NL Policy Agenda for Value Chain Emission Reduction

This is a summarised English translation of the Dutch official document 'Beleidsagenda emissiereductie productketens'. The original version can be found here.

1. Introduction

This proposal was developed in the Netherlands under the responsibility of the working group on Value Chain Emissions, which includes officials from the Ministries of Economic Affairs and Climate Policy, Foreign Affairs, and Agriculture, Fisheries, Food Security, and Nature. The initial impetus was the 2022 International Climate Strategy, which outlined the Dutch government's commitment to substantially reduce the Netherlands' international carbon footprint.[1]

In 2023, the first operational steps were formulated in the Cabinet Approach to Climate Policy.[2] One of these steps was exploring the desirability of a national and/or European target for the footprint of consumption (hereafter: consumption footprint target). This target focuses on reducing greenhouse gas emissions across the entire consumption value chain, including the foreign production of goods consumed here. To safeguard the level playing field of the EU internal market, it was decided in 2025 as part of the Dutch Climate Plan to explore a target at the European level.[3]

This proposal is largely based on the research report by CE Delft on the potential added value of an EU footprint target.[4] The report explores how a consumption footprint target for the European Union can effectively contribute to policies aimed at the climate and raw materials transitions. It explains that current climate policy is based on the location principle (i.e., territorial emissions from domestic smokestacks and exhausts). Consequently, there is a weaker incentive to invest in emission reductions in foreign supply chains. A footprint target provides this incentive and can therefore offer significant added value for policies targeting raw materials, climate, and energy transitions. Addressing value chain emissions benefits the circular economy, prevents carbon leakage, and offers other economic advantages. For instance, reducing emissions in the supply chain is often more cost-effective than domestic reductions.

It is now up to the government to decide how to follow up on this exploratory study. This official policy proposal, which is also based on a series of discussions with external stakeholders and experts, provides practical guidance. In these discussions, the recommendations of CE Delft were largely endorsed and further operationalised.

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1 Internationale Klimaatstrategie | Rijksoverheid.nl
2 Kamerstuk 32813, nr. 1180 | Overheid.nl > Officiële bekendmakingen
3 Klimaatplan 2025-2035 - Op weg naar een klimaatneutraal Nederland | Rijksoverheid.nl
4 EU Greenhouse Gas Footprint Target: Exploring Effectiveness and Implementation - CE Delft - EN

This proposal contains steps that can be taken immediately and will help in the long term to reduce Dutch value chain emissions that occur abroad (such as during the production of goods imported into the Netherlands). In doing so, maximum effort is directed towards EU policy to guarantee a European level playing field. This is in line with previous government efforts and aligns with the recommendations of the CE Delft report.

2. Executive Summary

Based on the CE Delft study and subsequent discussions, it would be unwise to actively push for the introduction of a binding EU footprint target in the short term. In addition to political reasons (potentially insufficient support) and economic reasons (competitiveness of businesses from a global perspective), this is due to methodological shortcomings: sustainability improvements are difficult to track on a year-to-year basis in the EU's footprint, and the available data remains limited.

With a phased approach, the government can still take steps in the short term to contribute to value chain emission reductions in the long term. Some of these steps will even have a positive effect on product value chains in the short term — even without requiring a binding target. Furthermore, they facilitate subsequent steps and can contribute to the eventual introduction of an EU footprint target in the long run.

The recommended actions are summarized below. **Bold actions represent priority recommendations that should definitely be pursued.** These actions are directly applicable, do not lead to additional regulatory burdens or administrative costs for businesses, and require little to no extra funding. *Italicized actions are considered 'nice-to-haves' for the slightly longer term,* which could also be pursued (provided budget is made available in certain cases).

The recommendation is to work with like-minded countries to focus on the following EU actions:

- **1. Improving available secondary data (emission factors), further developing the measurement methodology, and improving the presentation of reports on the EU footprint.**
- **2. Structurally integrating value chain emissions into the development of EU climate policy, following Denmark's example of ‘guiding principles’, and using indicative, non-binding targets for the EU footprint, following France's example.**
- **3. Calling for the harmonisation and standardisation of measurement and reporting methodologies for Scope 3 emissions by companies, such as the GHG Protocol, ISO standards, and the PEF.**
- *4. Making EU subsidies available for incorporating Scope 3 into SME reports and transition plans, and prioritising companies in procurement that report on their Scope 3 emissions and include them in their climate transition plans.*

In addition, we advise focusing on the following national actions, aimed at limiting carbon leakage, strengthening our domestic industry, and making it more sustainable:

