



**THIS DOCUMENT COMPLEMENTS EXISTING GUIDANCE:**

*Please refer to the Market Based Measures (MBM) Framework and MBM Specification available on the SFC website. This Worksheet is a tool for the Emission Reporter (ER) to document their approach to the MBM's Integrity Measures and Constraints and a tool to facilitate the Validation & Verification Body's (VVB) review.*

[MBM Homepage](#)

- May be used by the Emission Reporter in SOP development and handed to the VVB for conformity engagement
- May be used by the VVB to facilitate Integrity Measure/Constraint review during the conformity engagement

**Integrity Measures & Constraint—Emission Reporter/VVB Worksheet**

<i>Integrity Measure / Constraint</i>	<i>Satisfied (Y/N)</i>	<i>MBM Spec.</i>	<i>Notes</i>
1 <b>Transportation Mode</b>		7,1	
2 <b>Transportation Activity</b>		7,4	
3 <b>Vintage</b>		7.2, 7.3	
4 <b>Additionality—Worksheet A</b>		7.5-7.7, 3.22	
5 <b>Double-counting—Worksheet B</b>		7,8	

**NOTES / FINDINGS:**

**WORKSHEET A: Additionality**—This worksheet helps the Emission Reporter *document* & helps the VVB *verify* the emission reporter's satisfaction of Section 7.5-7.7 of the MBM Specification

**Additionality:** A criterion for assessing whether a solution or a low emission transportation service (LETS) is required by regulation.

It is very important to protect the validity of your and your customers' voluntary claims by ensuring you are supporting decarbonization beyond what is required by regulation. Many organizations want simplicity—for them and their stakeholders—and the *easiest method is to only book/claim attributes that are unequivocally, not required by regulation*. Interaction with regulation and policy increases complexity, and organizations should be transparent in all cases. SFC created this worksheet to help match policy to standard operating procedures (SOP) and to help verify MBM reporting with the MBM Specification.

First, please read the "Additionality" definition above, then review the question logic below. Use the flowcharts and *document* your work, ensuring that your low emission transportation service (LETS) or Solution (i.e., transportation fuel) satisfies the additionality constraint, may be reported for voluntary purposes, and how to communicate to other parties.

If you have questions, please reach out to MBM@smartfreightcentre.org. Members may also submit a technical query or "interpretation request" via the same channel. Thank you!

**NOTE 1:** Your Solution or LETS may exceed the regulatory requirement under review, in which case you are able to 'book' the profile of the Solution or LETS that exceeds the regulatory requirement (e.g., under a 5% biofuel mandate, if you purchase/supply a 20% blend, you may book/claim the 15% difference, which is "above and beyond" of the regulatory requirement).

**NOTE 2:** When you have determined that your Solution or LETS is "additional", please note that the double-counting constraint still applies. You must always be conscious to avoid erroneous double counting and ensure you're protecting the integrity of the claimant—while also not negatively affecting the attributes of the customers whose cargo was related to the transportation activity but is not a party to this Solution/LETS, i.e., the non-LETS participant.

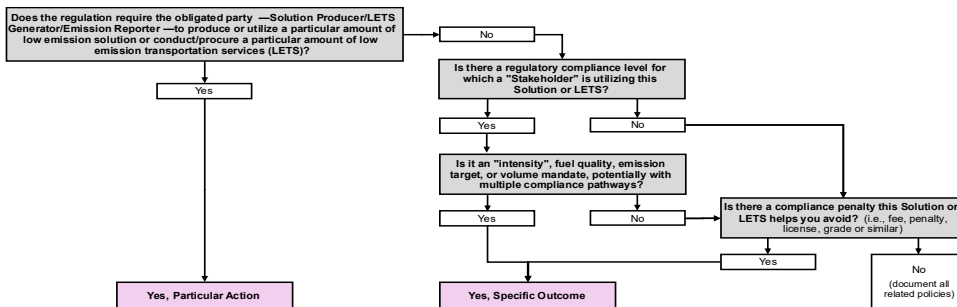
**RECORD RESULTS:**

- STEP ONE:** Is the Solution or LETS "Additional"—i.e., not required by Regulation? [Yes / No]
- STEP TWO:** Is the obligated party "above and beyond" the requirement? [Yes / No]
- STEP THREE:** Can the Emission Reporter include the Solution or LETS in reporting in spite of its relation to a regulation? [Yes / No] [N/A]
- STEP FOUR:** Has the Emission Reporter transparently communicated the quality of "additionality" for this Solution or LETS? [Yes / No]

ACCEPTABLE ANSWERS:	
<b>STEP ONE:</b> If "No", Additionality constraint satisfied, go to Step 4 communication. If "Yes", subsequent answers must be:	
<b>STEP TWO:</b> "Yes"—the Additionality Constraint is satisfied; or "No", but the answer in Step Three is:	
<b>STEP THREE:</b> "Yes", Additionality Constraint is satisfied; or "N/A" because the Solution/LETS is already additional	
<b>STEP FOUR:</b> "Yes" (always)	
<b>VVB use:</b> Have all requirements been satisfied?	[Yes / No]

