



METHODOLOGY STATEMENT

EnvironmentalReport Methodology Statement

How the figures in EnvironmentalReport reports are calculated

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1 Purpose and scope

This statement describes how EnvironmentalReport turns the data a company enters into the figures of its sustainability report. It is written for the people who receive those reports, such as banks, customers and their auditors, and for the companies that prepare them.

It covers reports prepared under the Voluntary Standard for sustainability reporting (VS 2026, Commission Delegated Regulation (EU) 2026/1560), the greenhouse gas inventory and the data packages exported with them. Each report names the version of this statement it follows.

The statement sets out rules, not results. The figures, factors and sources of a specific report are printed in that report and listed in its data package.

2 Standards and principles

Reports follow VS 2026 with the option the company selects: Option A (Basic Module, B1–B11) or Option B (Basic and Comprehensive Modules). Under Option A, selected Comprehensive disclosures can be added under paragraph 25; the report then names them and stays an Option A report.

Greenhouse gas emissions follow the GHG Protocol Corporate Standard, its Scope 2 Guidance and the Corporate Value Chain (Scope 3) Standard, as VS 2026 paragraph 33 requires. The GHG Protocol Land Sector and Removals Standard (LSR) applies to biogenic CO₂ where the company has assessed it (section 10).

The following principles apply throughout:

- **Missing is not zero.** An empty value is shown as "Not reported". A zero appears only when it was entered or explicitly confirmed.
- **Nothing is netted.** Carbon credits and climate contributions are shown separately and never deducted from Scope 1, 2 or 3.
- **Nothing is invented.** Where a source publishes only a total, the total is kept. It is never split into gases, categories or periods that the source does not provide.
- **Every figure is traceable** to its activity data, the factor applied and the source of that factor.
- **Every result the data support is published.** The selected option decides which datapoints are required, not which calculations are shown.
- **Checks are not assurance.** The app checks that required datapoints are present and consistent. It does not verify the company's records. Management confirms the report; an independent review can be ordered separately (section 15).

3 Reporting boundary and period

A report covers one company or one consolidated group for one reporting year. The reporting period is printed in the report. Reporting years 2022 to 2026 are supported.

In a consolidated report every datapoint follows one consolidation rule:

Rule	Applies to	How
Report level	Option, compliance statement, reporting basis, period	One answer for the whole report
Financial statements	Total assets, turnover	Consolidated amounts after intragroup eliminations, in one currency
Combined lists	Subsidiaries, sites, certifications, omissions	Lists are combined; each item keeps its entity
Greenhouse gases	Scope 1, Scope 2, Scope 3	Emission lines by control (in full) or by equity share (ownership percentage)
Complete sums	Employees, energy, water, waste, accidents, fines	Sum over all included entities in full; a missing input leaves the total unresolved
Ratios	Recycling share, accident rate, training hours, turnover rate	Recalculated from summed numerators and denominators, never averaged
Narratives	Practices, policies and other statements	Each statement keeps the entity it covers

Equity shares never scale people, water, waste or energy. An entity left out of the report needs a reason; its data stay stored.

4 Activity data and evidence

Companies enter activity data, such as kWh of electricity, litres of fuel, kilograms of refrigerant, kilometres, tonne-kilometres or spend, or a documented total where the source provides one. Every value keeps its unit. A factor is applied only when its unit, and for spend its currency, matches the activity exactly; units and currencies are never converted silently.

A zero confirmed by the company is a reported value. An empty field is "Not reported". A calculated zero, for example self-consumed solar electricity with a zero factor, is a reported result.

Supporting documents are copied into the project, fingerprinted with SHA-256 and linked to the datapoints they support. Report completeness and evidence coverage are reported as separate figures: a complete report can still have missing evidence, and the report says so.

From the second reporting year, each published figure needs the previous-year value with the same components, or an explicit mark that it is reported for the first time.

Information omitted under VS 2026 paragraph 22 is listed in the report. The omitted value, and any values that would allow it to be reconstructed, are withheld from every public output.

5 Emission factors

Each calculated emission is an activity quantity multiplied by an emission factor. Below every Scope 1 and Scope 2 figure the report prints the factor actually used: its value and unit, whether it is a Default factor or a User factor, its source and year, and the calculation quantity $\times$ factor = result. The factor source register in the report lists every source.