- **1. Structurally integrating value chain emissions into the development of climate policy and using indicative, non-binding targets for the national footprint.**
- *2. Improving the presentation of the Dutch footprint and developing an interactive website for local policymakers.*
- *3. Prioritising companies in government procurement that include Scope 3 in their reporting and transition plans.*
- *4. Investing in better secondary data for the calculation of Scope 3 emissions by businesses.*
- *5. Developing an online tool for SMEs to measure, report, and reduce Scope 3 emissions.*

3. EU Focus

This proposal is primarily focused on EU policy to safeguard a European level playing field. The underlying key question was to what extent we should immediately pursue a binding EU footprint target and, if so, how. For several reasons, a binding target is currently deemed unwise. First, reliable data is still lacking to track the EU's footprint and measure progress towards the target. Additionally, the political momentum in the EU is currently unfavorable for introducing additional binding targets in climate policy; European industries are facing intense global competition on an unequal international playing field. Moreover, achieving existing climate and environmental targets is already challenging. This is in line with the findings of CE Delft and consultations held with businesses, local authorities, and other organizations.

Nonetheless, there are steps that can be taken in the short term (within a year) that will contribute to value chain emission reductions in the longer term (five to ten years) without adding a regulatory burden or negatively impacting competitiveness. In fact, most actions will strengthen the competitive position of EU companies and stimulate sustainability, as they counteract carbon leakage and industrial relocation. This aligns with the 'phased approach' recommended by CE Delft, as well as stakeholder consultations. Our concrete recommendations are described below.

For all these recommendations, the likelihood of success is higher when pursued together with like-minded EU member states. Therefore, the overarching advice is to build a coalition of countries. Since France recently drafted a policy paper advocating for a consumption-based emission target for the EU, this would be a good country to start with. A joint statement would have the greatest chance of influencing EU policy if published after the summer of 2026. The European Commission is expected to present its post-2030 climate package by the end of 2026, a legislative framework in which these proposals could partially be incorporated.

Key Action Points for EU Policy

1. Focus on better available secondary data (emission factors), further development of the measurement methodology, and improvement of the presentation of EU footprint reports. This is largely the work of Eurostat, although improving emission factors lies partly outside Eurostat's sphere of influence because it depends on third-country data. However, for internal data, improvements are possible by splitting product groups into smaller, more detailed categories. Additionally, the EU could work on separating certain product groups into sustainable and non-sustainable variants, for example, by linking this to customs codes in the upcoming Digital Product Passport. This will allow better monitoring of sustainable vs. non-sustainable imports and exports, enabling the footprint to reflect product-level sustainability improvements. This change takes time but is crucial for encouraging more sustainable consumer choices. Therefore, it is important to advocate for these distinctions now. Besides data collection, Eurostat needs more capacity to elevate its methodology to a level suitable for policymaking. Currently, these reports are limited to a simple, hard-to-find webpage. Allocating more resources for this would be a wise next step, using the Swedish statistical office SCB as an example of what consumption footprint reports could look like.[5]

2. Structurally integrate the value chain into the development of EU climate policy (Denmark model) and use indicative target figures for the EU footprint (France model). This means introducing guiding principles for policy officers when evaluating new climate measures, ensuring that territorial emission reductions do not simply shift emissions abroad. In Denmark, these principles include: a measure must not lead to carbon leakage; a measure must not increase the total footprint; and it must be cost-effective in achieving global emission reductions. While not strictly binding, these principles can guide impact assessments. Since a binding target is currently unfeasible, non-binding and indicative targets (like those France is introducing with broad support from businesses) can catalyse footprint-based thinking, as seen with Sweden's 'Consumption Compass'.

3. Call for harmonisation and standardisation of Scope 3 measurement and reporting methods*.* Many frameworks already exist (e.g., GHG Protocol, ISO, PEF/OEF). It is vital that these yield robust results while clearly assigning responsibility along the value chain. The integration of the GHG Protocol and ISO standards by the WBCSD and WRI into one single methodology is a step forward. Standardising these and product-level methods such as the PEF in EU policies (like the Ecodesign Regulation) would help businesses differentiate themselves. Major corporations support this harmonisation, as seen in a January 2026 joint statement co-signed by Paul Polman (former Unilever CEO). [6]

4. Provide EU subsidies for SME Scope 3 reporting and transition plans, and prioritise Scope 3-reporting companies in public procurement. Reporting is complex and costly for smaller companies. EU funds should provide subsidies to mitigate this burden, which is especially urgent due to the trickle-down effect of CSRD information requests. Even with a narrower scope, many SMEs will need to supply emission data to larger CSRD-compliant corporate clients. Furthermore, the European Commission

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[5] Greenhouse gas emissions from Swedish consumption decreased in 2023
[6] Strengthening global carbon accounting standards | Joint Statement

should reward companies that report on Scope 3 in public procurement, giving 'Made-in-EU' supply chains a competitive advantage.

