Exhibit B – GE's scope 3 net emissions calculation methodology and the Greenhouse Gas Protocol

GE reports its scope 3 emissions on a 'net' basis in its 2022 Sustainability Report (p. 13) alongside its other Key Performance Indicators. GE also reports its scope 3 emissions on a 'gross' basis, however these figures are only available in the methodology section of the appendices, which are provided in a separate document to the main report (2022 Sustainability Report Appendices, p. 8). Both the 'net' and 'gross' emissions calculations are based on the Greenhouse Gas Protocol's *Use of Sold Products* methodology. However, GE's 'net' emissions calculations apply an additional 'allocation' factor which is unnecessary and misleading. The allocation factor significantly reduces the total scope 3 emissions reported by GE for its coal and gas turbines from 854 million metric tons to 320 mmt CO2(e).

GE's rationale for reporting emissions on a 'net' basis is as follows:

> "The net emissions value recognizes that our turbines are intermediate products and only create emissions when operating as part of a complete power plant system. The net emissions value reflects the emissions amount allocated to GE Vernova based on the average percentage of scope on a plant turnkey CAPEX basis, recognizing that many companies contribute goods and services to the building/operations of that power plant" (*2022 Sustainability Report Appendices*, p. 6)

This is not in line with the GHG Protocol, as outlined in Table 1.

Table 1: GHG Protocol guidance and relevance to GE's scope 3 'net' emissions calculations

Issue	Relevant section of GHG Protocol	Comments
Using 'allocation factors' when calculating scope 3 emissions	Greenhouse Gas Protocol, *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, p. 87: *"**When allocation is needed*** *Allocation is necessary when:* *• a single facility or other system produces multiple outputs; and* *• emissions are only quantified for the entire facility or system as a whole."*	GE's coal and gas turbines do not meet this criteria because emissions can be quantified for individual gas and coal turbines. GE demonstrates this in its *2022 Sustainability Report Appendices* (p. 5) which describes the methodology used for calculating coal and gas scope 3 emissions, alongside the results (from p. 5). GE specifies that its *gross* emissions calculations use the GHG Protocol's *Use of Sold Products* methodology. However, it only reports *net* emissions in the main 2022 Sustainability Report (p. 13), which applies 'allocation' unnecessarily.
	Greenhouse Gas Protocol, *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, p. 88: *"**When allocation is not needed*** *When using primary data, allocation is not necessary if:* *• a facility or other system produces only one output; or* *• emissions from producing each output are separately quantified."* And	Again, GE's coal and gas turbines do not meet this criteria because the emissions from the use of the turbines can be quantified separately from the rest of the power plant. GE has demonstrated this by providing the scope 3 emissions calculation steps and results for its gas and coal turbines in its *2022 Sustainability Report Appendices* (p. 7) using the Use of Sold Products methodology. However, it only reports

Issue	Relevant section of GHG Protocol	Comments
	*"**8.2 Avoid or minimize allocation if possible*** *When using primary data to calculate scope 3 emissions, companies should avoid or minimize allocation if possible. Allocation adds uncertainty to the emissions estimates and may be especially inaccurate when an activity or facility produces a wide variety of products that differ significantly in their GHG contribution."*	*net* emissions in the main 2022 Sustainability Report (p. 13), which applies 'allocation' unnecessarily.
Coal and gas turbines as 'intermediate' products	GE refers to its turbines as 'intermediate' products to suggest that their emissions should be considered in the context of the plants in which they operate and discounted accordingly using allocation. However, the GHG Protocol specifies that if an intermediate product directly emits greenhouse gases (GHGs) during its use phase, these should be individually accounted for. The relevant sections of the Protocol are: Greenhouse Gas Protocol, *Technical Guidance for Calculating Scope 3 Emissions - Category 11: Use of Sold Products*, p. 123: *"**Calculation method for sold intermediate products*** *When a company sells an intermediate product that directly emits GHGs in its use phase, it is required to account for direct use-phase emissions of the intermediate product by the end user, (i.e., emissions resulting from: the use of the*	The GHG Protocol clearly specifies that scope 3 emissions for 'intermediate' products should be individually accounted for if 1) they directly emit GHGs during their use-phase, and 2) if the emissions from the product can be qualified (as (per above). GE's coal and gas turbines meet both of these criteria. Therefore the direct, gross emissions for these turbines should be reported and allocation based on the power plant's total emissions or CapEx value is unnecessary and misleading.

Issue	Relevant section of GHG Protocol	Comments
	sold intermediate product that directly consumes fuel or electricity during use; fuels and feedstocks; GHGs released during product use).” And Greenhouse Gas Protocol, *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, p. 55: “***5.6 Applicability of downstream scope 3 categories to final and intermediate products*** *…If a company produces an intermediate product (e.g., a motor), which becomes part of a final product (e.g., an automobile), the company accounts for downstream emissions associated with the intermediate product (the motor), not the final product (the automobile).*	