

Danish technical paper on establishing a common, freely accessible EU database on GHG emission factors

European companies are increasingly being required to calculate and measure their environmental footprint and climate emissions, particularly on greenhouse-gases (GHG), including scope 1, 2 and 3. These calculations may be used for the purpose of corporate sustainability reporting, resulting from the Corporate Sustainability Reporting Directive (CSRD). Yet companies outside the scope of CSRD are also experiencing that calculating their climate footprint in a transparent, standardised, comparable, and verifiable way is becoming a 'license-to-operate'.

Ideally, companies would be able to carry out their calculations based on actual, consistent, and high-quality data for their concrete activities. Unfortunately, the sources which companies rely on for relevant data e.g., emissions factors (estimated average values), are often from private actors, non-transparent, not robust, non-consistent and insufficiently updated, and behind paywalls. This not only makes results less comparable and reliable but also more costly for especially SMEs to collect the required data.

We recommend that the European Commission establishes a common, freely accessible EU database with authoritative GHG emission factors, with high requirements on transparency and credibility and sufficient coverage and differentiation on materials, products, and geography – supplemented with basic guidance on how to apply the database in corporate GHG calculations. This can reduce the administrative burdens for companies in identifying and collecting the data they require, strengthen the capacity in companies to calculate their climate emissions and increase the transparency, reliability, and standardisation of data, method, and calculations. The emission factors should be verified by relevant authorities, making the data authoritative, comparable and harmonised. Furthermore, to contribute further to the reduction of the substantial administrative burdens for companies in collection and handling data for their sustainability reporting, it is key that the emissions factor database is established with a technical setup that allows for digital and automated requests and use of data from the database, through close integration with the IT-systems for ESG-data management and reporting, which calls for collaboration with both companies using the data and vendors of software, IT-infrastructure and ESG-service providers.

We encourage the Commission to consider establishing a database for emissions factors, possibly by:

- Establishing – as soon as possible – an emission factor database with emission factors for central corporate emitting activities across industries and regions in the EU suitable for use by European companies' assessment of their carbon footprint in scope 1, 2 and 3 in accordance with the GHG protocol and for voluntary use for their reporting under the Corporate Sustainability Reporting Directive (CSRD).
- Establishment of the database could be supported through a call for proposals under a suitable funding scheme e.g., by drawing inspiration from the HorizonEurope call of 2023 regarding transport emission factors (HORIZON-CL5-2023-D6-01-08): <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/horizon-cl5-2023-d6-01-08>
- Ensuring that the common emission factor database adheres to key principles for data sharing, in particular that data is interoperable and machine-readable, that access is provided through the use of non-proprietary data formats, standards and protocols without vendor lock-in to enable seamless data exchange with different it-systems, platforms and organisations.
- If a regulatory framework for the establishment of the database is needed, a proposal could draw inspiration from part of the Commission's "CountEmission EU" proposal for transport-related carbon emissions, COM(2023)441, which among other things proposes to establish a common database of the emission intensity factors for transport services established at the central EU level (by the European Environment Agency): https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13217-Count-your-transport-emissions-CountEmissions-EU_en

The Danish Business Authority is available to further discuss the elements proposed. For more information, please contact:

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