Summary of EU Recommendations

Recommendation Type	Government-Focused	Business-Focused
Data, Methods & Reporting	1. Improve secondary data, develop methodology, and enhance presentation of EU GHG footprint.	3. Harmonise and standardise Scope 3 emission measurement and reporting methods.
Regulation & Incentives	2. Structurally integrate value chain into climate policy development and use indicative, non-binding targets for the EU footprint.	4. EU subsidies for SME Scope 3 reporting and prioritise Scope 3-reporting companies in procurement.

These actions are interdependent; they reinforce each other, while some must be clearly differentiated. Key points of attention include:

- Data and methods must be robust before setting binding targets. It is advisable to focus on this first.
- Data requirements differ for governments (average, secondary emission factors for import categories) and businesses (highly detailed, product-specific LCA measurements).
- Prioritising Scope 3 in procurement adds regulatory pressure. To avoid disadvantaging willing but resource-constrained SMEs, this requirement must be coupled with (financial) support.

On a broader international level, similar policies should be promoted to expand global impact and level the playing field. The Netherlands will put this value chain-based approach forward in the run-up to and at UN climate forums, including COP31 and subsequent COPs, highlighting the link between the circular economy and global emission reductions.

4. National Options

While the focus is on the EU, several national options for action emerge from the CE Delft report and stakeholder consultations. These allow the Netherlands to take a pioneering role immediately, without waiting for EU-wide consensus. They align with our EU-level goals ('practice what you preach') and benefit domestic industries by limiting carbon leakage and favoring local and circular businesses. Still, these actions do not result in regulatory burdens.

Key National Action Points

1. Structurally integrate value chain considerations into national climate policy and use indicative targets. Dutch policy officers should ensure impact assessments evaluate whether a domestic measure simply shifts production and emissions abroad. Integrating footprint calculations will make circular strategies (such as lifetime extension or material substitution) much more attractive. We can also follow France's example by introducing non-binding, indicative carbon footprint targets to drive corporate and administrative awareness.

2. Improve reporting of the Dutch carbon footprint and develop an interactive website. Statistics Netherlands (CBS) should build on its recent household footprint study (which highlighted that high-income households have a significantly larger carbon footprint and that consumer goods primarily generate overseas emissions). By developing an interactive website, inspired by Sweden's 'Consumption Compass' (developed by the Swedish Environmental Institute; SEI), municipal and national policymakers can better design local value chain emission policies. SEI has expressed willingness to share its methodology, estimating development costs at approximately €400,000 (potentially slightly higher for the Dutch context).

3. Prioritise companies in public procurement that use the Dutch 'CO2 Performance Ladder' to address Scope 3. The use of the CO2 Performance Ladder can be expanded to other government bodies, such as the Dutch Central Government Real Estate Agency (RVB), following the good example of the Dutch Department of Waterways and Public Works (Rijkswaterstaat). A government campaign could also promote its use in B2B transactions. This will give a competitive advantage to local companies with circular supply chains that operate primarily within the Netherlands.

4. Develop an online tool for SMEs to measure, report, and reduce Scope 3 emissions in response to the Corporate Sustainability Reporting Directive (CSRD). A free tool, potentially integrated with Dutch secondary emission data from CO2-emissiefactoren.nl and the National Environmental Database (Nationale Milieudatabase), would help SMEs supply data to their larger corporate clients under CSRD obligations. The Corporate Social Responsibility support desk (MVO Steunpunt) of the Netherlands Enterprise Agency (RVO) is willing to execute this. First, the exact needs for such a tool among SMEs will be investigated.

5. Invest in better secondary data for Scope 3 calculations via CO2-emissiefactoren.nl. The current database is limited to energy and transport, forcing companies to rely on less applicable foreign databases like Ecoinvent. The foundation managing the database (SKAO) lacks the budget to expand it to material imports. Government funding here could boost value chain emission measurements and reductions.

Summary of National Recommendations

Recommendation Type	Government-Focused	Business-Focused
Regulation & Incentives	1. Structurally integrate value chains into climate policy and use indicative, non-binding footprint targets.	3. Develop an online tool for SMEs to manage their Scope 3 emissions. 4. Prioritise companies in public procurement that take their Scope 3 emissions into account.
Data, Methods & Reporting	2. Improve carbon footprint reports and develop an interactive website.	5. Invest in better secondary data for calculating Scope 3 emissions.

5. Conclusion and Recommendations

Circular economy policies (e.g., product lifetime extension or substituting fossil resources with bio-based materials) primarily reduce emissions in foreign supply chains. Under current climate policy frameworks that are solely focused on reducing territorial emissions, these global climate and (raw) material benefits remain unrewarded, while carbon leakage risks persist. Expanding our climate policy framework to include value chain emissions is essential for effective climate action and strategic autonomy.

