

## **Questions & Answers on the WBCSD Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain**

### **Why is this guidance document needed?**

In order to manage and reduce greenhouse gas (GHG) emissions, companies need a consistent framework to measure and report those emissions. Internationally-recognized GHG reporting standards allow many options, in order to be relevant for all industries. That leaves a potentially wide variation in reporting practices—even for companies in the same value chain. Those inconsistencies can erode the value of reporting emissions.

This document is a guide to GHG emissions accounting and reporting for companies in the chemical sector, including the value chain of upstream and downstream activities. It builds specifically on the GHG Protocol standards, which are best practice standards developed through a global, multi-stakeholder process convened by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

### **Who should read it?**

Chemical companies and their upstream and downstream value chain partners will most directly benefit from this guidance, so that they can create consistency and comparability in GHG accounting, reporting, and performance assessment. This supports the proactive efforts of WBCSD chemical companies to address not only their companies' direct impacts, but also those of their value chains.

Having a common method allows companies to compete on sustainability performance, and not on methodology. With this comparability, chemical company stakeholders, including the investment community, can use the guidance to understand how chemical companies approach GHG accounting within a framework of internally-recognized standards.

### **What topics are included?**

The guidance details how to collect data and calculate GHG emissions, how to allocate GHG emissions, and how to report GHG emissions. It addresses specific situations faced in the chemical value chain, including joint arrangements, energy resale, identifying relevant value chain activities, combined heat and power installations, swapping arrangements, and offsets.

### **How was it developed?**

The report is the result of a collaborative process among 10 global chemical companies that are members of the WBCSD. These companies formed a working group that met over 15 months and cooperatively developed sector guidance to improve harmonization and consistency for GHG accounting and reporting.

The working group was co-chaired by AkzoNobel, BASF, and Solvay. Working group members included DSM, DuPont, Evonik, Mitsubishi Chemical Holdings, Sabic, The Dow Chemical Company, and Umicore. The working group was supported by Arthur D. Little.

### **How it will be updated in future?**

This guidance is a first approach for a common sector guide for corporate-level GHG accounting and reporting. It is hoped that companies across the industry will use this guide and find it valuable when undertaking their own GHG inventory process. As experience in the use of this guide grows, the document will be updated, based on the feedback from participating companies and other stakeholders and organizations.