Climate Contribution Hub

Climate Responsibility Approach

Guidance on scope coverage

November 2025

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Jump to section

The climate contribution can be calculated through a simple formula:

Contribution budget = Carbon fee × ongoing CO2e emissions

We recommend that your organisation calculates its climate contributions based on the formula above. It should repeat this exercise on a yearly basis, checking the following:

* the emissions accounting is updated (See Step 1);
* the scope coverage remains the same or has been expanded (See below);
* the carbon fee is updated (See Guidance on setting a carbon fee).

We recommend that your organisation applies the carbon fee to all its emissions (Scope 1-2-3) to calculate its contribution budget. If this is not possible because of financial constraints, we recommend your organisation to be fully transparent and explain its reasons. Scope coverage should be updated regularly and gradually expanded when relevant. In addition, we encourage organisations to calculate and account for their historical emissions.

Carbon fee
See Step 3 Guidance 3.1 "Set a carbon fee".

Applying the carbon fee to ongoing emissions

The *carbon fee* should be applied to the ongoing emissions of your organisation. Even with a robust climate strategy, your organisation keeps releasing greenhouse gases into the atmosphere to run its activities and will continue to do so along its decarbonisation journey. These "ongoing emissions" should be used as a base for calculating the contribution.

Q&A: Why should my organisation cover ongoing emissions rather than residual emissions?

Residual emissions refer to emissions that remain after all available mitigation measures have been implemented, while ongoing emissions refer to emissions occurring at present time.

Some methods relying on the *"ton-for-ton" approach* suggest that organisations should only take responsibility for the residual emissions that remain unabated at the end of their decarbonisation journey. However, the idea behind climate contributions and the *"money-for-ton" approach* is to take full responsibility for the damages caused by ongoing emissions, at present time. Therefore, residual emissions are not a good basis to calculate the budget for climate contributions.

Ton-for-ton approach
A method by which an organisation takes responsibility for its ongoing emissions by offsetting them and purchase an equivalent amount of carbon credits. Not to be confused with the money-for-ton and the money-for-money approaches.

Money-for-ton approach
A method by which an organisation takes responsibility for its ongoing emissions by applying an internal carbon fee per ton of CO2e and raise a contribution budget. The budget is spent to support climate projects. There is a direct link between the organisation's climate impact and the funds it raises. The level of the carbon fee is determined by the organisation. Not to be confused with money-for-money and ton-for-ton.

Applying the same carbon fee to all scopes of emissions

Your organisation should apply the same carbon fee to all direct and indirect emissions over its value chain – including Scope 1, 2 and 3. Greenhouse gas (GHG) emissions cause damage regardless of the scopes. All three scopes fall under the responsibility of an organisation. Therefore, the same carbon fee should apply to all emission scopes. This incentivises your organisation to reduce emissions across the value chain (See Step 2).

If your organisation decides to apply different levels of carbon fees depending on the emission scope or to apply one fee to only part of its emissions (e.g. to reduce the overall cost of the approach), it should transparently communicate about the reasons behind this decision.

Q&A: Why is my organisation responsible for Scope 3 emissions?

The more challenging aspect of scope coverage is to account for Scope 3 emissions due to limited data availability (See Step 1). Contrary to Scope 1 and 2, Scope 3 emissions occur beyond the organisation's direct operational boundaries, from sources controlled or owned by other organisations, including suppliers (upstream emissions) and clients (downstream emissions) (GHG Protocol, 2004). It results that operational levers to deal with Scope 3 emissions are scattered throughout the value chain, among direct and indirect stakeholders.

Nevertheless, Scope 3 emissions make up the largest share of most organisations' footprint. Flight emissions, accounted under Scope 3, often account for the largest share of civil society organisations with international activities– such as Non-Government Organisations or think tanks. For philanthropic foundations, emissions caused by investments represent a significant portion of their carbon footprint.

The responsibility to mitigate these emissions still lies with each organisation whose activities cause harm whether directly or indirectly.

→ Find out more about Scope 3 emissions in: GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard; CDP's Technical Note: Relevance of Scope 3 Categories by Sector CDP Corporate Questionnaire (2025).

Updating and expanding scope coverage

Your organisation should gradually update and expand it emission coverage. To do so, it should engage with suppliers and clients to complete existing indicators by asking more comprehensive and granular data.

Ensuring that all relevant emission sources are accurately captured in emissions accounting can be particularly challenging, especially for smaller organisation with limited resources. To reflect these uncertainties, your organisation can add 5 to 10% of emissions on top of their GHG inventory.

Taking responsibility for historical emissions

We recommend covering historical emissions but do not consider it mandatory for a credible approach. Historical emissions reflect the cumulative impact an organisation has had on the climate. Including historical emissions in your Climate Responsibility Approaches enhances organisational accountability.

Organisations which measured their GHG emissions in years prior to implementing the climate contribution are thus encouraged to apply the carbon fee to their past emissions retroactively. However, including historical emissions in the contribution budget could make the approach too expensive and be a barrier to implementation.

→ Find out more about how to cover historical emissions in Gold Standard and Milkywire's Funding Beyond Value Chain Mitigation (2024, p. 16); Carbon Market Watch's FAQ, Credible Climate Claims in a Post-Offsetting World (2024, p. 10).

The Climate Contribution Hub is set up by NewClimate Institute with initial support from the Allianz Foundation. This website aims at providing step-by-step guidance to help businesses and civil society organisations (e.g. NGOs, foundations, trade-unions) measuring and reducing their greenhouse gas emissions and setting up a climate contribution to take responsibility for their ongoing emissions.

www.climateresponsibility.org

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