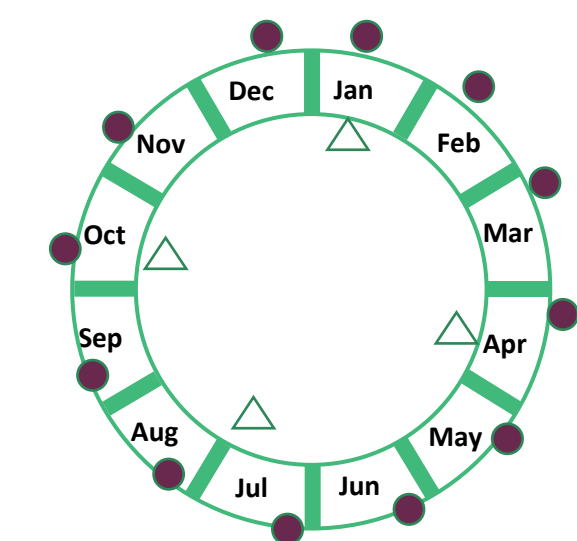
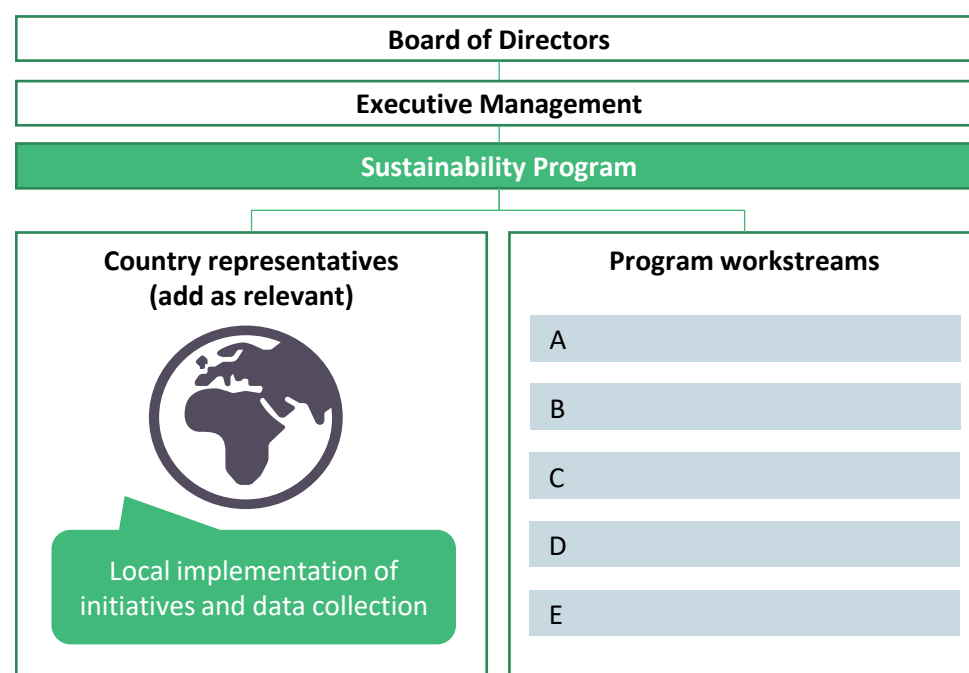
GOVERNANCE STRUCTURE

In addition to having a solid action plan, you also need to make sure you have the governance in place to execute on the plan. Good internal sustainability governance can strengthen implementation without overburdening the organization. We recommend the following:

A: Split initiatives into workstreams and identify anchor persons

Define a couple of workstreams in a way that makes sense, given the selected priority initiatives and the structure of your organization – e.g., procurement vs. energy efficiency or country office A vs. country office B. The workstreams can be consolidated in an overall sustainability program.

Identify an anchor person for each workstream who owns the full workstream and is responsible for progress.



△ BoD meeting (illustrative timing)
● Sustainability Program meeting

Role and purpose

<p>BoD sust. updates</p>	<ul style="list-style-type: none"> Regular updates of progress and performance on Sust. Program initiatives and KPI's Oversight of risks and opportunities
<p>Sust. Program Meetings</p>	<ul style="list-style-type: none"> Keep focus and momentum of implementation according to plan Updates on progress and forum for sparring and problem-solving Onboarding of new country offices

B: Set up an annual wheel

Make an annual wheel to monitor and follow up on progress across your sustainability program.

This could include regular meetings on workstream level, regular onboarding meetings for new geographies and senior management meetings to provide updates on progress.



Key learnings:

Organizations from the Climate Responsibility project are leaning towards having senior management owning the overall program and having KPIs anchored in the top of the organization. Selection of where in Senior Management the project should be anchored would typically be decided upon among the senior management group.

