GHG Protocol: Moving Beyond GHGs

International Workshop of Scope 3 and LCA for Organizations

November 21, 2013
Presentation Overview

- Background on GHG Protocol
- Relationship of GHG Protocol with other standards
- How GHG Protocol corporate framework can be used to go beyond GHGs
The Greenhouse Gas Protocol (GHGP)

- Launched in 1998 by

- Mission: to develop internationally accepted greenhouse gas (GHG) accounting and reporting standards and promote their broad adoption to drive management and reduction of GHG emissions
GHG Protocol Offers:

- International, inclusive and balanced stakeholder process
- Full suite of freely available corporate GHG accounting standards
- Guidance, tools, and training to support adoption of standards
- Foundation for sustainable climate strategies
# Standards and Guidance under Development

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<th>Agriculture Guidance</th>
<th>Scope 2 Guidance</th>
<th>Mitigation Accounting Standard</th>
<th>City Accounting Standard</th>
<th>Financial Sector Guidance</th>
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<td>How to account for emissions from agriculture companies</td>
<td>How to account for renewable energy purchases and related instruments</td>
<td>How to account for reductions from mitigation policies and actions</td>
<td>How to account for full value chain emissions from cities</td>
<td>How a financial company accounts for investments and lending</td>
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<td>Membership in stakeholder group</td>
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How GHG Protocol standards work together

- **upstream scope 3 emissions**
  - material acquisition & pre-processing

- **scope 1 and 2 emissions**
  - production

- **downstream scope 3 emissions**
  - distribution & storage
  - use
  - end-of-life

- **scope 1 and 2 emissions required by the Corporate Standard**
- **scope 3 emissions required by the Scope 3 Standard**
- **product life cycle emissions required by the Product Standard**
Adoption of GHG Protocol Corporate Framework

• GHG Protocol Corporate Standard is the most widely used approach
  – In 2012, 72% of CDP reporters and 86% of reporters in the Global 500 used GHG Protocol Corporate Standard (1,300 companies)
  – Many countries have programs based on GHG Protocol including Brazil, India, Philippines, U.S. and Mexico
  – GHG Protocol is used by major international reporting registries including CDP, GRI and The Climate Registry
Goals of Organizational LCA

- Avoiding tradeoffs between impacts
- Simplifying LCA by identifying hot spots
- Demonstrating benefits of LCA beyond products

GHG meets these goals better than applying LCA to an organization
Relationships between existing and proposed standards and guidance

**GHG- only**

- GHGP Corporate & Scope 3
- ISO 14064

**Multi-impact**

- O-LCA (ISO, UNEP/SETAC)
- OEF

**Sector**

- Product Portfolio
- Product Portfolio

**Enterprise**

**GHGP Product Standard**

- ISO TS 14067
- PAS 2050

**ISO 14044**

- ILCD
- PEF

**OEFSRs**

- PEFSRs
- PCRs
The GHG Protocol scope 1, 2, and 3 framework can be a useful basis for multi-impact quantification and reporting

- Scope 1, 2, and 3 are the most well known descriptions of a corporate value chain
- Uses “life cycle thinking” approach
- Several multi-impact reporting platforms, but consistent quantification methodology seems to be lacking
  - e.g., The CEO Water Mandate refers to the GHG Protocol framework for boundary setting, but additional guidance would be helpful
Can the GHG Protocol scope 1, 2, and 3 framework be a useful basis for multi-impact quantification and reporting?

- Potential limitations/questions to address:
  1. How to handle scope 2, purchased electricity:
     - Leave as is (only for GHGs from generation)
     - Expand to other environmental impacts from generation only, with all life cycle impacts in scope 3, category 3 (upstream energy and fuel related activities)
     - Combine with scope 3, category 3 to make it cradle-through-generation for all environmental impacts
     - Expand to other purchased resources (e.g., purchased water) - generation only or cradle-to-gate
  2. How to collect data and report on “local” impacts (e.g., water risk)
  3. How to drive action through simplified measurement
Conclusions

- The time is right for a multi-impact approach using life cycle thinking
- GHG Protocol Corporate Framework can address impacts beyond GHGs
- GHG Protocol provides a practical approach to meeting the goals of organizational LCA
- GHG Protocol welcomes an opportunity to work with UNEP SETAC to harmonize the Guidance for Organizational LCA with the GHG Protocol corporate framework

Climate change is one of nine “planetary boundaries”
Source: Azote Images/Stockholm Resilience Centre