CO$_2$ PERFORMANCE LADDER

Harmonisation Act 1 to Handbook 4.0

Subject:
Targets for business travel and WtT emissions at Step 1.

Context:
When preparing their emissions inventory under Angle A (requirement 1.A.2-1), organisations on Step 1 face two topics where choices can be made, but the implications for the requirements under Angles B (reduction), C (communication) and D (collaboration) are not clearly defined. These topics are:

a. <u>Emission factors for fuels/energy carriers:</u>
When determining scope 1 emissions, an organisation may choose between Well-to-Wheel (WtW) emission factors or Tank-to-Wheel (TtW) emission factors. Since WtW factors include both combustion emissions and value chain emissions, while TtW factors only include combustion emissions, TtW is the most accurate from a carbon accounting perspective when determining scope 1.
However, these value chain emissions from fuels, unlike other value chain emissions, are directly linked to the quantities used and therefore closely resemble scope 1 emissions. Moreover, specifically for biofuels, only value chain emissions occur, which, compared with other value chain emissions, often disappear from view within scope 3. From that perspective, WtW is therefore preferable.
Organisations that, from an accounting perspective, opt to report TtW emissions in scope 1 must ensure that their WtT emissions are reported under scope 3. This means that organisations at Step 1 may also have a partial scope 3 footprint. For this group, it is unclear whether this choice affects the requirements under Angles B, C and D.

b. <u>Business travel:</u>
At Step 1, an organisation may choose whether or not to report its business travel emissions (category 6 – scope 3). It is not specified whether this choice affects the requirements under Angles B, C and D. As a result, it could be assumed, for example, that an organisation reports on business travel but has no related reduction targets.

Harmonisation Act:
Organisations at Step 1 must always include their WtT emissions—either separately or as part of WtW—in the fulfilment of the requirements under Angles B, C and D. The choice between WtW or WtT/TtW therefore only affects the method of reporting.[1]

[1] Recommendation: Organisations that, apart from the CO$_2$ Performance Ladder, have no other CO$_2$ reporting obligations (such as CSRD) are advised to opt for WtW, as this is the simplest approach.

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Organisations that choose to report their emissions from business travel (category 6 – scope 3) at Step 1 under Angle A must also always include this in the fulfilment of the requirements under Angles B, C and D.

The above applies, of course, only insofar as materiality is concerned.

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23-10-2025

Transition period:
n/a