Inputs to engaging the organization

ENGAGING THE ORGANIZATION

Sustainability efforts work best if you have the whole organization onboard and make sustainability a core part of the organizational DNA and ways of working. Good ways of engaging the organization and ensuring buy-in are:

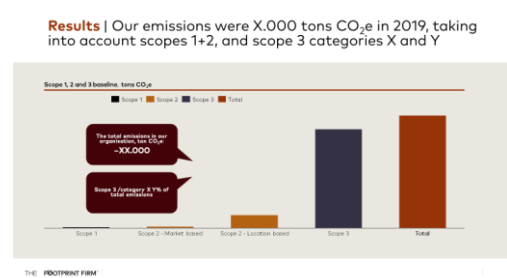
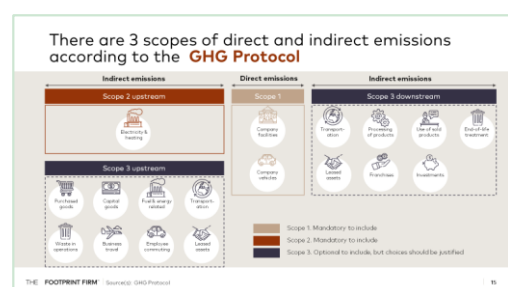
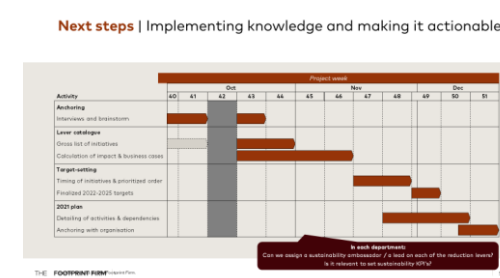
- Adapting the prioritized initiatives to each department, such that they are directly relevant, and employees understand how they can contribute to the agenda
- Informing proudly about your findings and targets – and have a clear structure about the road map before approaching the organization
- Anchoring KPIs with senior management – it typically works best if initiatives are implemented top-down

Below is an overview of some of the key materials that can be good to share when introducing the CO₂e-baseline work to the organization:

Suggested materials for involving the organisation

The results of your baseline calculations by scope and category

Next steps in terms of target setting and initiatives - and potential appointment of a sustainability ambassador per department

Introduction to the GHG protocol, scopes and categories – and which are included in the baseline calculations for your organisations

An initial catalogue of reduction levers per category – with an invitation to come up with more ideas, focusing esp. on the most emitting activities



Key learnings:

Best practice examples from the Climate Responsibility Project:

- Identify green champions across the organization, e.g., strong supporters or an employee who have come up with a good, innovative idea of going about their work in a greener way
- Cross-departmental competitions to create excitement and accountability, e.g., which departments can cut emissions by the most within one quarter
- Quarterly updates to all staff to ensure continuous transparency
- Office meetings/Friday bar sessions where internal or external experts join and share insights and inspiration on a particular theme – e.g., a waste management expert
- Create board games for country offices to identify key significant areas and as a basis for dialogue with country offices

Inputs to reporting carbon accounting, targets and progress

REPORTING CARBON ACCOUNTING, TARGETS AND PROGRESS

Sustainability reporting is not yet mainstream in the NGO community, which means there are a few examples of NGOs integrating environmental sustainability in their core reporting. However, drawing inspiration from private companies, good sustainability reporting typically succeeds in targeting a broader audience and integrating climate efforts into the overall narrative about their sustainability efforts. Other key elements which good sustainability reports cover are:

- Vision: Why sustainability and what does it mean for your organization?
- Initiatives: What are you concretely doing in terms sustainability?
- Performance: What is your impact? Numbers/KPIs can be a good way to make contribution concrete

Further, according to the GHG Protocol Corporate standard, when reporting your CO₂e-baseline some information is required to be reported and other information is optional yet encouraged (see below). Overall, transparency about your methodology and assumptions is key to good GHG reporting

- **Required** information includes: i) Scope 1 and 2 emissions by scope, ii) absolute emissions data for each scope, independent of any GHG trades or offsetting, iii) the year chosen as base year, iv) Recalculation policy and v) any specific exclusions of sources, facilities and/or operations. This also means that you should be clear about what your target covers, i.e., select categories or the full Scope 3
- **Optional** information includes: i) Emissions data from relevant scope 3 emissions with information on which activities are covered, potentially further subdivided where this aids transparency, e.g. by country, source types etc., ii) A description of performance measured against internal or external benchmarks, as well as an outline of any reduction programs or strategies, iii) External assurance provided and iv) information on the quality of the inventory and an outline of policies in place to improve the quality



Key learnings:

- Most organizations in the Climate Responsibility Project are focusing communications about climate initiatives internally, e.g., on the intranet, in order to develop a broader ownership internally before communicating efforts externally
- The requirements set by donors are not yet standardized and stretches from soft to hard requirements. However, donors are more and more in the process of greening, which means that being ahead of the curve, there may be a chance for you to influence donor requirements



Useful link:

Once you have lowered your emissions through specific initiatives or programs, you can report on avoided emissions. You can take an attributional approach (comparing your selected approach to that of a similar product or activity) or a consequential approach (illustrating the improvement over time). If you choose to report avoided emissions, you should provide data to support these claims. See link on GHG guidance on accounting for avoided emissions.

