

Corporate Standard Meeting Minutes

Subgroup 3, Meeting #5

Date: 1 April 2025

Time: 09:00 – 11:00 ET / 15:00 – 17:00 CET

Location: Virtual

Attendees

Technical Working Group Members

1. Christa Anderson, WWF
2. Rebecca Berg, The Climate Registry
3. Rogelio Campos, Ministry of Environment, Peru
4. Jasper Chan, TownGas
5. Ron-Hendrik Hechelmann, University of Kassel
6. Tomoo Machinba, Zeroboard, Inc.
7. Felipe Martínez Rodríguez, Hydro
8. Alexis McGivern, University of Oxford
9. Brandon McNamara, Northern Arizona University
10. Suresh Krishna Ishwara Palar, Infosys
11. Jay Shi, Proctor & Gamble
12. Mamahloko Senatla, Kenmare Resources
13. Monika Shrivastava, JSW Cement
14. Max Sonnen, Ecomatters
15. Zi (Christiana) Wang, JD Logistics

Guests

None present

GHG Protocol Secretariat

1. Allison Leach
2. Iain Hunt
3. Hande Baybar
4. Natalia Chebaeva
5. David Rich
6. Adrienne Gilbride

Documents referenced

1. Slides for the Corporate Standard Subgroup 3 meeting on 1 April 2025

Item	Topic and Summary	Outcomes
1	<p><i>Introduction and housekeeping</i></p> <p>The Secretariat briefly reviewed housekeeping items and meeting objectives, welcomed new TWG members, and previewed the upcoming meeting schedule.</p>	<p>No specific outcomes.</p>
2	<p><i>Feedback from full TWG: Scope 3 requirement</i></p> <p>The Secretariat provided a brief recap of the options and presented the levels of Subgroup 3 and full TWG support for preliminary outcomes related to a scope 3 requirement in the Corporate Standard.</p>	<p>The following two outcomes will be presented to the ISB as recommendations:</p> <ul style="list-style-type: none"> • <i>Scope 3 reporting shall be required in the Corporate Standard</i> • <i>All significant scope 3 emissions shall be required</i>
3	<p><i>Feedback from full TWG: Differentiated scope 3 requirement</i></p> <p>The Secretariat provided a brief recap of the options and presented the levels of Subgroup 3 and full TWG support for preliminary outcomes related to a differentiated scope 3 reporting requirement. Indicative polls were held to further refine the goal of differentiated scope 3 reporting, how to address mandatory disclosure rules, and how to define eligible reporters.</p>	<p>The following outcome will be presented to the ISB as a recommendation:</p> <ul style="list-style-type: none"> • <i>Scope 3 reporting should be differentiated and defined by GHG Protocol</i> <p>An indicative poll found <i>majority support</i> for the following overarching goal of differentiated reporting: “Provide a more feasible scope 3 reporting option for companies with lower capacity.”</p> <p>An indicative poll found <i>majority support</i> for addressing mandatory disclosure rules with a general statement applying to all of the Corporate Standard.</p> <p>An indicative poll found <i>majority support</i> for considering an emissions threshold as an eligibility criterion for a differentiated scope 3 reporting requirement.</p>
4	<p><i>Differentiated scope 3 requirement: Definition</i></p> <p>The Secretariat invited discussion on the priority purpose(s) of differentiated scope 3 reporting.</p> <p>The Secretariat then presented revised options for defining a differentiated scope 3 reporting requirement, held a discussion, and conducted indicative polls</p>	<p>An indicative poll found <i>majority support</i> for the following two prioritized purposes of a differentiated scope 3 reporting pathway: Internal decision-making and a temporary ramp-up to complete scope 3.</p> <p>An indicative poll found <i>majority support</i> for prioritizing the needs of the preparers over users of the data for a differentiated scope 3 reporting requirement.</p> <p>An indicative poll found <i>majority support</i> for defining a differentiated scope 3 reporting requirement as the most relevant 3* scope 3 categories and/or with flexible data quality requirements.</p> <p>An indicative poll found <i>split opinions</i> on whether a differentiated scope 3 reporting pathway should be a temporary or permanent opinion.</p>

5	<p><i>Differentiated scope 3 requirement: Operationalization</i></p> <p>Due to time constraints, this topic was not addressed.</p>	This topic will be covered at a future meeting.
6	<p><i>Wrap-up and next steps</i></p> <p>The Secretariat shared a summary of next steps including the schedule for upcoming meetings and the plan to present recommendations to the Independent Standards Board on April 28th, 2025.</p>	<p>Final meeting materials including slides, minutes, and recording to be shared by the Secretariat.</p> <p>The next Subgroup 3 meeting will be on Tuesday, April 29th at 09:00 EDT / 15:00 CEST / 21:00 CHN.</p>

**Details on the number of scope 3 categories to be confirmed*

Summary of discussion and outcomes

1. Welcome and housekeeping

- The Secretariat briefly reviewed housekeeping items and meeting objectives, welcomed new TWG members, and previewed the upcoming meeting schedule. (Slides 1-10).