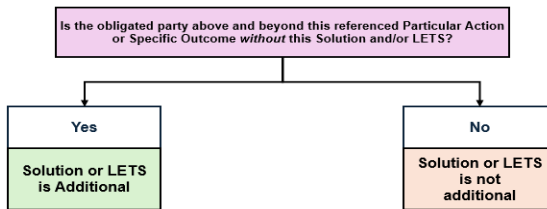
**STEP ONE: A policy is associated with the Solution or LETS. Does it require a "particular action" or a "specific outcome" for the Solution Provider, Booking Party, or Emission Reporter?**

Record Answer: [Yes] / [No]  
(See: MBM Framework, Ch 6; MBM Specification 7.5-7)



**STEP TWO: Is the obligated party "above and beyond" the requirement?**

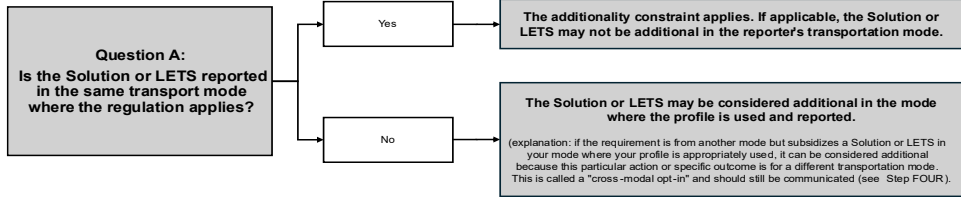
Record Answer: [Yes] / [No]



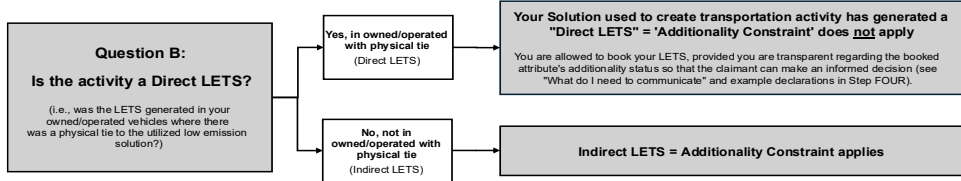
**STEP THREE: Can the Emission Reporter report with the Solution/LETS *in spite of* its relation to a regulation?**

Record Answer:  
[Yes] / [No]  
[n/a] — profile is already additional

(See MBM Framework, p.32;  
MBM Specification 7.7, 7.5f)

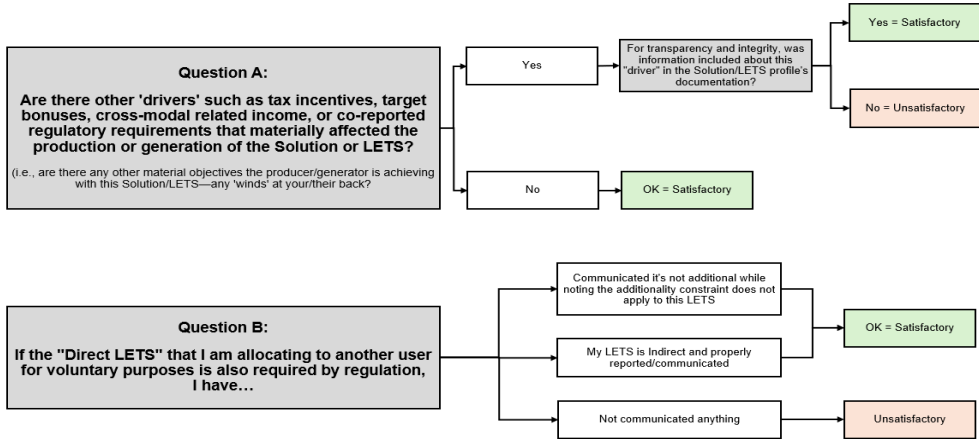


(See MBM Framework p.21-39;  
MBM Specification 3.6, 6.3)



**STEP FOUR: Has the Emission Reporter transparently communicated the quality of "additionality" for this Solution or LETS?**

Record Answer:  
[Yes] / [No]



**Declaration Examples:**

- "The emissions profile of this Solution and/or LETS was partially subsidized by the [tax incentive] "
- "The emission profile of this Indirect LETS is considered additional and was also used for reporting under [regulation] in [geography/requirement] "
- "The emitter profile of this LETS is above and beyond [regulation] obligations in [geography/requirement] "
- "This Direct LETS is allocated to you for attribution and inclusion and satisfies the requirements of the SFC MBM Framework and Specification. For transparency purposes, we inform that the associated emission profile is also being used for compliance and/or reporting under [regulation] "