Link: [18_WP_Comparative-Emissions_final.pdf \(ghg protocol.org\)](#)



Useful link:

- Ørsted's sustainability report focuses on select strategic areas, while the ESG-report includes detailed follow up on targets across E, S, and G: [sustainability2020 \(orsted.com\)](#)
- IKEA publishes an extensive sustainability report in which it assigns environmental aspects to each part of its value chain beyond its own direct influence: [IKEA is working hard to achieve its sustainability goals by 2030](#)

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	TOPIC	OUTCOMES
1.	Introduction	<i>Introduction to the document and NGO-specific considerations of carbon accounting and reduction</i>
2.	Accounting for GHG emissions	<i>Overview of the key principles and steps of carbon accounting</i>
3.	Identifying levers and setting climate targets	<i>Introduction to identifying reduction levers and setting carbon reduction targets</i>
4.	Designing a climate action plan and reporting on progress	<i>Inputs to developing action plans and climate reporting</i>
5.	Appendix	<i>Long-list of carbon reduction levers (non-exhaustive)</i>

Long-list of carbon reduction levers (1/2)

LONG-LIST OF CARBON REDUCTION LEVERS (NON-EXHAUSTIVE):

Scope/category	Reduction lever	Description
Scope 1	Electrify the organisation fleet	Lease/purchase only EVs and establish an electric vehicle charger point at or near the office, to make use to electric based driving more convenient
	Company car sharing	
	Company bike and repair services	
Scope 2	Increase energy effectivity	E.g. reduce consumption from light using LED light bulbs
	Intelligent office solutions	Install intelligent thermostats and other building automation solutions (light sensors in offices, automatic switch on/off functions)
	Reduce office sq meters	Reduce unnecessary space in office facilities to reduce electricity, heating and cooling usage
	Select efficient heating source	Change source of heat to district heating, onsite generator such as thermal solar collectors, or heat pumps
	PPA crowd sourcing	Replace non renewable energy with renewable energy such as hydro, solar or wind
Scope 3.1: Upstream purchased goods and services	Green procurement strategy	Select suppliers in key purchase areas such as cleaning, facility management, IT equipment, materials, emergency kits etc. based on green criteria
	Green canteen and lunch catering	Focus on minimize food waste from canteen solutions and reduce or eliminate meat consumption
	Policy for printing	Implement policies to reduce use of printing facilities in office locations and remove requirements for physical documentation
	Policy for repairs	Implement policies to incentivise repairs and reuse
Scope 3.2: Upstream capital goods	Green procurement strategy	Select suppliers in key purchase areas such as lunch, cleaning, facility management, IT equipment, materials, emergency kits etc. based on green criteria
Scope 3.3: Upstream fuel and energy related activities		
Scope 3.4: Upstream transportation and distribution	Reduce/eliminate use of air freight	Implement policies to reduce and restrict use of flight transport in logistics
	Green transport procurement strategy	Select logistics providers based on green criteria
Scope 3.5: Upstream waste generated in operations	Garbage sorting	Ensure garbage disposal with sorting options in offices and facilities
	Reduce water consumption	Implement water saving aerators in restroom taps, water effecient applinces
	Policy for single use products	Reduce unnecessary waste by reducing use of singe use products used in the field and in offices (e.g. recycled cups in offices, or reuse field kits, tents etc.)
	Recycle	Implement policies to recycle offices appliances and equipment
Scope 3.6: Upstream business travel	Policy for business travel	Implement policies to reduce and replace use of flight transport
	Green taxies	Use only EV taxi providers for transport
	Nudge public transport	E.g. Offer employees beneficial public transport subscriptions
	Improve virtual meeting facilities and home offices	Implement Teams/Skype and high quality wifi, to ease remote collaborations - also in home offices
Scope 3.7: Upstream employee commuting	Bicycle repair	Partner with bicycle repair providers
	Improve virtual meeting facilities	Implement Teams/Skype and high quality wifi, to ease remote collaborations

Long-list of carbon reduction levers (2/2)

LONG-LIST OF CARBON REDUCTION LEVERS (NON-EXHAUSTIVE):

Scope/category	Reduction lever	Description
Scope 3.9: Downstream transportation and distribution	Partnerships with public transport	
	Partnerships with bike local bike renters	
Scope 3.10: Downstream processing of sold products		
Scope 3.11: Downstream use of sold products	Education in use	Best practice education on usage for electricity reduction
Scope 3.12: Downstream end-of-life treatment of sold products	Take-back programs	Take-back program with “disposal/recycling partners” and re-use of commissioned equipment and items used in the field
Scope 3.13: Downstream leased assets		
Scope 3.14: Downstream franchises		
Scope 3.15: Downstream investments		

Participants in the Climate Responsibility Project:



Consultants supporting the Climate Responsibility Project:

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