A documented factor supplied by the company, for example from its electricity or fuel supplier, replaces the default when its source is recorded. It is labelled User factor. The app records its provenance but does not review it independently.

Otherwise a built-in default from a public source is used:

Activity	Default factor source
Fuels in stationary and mobile combustion	UK Government GHG Conversion Factors (DESNZ), full set of the reporting year, with CO ₂ , CH ₄ , N ₂ O and biogenic CO ₂ kept separate
Road diesel and petrol	The same DESNZ factors applied to the national blend; the bio share is estimated from Eurostat energy balances unless the supplier states the composition
Natural gas	DESNZ; outside Great Britain treated as mineral natural gas, with the gas composition labelled as an assumption
Refrigerants	Refilled or leaked mass $\times$ GWP100 of the refrigerant (section 7)
Electricity, market-based	AIB European Residual Mixes (Final Residual Mix) of the country
Electricity, location-based	A national source where one is built in, for example OKTE for Slovakia; otherwise the AIB Production Mix, labelled as a fallback
Purchased heat, steam and cooling	No default; the supplier's factor and its source are required
Business travel and freight	DESNZ distance and tonne-km factors mapped to transport modes

Activity	Default factor source
Other Scope 3 activities	A factor chosen by a person from the built-in pilot set, or documented by the company (section 9)

The factor year is the latest supported year not later than the reporting year. Each factor carries a status (verified national default, latest verified prior year, provisional, national proxy, regional or manual, or labelled fallback); where the status calls for it, the report prints a warning.

When a source revises a value, the factor library version changes. The version used is recorded with each report. Issued reports keep the values they were issued with; for a year in Audit Ready the change log lists every factor change and separates its effect from changes in activity data.

6 Global warming potential

Emissions of different greenhouse gases are added up in CO2 equivalent (CO2e): the mass of each gas is multiplied by its global warming potential over 100 years (GWP100). The gases are always calculated and disclosed separately; CO2e is their sum.

New reporting years use IPCC AR6 GWP100, as recommended by the GHG Protocol. Methane from combustion uses the AR6 non-fossil value of 27, because the CO2 formed when it oxidises is already counted in the combustion CO2. Fugitive and process methane of fossil origin uses 29.8. N2O uses 273.

Conversion of published factors

Many published factors use an earlier IPCC report: DESNZ fuel factors use AR5 and its bioenergy factors AR4. Where the source publishes CO2, CH4 and N2O separately, each gas is converted: the mass of the gas is its published CO2e divided by the GWP the source used, and that mass is multiplied by the AR6 value. CO2 has a GWP of 1 in every IPCC report and does not change. The masses of the gases never change; only the multiplier does. This conversion is method ER-GWP-AR6-2.

Example: one litre of mineral diesel, DESNZ 2025.

Gas	Mass per litre	CO2e on AR5 (as published)	CO2e on IPCC AR6
CO2	2.628 kg	× 1 = 2.62818 kg	× 1 = 2.62818 kg
CH4	0.010 g	× 28 = 0.00029 kg	× 27 = 0.00028 kg
N2O	0.125 g	× 265 = 0.03308 kg	× 273 = 0.03408 kg
Total		2.66155 kgCO2e	2.66254 kgCO2e

What stays on the source basis

Some amounts cannot be converted:

- amounts a source publishes only as one CO2e figure without a gas breakdown, for example the CH4 and N2O of the bio component of road fuels, which DESNZ publishes as one AR4 aggregate;
- totals entered by the company in tCO2e, such as Scope 3 figures from suppliers, when their GWP basis is not stated.

Each report therefore states the GWP basis of its total in three parts:

Part	Meaning
IPCC AR6 values	Converted from the source's gas components, or published on AR6 by the source
CO2 only	Factors that contain only CO2, for example AIB electricity factors; the result is the same under every GWP set
Source basis or no stated basis	Amounts that keep their source's GWP values or whose GWP basis is not known

A report is described as "IPCC AR6 GWP100" without qualification only when the third part is zero. Otherwise the report names the amount, its share of the total and the sources concerned. A report is never described as fully AR6 while part of it rests on another basis.