**WORKSHEET B: DOUBLE-Counting**—This sheet helps the Emission Reporter *document* & helps the VVB *audit* the emission reporter's satisfaction of Section 7.8 of the MBM Specification

**Erroneous Double-Counting:** When two or more reporting companies take ownership of the same GHG emissions or emissions profile. (MBM Specification, 3.23)

Note: Acceptable double counting occurs along the value chain, for example, where the lower emissions profile of a Solution is accounted for by a Carrier in scope 1, an LSP in their scope 3 (category 4), and the LSP's customer (Shipper) in their scope 3 (category 4). *This is an example.* In this context, the parties are appropriately reporting emissions associated with their activities.

SFC's scope is Accounting & Reporting — Controls may be implemented in an organization's standard operating procedure or at the registry level, for example. The objective is to ensure organizations have mitigated sources of "double-counting" of the attributes that may have occurred in one or more locations, upstream typically:

- double-issuance at the booking event; and/or
- double-use at the registry level; and/or
- double-claiming in the accounting/reporting stage

**RECORD RESULTS:**

<p>Have you documented per MBM Specification 7.8a and 7.8b? To help consider documentation strategy, please answer the below questions and (optional) indicate your total erroneous double-counting risk using the scale to the right.</p>	Lower	←	ERRONEOUS DOUBLE-COUNTING RISK					→	Higher
			1	2	3	4	5		
	VVB Note: Have all requirements been satisfied?								YES

**STEP ONE: SYSTEM/VESSEL/CARGO: Can double-counting concerns be mitigated?**

Record Answer:  
[Yes] / [No]

<p><b>Is the low emission Solution (i.e., fuel) or service (LETS) transparent to and accountable by all parties?</b>  (i.e., are there other parties to the transportation activity that would automatically receive the benefit of a lower emission profile? e.g., a 5% national blend mandate where data and usage is transparent)</p>	<p><b>Yes</b> *Caution* — Likely unable to isolate the LETS or Solution. Without the measures below, you should not book/claim this Solution or LETS and are at risk of erroneous double counting.</p>
	<p><b>No</b> Can be accounting for and reported with acceptably-low risk of erroneous double-counting — you are likely able to differentiate this Solution or LETS from non-participating entities via necessary communication and risk prevention measures.</p>

**STEP TWO: MEASURES: Did the Booking and/or Claiming party implement double-counting prevention measures?**

Record Answer:  
[Yes] / [No]

(See MBM Framework, Chapter 11, p.55)

<p><b>COMMUNICATION</b> — Does the Booking or Claiming party implement specific B2B communications that inform its users of specific emission profile data they should use and/or inform users (and external users) that its average intensities may not be meant for their specific use?</p>	Yes – Indicates Mitigation
	No – Indicates acceptable risk when considered on its own (+1)

<p><b>CONTRACTUAL INSTRUMENTS</b> — Did the Booking party and/or ER address double-counting risk via contractual instruments for non-participants which mitigate risk involved in the 'passing' or 'utilization' of the emission profiles associated with the Solution or LETS?</p>	Yes – Indicates Mitigation
	No – Indicates acceptable risk when considered on its own (+1)

(See MBM Framework, Chapter 11, Figure 7)

<p><b>UNBUNDLING</b> — Did the Booking party and/or Emission Reporter book or claim an unbundled Solution or LETS?  Note: unbundled = Emitter profile (i.e., scope 1 attributes) have been separated to be tracked/traced uniquely from the Supply Chain profile (i.e., scope 3 attributes)</p>	Yes – indicates acceptable risk when considered on its own (+1)
	No – Indicates lower risk of erroneous double counting

**STEP THREE: ISSUANCE: Has the risk of double-issuance and/or double-claiming been mitigated?**

Record Answer:  
[Yes] / [No]

(See Book and Claim Community Principles & Best Practices)

<p><b>Registry</b> — Did the Booking party utilize a registry to track/trace this Solution and/or LETS?  (Registry: a tool to register and track the transfer of the characteristics of the Solution or LETS)</p>	Yes – this Solution and LETS... <u>and</u> all other Solutions or LETS
	Yes – this Solution and LETS ... <u>not</u> all other Solutions or LETS (+0.5)
	No – Indicates acceptable risk when considered on its own (+1)

Verification (should reflect booking party SOP):

— Second party  
— Independent third party (preferred)

<p><b>VERIFICATION</b> — Did the Booking Party verify Solutions or LETS to mitigate the risk that another party would be receiving the same Solution or LETS?  (e.g., to a chain of custody standard)</p>	Yes – this Solution and LETS... <u>and</u> all other Solutions or LETS
	Yes – this Solution and LETS ... <u>not</u> all other Solutions or LETS (+0.5)
	No – Indicates acceptable risk when considered on its own (+1)