While a binding EU footprint target is currently unfeasible due to political, economic, and methodological challenges, a phased approach allows the Netherlands and like-minded EU member states such as France, Denmark, and Sweden to lay the groundwork. In the short term, we should focus on data improvement, harmonisation and standardisation of corporate reporting, and introducing 'Guiding Principles' and non-binding, indicative targets. Nationally, the Netherlands can act immediately by more structurally incorporating value chains into national policymaking, developing better footprint reports, and improving existing data and tools for businesses, as well as looking into the need for new ones.

Annex I: Background & Problem Analysis

Territorial emissions dominate current climate policy, because they are easily measured. However, in a globalised economy, most emissions occur in international supply chains. According to the Dutch Environmental Planning Bureau (PBL), these so-called 'value chain emissions' represent the largest share of the carbon footprint of the Netherlands, yet they lack formal targets. This oversight penalises circular strategies that prevent overseas emissions through, among other things, recycling, reuse and repair. Furthermore, supply chain management is highly cost-effective; much of the 'low-hanging fruit' for domestic emission reduction has been picked, whereas substantial and cost-effective emission reduction potential remains in international supply chains. Addressing value chain emissions also supports resource security and geopolitical autonomy by reducing reliance on raw materials from volatile regions.

Key challenges of carbon footprint policies include the misalignment between local implementation costs and global benefits, the methodological complexity of tracking product-specific sustainability in macro-level consumption footprint statistics, and the risk of measures being perceived as protectionist trade interference. Therefore, carbon footprint targets must remain complementary to, and not a replacement for, territorial emission targets.

Annex II: Existing and Upcoming Policies

Key existing instruments include the EU Corporate Sustainability Reporting Directive (CSRD), which mandates Scope 3 disclosure for very large corporations (amended by the 'Omnibus I' simplification package to focus on firms with >1,000 employees and >€450m turnover). The Carbon Border Adjustment Mechanism (CBAM) addresses Scope 1 leakage for heavy sectors like steel and cement but excludes Scope 3; yet, these Scope 1 emissions are often part of the Scope 3 emissions of EU companies. Methodologies like Eurostat's FIGARO MRIO model, the GHG Protocol, ISO standards and the Product Environmental Footprint (PEF) exist, but need further development. Nationally, Statistics Netherlands (CBS) and PBL track consumption footprints in the Netherlands, CO2-emissiefactoren.nl provides secondary data but lacks data for the calculation of Scope 3 emissions, and the CO2 Performance Ladder remains a leading public procurement tool that also includes Scope 3 emissions.

Annex III: Consulted Stakeholders

Consultations were conducted with representatives from PBL, CBS, the Dutch Ministry of Defence, and the Dutch Department of Waterways and Public Works (Rijkswaterstaat), Accenture (on behalf of the Dutch Sustainable Growth Coalition), Hedgehog, Coolset, Greenreporting, Future Up, the Netherlands Organisation for Applied Scientific Research (TNO), the Dutch Enterprise Agency (RVO), CE Delft, the Dutch Foundation for Climate Friendly Procurement and Business (SKAO), Deloitte, the World Business Council on Sustainable Development (WBCSD), Statistics Sweden (SCB), the Swedish Environmental Institute (SEI), the Danish Ministry of Climate, the Swedish Ministry of Climate, the French Ministry of Ecological Transition, and the European Commission (Eurostat, DG CLIMA and DG ENV).

Annex IV: Proposed Timeline (from July 2026)

Timeline	Action Item	Policy Objective / Contribution
July 2026	Contact EEA & other countries to explore collaboration on joint statement.	EU Advice 1-4
July 2026	Consult Eurostat, WBCSD, and IRP on methodology, standards & reporting.	EU Advice 1 & 3
July 2026	Consult France, Denmark & Sweden on guiding principles & Consumption Compass.	NL Advice 1
July 2026	Consult CBS & PBL for improving footprint reports/website.	NL Advice 2
August 2026	First EU 'coalition of the willing' official meeting.	EU Advice 1-4
August 2026	Integrate value chain approach into NL position on COP31.	International Climate Strategy
September 2026	Draft and finalize Joint Statement with the EU coalition.	EU Advice 1-4
Sept – Dec 2026	Independent assessment of corporate barriers to Scope 3 reporting.	NL Advice 3-5
October 2026	Publish Joint Statement before the EU post-2030 climate package.	EU Advice 1-4
Nov - Dec 2026	Lobby to integrate joint statement into post-2030 climate package.	EU Advice 1-4
2027	Further develop national strategy	NL Advice 1-5