Choosing the original source basis

A company can choose the original source basis for a reporting year instead, for example to match figures published by DESNZ. Each factor then keeps the IPCC values its source used, and the report says so. Reporting years saved before IPCC AR6 became the default keep the basis they were prepared on until the company changes it.

Years on different GWP bases are marked as not comparable. A comparison can be recalculated on one basis without changing the original years, and issued reports are never recalculated. When IPCC AR6 is used, the data package contains a line-by-line comparison of the source basis and AR6.

7 Scope 1

- **Stationary combustion:** fuel quantity × combustion factor, with CO2, CH4 and N2O calculated separately. Biogenic CO2 from biofuels is reported separately (section 10).
- **Company vehicles:** petrol and diesel use the national blend factors; LPG and CNG use DESNZ factors.
- **Refrigerants:** refilled or leaked mass × GWP100 of the refrigerant. On IPCC AR6 the values follow the published AR6 values of the refrigerant components (ADEME Base Carbone); a refrigerant without a

published AR6 value keeps its source value and is counted in the source-basis part. On the source basis the DESNZ value is used, or ADEME Base Carbone where DESNZ publishes none.

- **Measured emissions:** gas-specific measured emissions are entered with the GWP used and its source. They count as IPCC AR6 values when that source is AR6.

8 Scope 2

Scope 2 is calculated with both methods of the GHG Protocol Scope 2 Guidance. The two results are shown side by side and never added together.

- **VSME B3** uses location-based Scope 2, covering purchased electricity, heat, steam and cooling and the charging of company electric vehicles.
- **The GHG inventory total** uses market-based Scope 2.
- **Market-based:** the AIB Final Residual Mix of the country, replaced by a documented supplier, contractual or guarantee-of-origin-backed factor. Where AIB publishes no value, a documented factor is required; no other mix is substituted.
- **Location-based:** a national factor where one is built in, otherwise the AIB Production Mix as a labelled fallback, otherwise a documented factor.
- **Electric vehicles:** electricity charged for company vehicles is Scope 2 and uses the same factors as purchased electricity.
- **On-site renewables:** self-consumed on-site renewable electricity has a zero operational factor and is shown separately. The emissions it avoids are shown for information and never deducted. Exported electricity never reduces consumption or Scope 2.
- **Heat, steam and cooling:** the quantity is multiplied by the supplier's factor, which must be documented.

9 Scope 3

Each of the 15 Scope 3 categories has an explicit status: Not assessed, Relevant, Not relevant (no activity within the boundary) or Excluded with a justification. A status that conflicts with recorded activity is flagged.

- **Activity data** are multiplied by a factor whose unit, and for spend its currency, matches exactly. Otherwise the row stays unresolved.
- **Documented totals**, for example figures provided by suppliers, can be entered per category. A documented total is the reported result for that category; activity rows stay visible but are not added again.
- **Built-in factors** for Scope 3 are a provisional pilot set. A person selects each one; none is applied automatically.

- **Company factors** count only with complete provenance (provider, dataset, year, geography, boundary, GWP basis and rationale) and confirmed evidence. They are labelled "User supplied – not independently reviewed".
- **Business travel:** kilometres reimbursed for private cars use the DESNZ average car factor unless a documented factor is given.

10 Biogenic CO₂

Biogenic CO₂ from biomass and biofuels is calculated for every relevant source and shown separately with its treatment: included in the inventory total, reported outside it, or treatment not assessed. CH₄ and N₂O from biofuels, and the fossil part of a blend, stay in the scope where the fuel is burned.

The company records whether the GHG Protocol Land Sector and Removals Standard (LSR) applies to it and the reporting year. If it does not apply, with a rationale, biogenic CO₂ stays outside the inventory total. If it applies, each source is assessed: when the conditions of LSR Requirement 17 are documented and met, its CO₂ stays outside the total; otherwise it is included once, as land emissions in the scope where it is emitted. Missing evidence never permits exclusion.

Years before 2027 use the Corporate Standard basis unless the company adopts LSR early; from 2027 a missing choice leads to the LSR basis. The VSME B3 figures and the main supplier tables keep the Corporate Standard basis; the GHG inventory and a separate LSR reconciliation use the selected basis.

11 Energy

Total energy consumption and its breakdown are calculated from the activity data: purchased electricity, electric-vehicle charging, on-site renewable electricity, purchased heat, steam and cooling, and all fuels, using net calorific values and densities. There is no separate energy entry.

- Purchased electricity is renewable only for the kWh covered by guarantees of origin.
- Electric-vehicle charging outside the company's meter and purchased heat, steam and cooling are counted as non-renewable.
- Natural gas is fossil unless a documented biomethane blend exists. Road fuels use the national statistical bio share.
- A share that cannot be established is shown as "Not established", never estimated.
- Fuel used to generate electricity on site is counted once. Exported electricity is not consumption.

12 Other metrics

Metric	Method
Pollution (B4)	Each pollutant is reported as recorded: medium, pollutant, amount and unit, and the basis of the obligation. Amounts are never converted or added across pollutants.
Water (B6)	Withdrawal as recorded. Consumption is withdrawal minus discharge where processes consume significant water. Water consumed in water-stress areas is a separate quantity.
Waste (B7)	Non-hazardous waste is total minus hazardous waste. The recycling share is recycled and prepared-for-reuse waste divided by total waste.
Accident rate (B9)	Recordable accidents divided by hours worked, times 200,000 or 1,000,000 hours. The base is printed with the value.
Gender ratios (C5, C9)	Female divided by male from the counts. With no men in the group the ratio is not defined, never zero.
GHG intensity	Scope 1 plus location-based Scope 2 divided by turnover, shown as additional information.

13 Calculation, rounding and presentation

- Calculations use unrounded values. Reports round values for display; totals are calculated before rounding, so displayed parts can differ from the displayed total in the last digit. The data package keeps the unrounded values.
- Emissions are reported in tonnes of CO₂e. Very small amounts may be shown in kilograms so that they are not displayed as zero.
- Outputs are in English. Source names, units and method identifiers are printed exactly as published.

14 Comparatives and recalculation

Earlier years are shown as they were reported. When years differ in accounting basis, GWP basis or coverage, the comparison is marked as not comparable, and a recalculated comparison on one basis can be produced without changing the original years.

Issued reports are never changed by later factor or method updates. A base year for a target can be suggested from a year in the project; the suggestion records its source and never overwrites the inventory base year.

15 Outputs, integrity and review

A report can be exported as a report PDF, a PDF with its evidence, a workbook of ESG data for banks, a supplier data package (ZIP) with machine-readable data tables, calculation methods, calculation history, energy ledger and this statement, and an interoperability package mapped to the EFRAG VSME Digital Template 1.3.0. The mapping is not validated XBRL.

A report version is a Working Draft, an Issued Report or Audit Ready – Change Log, and each PDF says which. Starting Audit Ready records a baseline: report hash, data snapshot hash, evidence fingerprints, factor library version, factors and methodology. Data stay editable; every later change is recorded against the baseline.

Management's statement of compliance is bound to a fingerprint of the reported data. Any later change to the data returns the statement to draft until management confirms it again.

Every exported package is recorded with its SHA-256 hash. Project files carry SHA-256 integrity manifests, which make changes outside the app detectable.

VS 2026 does not require assurance. A company can order an independent calculation and methodology review; a signed review result is accepted only when its hashes match the reviewed baseline.

16 Versions and sources

This is version 1.0 of the statement. The GWP conversion is method ER-GWP-AR6-2. Later versions are published at www.environmentalreport.eu/app/methodology/, and each report names the version it follows.

Primary sources:

- Commission Delegated Regulation (EU) 2026/1560 (VS 2026)
- GHG Protocol: Corporate Standard (2004), Scope 2 Guidance (2015), Corporate Value Chain (Scope 3) Standard (2011), Land Sector and Removals Standard (ghgprotocol.org)
- GHG Protocol, IPCC Global Warming Potential Values, version 2.0 (August 2024); IPCC Sixth Assessment Report (AR6), Working Group I, Chapter 7 (ipcc.ch)
- UK Government GHG Conversion Factors and methodology paper, DESNZ (gov.uk)
- AIB European Residual Mixes and Production Mix (aib-net.org)
- National electricity sources built into the app, for example OKTE for Slovakia
- Eurostat energy balances (nrg_bal_c), for the bio share of road fuels
- ADEME Base Carbone, for refrigerant values on IPCC AR6
- EFRAG VSME Digital Template 1.3.0