Summary of discussion

- The Secretariat reminded TWG members of housekeeping items and provided an overview of general feedback received to date via the Corporate Standard TWG Feedback Form.
- The Secretariat welcomed new TWG members and invited them to introduce themselves.
- The Secretariat previewed the schedule of upcoming meetings.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Feedback from full TWG: Scope 3 requirement

- The Secretariat provided a brief recap of the options and presented the levels of Subgroup 3 and full TWG support for preliminary outcomes related to a scope 3 requirement in the Corporate Standard. (Slides 11-20)

Summary of discussion

- External program update:** Overview of [draft version 2.0 of the SBTi Corporate Net-Zero Standard](#)
 - Prior to providing a recap of feedback from the full TWG on a scope 3 requirement, the Secretariat presented an overview of relevant proposed changes to scope 3 disclosure in the draft version 2.0 of the SBTi Corporate Net Zero Standard.
 - A member expressed concern that GHG Protocol and draft SBTi definitions of “significant” are different. The Secretariat responded that both definitions are based on quantitative exclusion of emissions, and Subgroup 3 has not yet finalized how it will define “significance.” Once finalized, the SBTi disclosure requirement for scope 3 will be considered by Subgroup 3.
 - A member asked about the timeline for finalizing version 2.0 of the SBTi Corporate Net Zero Standard. The Secretariat said that the public consultation period runs through June 1st, 2025, and a new Corporate Standard TWG member from SBTi can also provide insight.
- Recommendation:** *Scope 3 reporting shall be required in the Corporate Standard*
 - A member asked for more information on how external programs define scope 3 reporting requirements. The Secretariat shared a link to a discussion paper with more detail.
- Recommendation:** *All significant scope 3 emissions shall be required*
 - A member asked whether the hybrid option of requiring significant emissions and recommending relevant emissions was still under consideration. The Secretariat said that the

first step is approval of the requirement (i.e., significant emissions), and the subgroup will then revisit the recommendation (i.e., relevant emissions).

- A member asked what the implications of 5% exclusion would be for base year recalculation. The Secretariat said that this topic will be considered by Subgroup 1 under phase 2.
- **Questions about Independent Standards Board (ISB) review of recommendations**
 - A member asked how the ISB will make their decisions. The Secretariat replied that the ISB will be presented with all relevant information from the TWG (e.g., DMC analysis, indicative poll results, opposition, alternative proposals), and the ISB will then vote.
 - A member asked whether the ISB will also provide any thoughts and feedback. The Secretariat first clarified which topics will be presented to the ISB for decision versus for information. They continued that feedback on the decision topics will be prioritized, but that the ISB will also be asked to provide feedback on other topics.

Outcomes (e.g. recommendations, options)

- The following two outcomes will be presented to the ISB as recommendations:
 - *Scope 3 reporting shall be required in the Corporate Standard*
 - *All significant scope 3 emissions shall be required*

3. Feedback from full TWG: Differentiated scope 3 requirement

- The Secretariat provided a brief recap of the options and presented the levels of Subgroup 3 and full TWG support for preliminary outcomes related to a differentiated scope 3 reporting requirement. Indicative polls were held to further refine the goal of differentiated scope 3 reporting, how to address mandatory disclosure rules, and how to define eligible reporters. (Slides 21-29)

Summary of discussion

- **Discussion: Proposed goal of the differentiated pathway:** "Provide a more feasible scope 3 reporting option for companies with lower capacity."
 - A member voiced their support for differentiated reporting because it allows companies to focus on decarbonization.
 - A member said that differentiated scope 3 reporting can be an on-ramp to complete reporting of all significant scope 3 emissions. They continued that it can be further designed to encourage reporters to engage with suppliers and to better understand where their significant/relevant emissions originate.
 - **An indicative poll** was conducted asking: To what extent do you agree with this overarching goal for a differentiated scope 3 reporting requirement? *Provide a more feasible scope 3 reporting option for companies with lower capacity*
 - **Majority support** for the proposed overarching goal
 - 8 of 13 members strongly agreed
 - 4 of 13 members agreed
 - 1 of 13 members neutral
- **Discussion: How should mandatory disclosure rules be addressed?**
 - A member noted that mandatory disclosure programs do not align with each other, and so it will not be possible for GHG Protocol to align with them all. They continued that GHG Protocol should have a statement to clarify when another program supersedes GHG Protocol requirements.
 - A member said that GHG Protocol should ideally be set up as a foundation for other standards and programs, and differentiation makes this more challenging.
 - **An indicative poll** was conducted asking: How should mandatory disclosure rules be addressed? *Note: The two options are not mutually exclusive*
 - **Majority support** for a general statement applying to the Corporate Standard
 - 12 of 13 members supported "A general statement applying to all of the Corporate Standard"
 - 5 of 13 members supported "Incorporate it into the eligibility criteria for differentiated reporting"

- **Discussion: Should the following additional eligibility criteria be further considered:** An emissions threshold and geography
 - A member voiced their support for considering geography as eligibility criteria for a differentiated scope 3 requirement. They clarified that high-emitting companies should not be eligible. The Secretariat said that earlier TWG discussions concluded that it would be challenging to appropriately define which geographies should be eligible and asked how the geography criteria could be defined. The TWG member suggested that low-income countries could be the criteria.
 - **An indicative poll** was conducted asking: Should an **emissions threshold** be further considered as an eligibility criterion for the differentiated scope 3 reporting requirement?
 - **Majority support** for further considering an emissions threshold eligibility criterion
 - 9 of 14 members supportive (3 strongly supportive; 6 supportive)
 - 1 of 14 members neutral
 - 4 of 14 members opposed (2 strongly opposed; 2 opposed)
 - **An indicative poll** was conducted asking: Should **geography** be further considered as an eligibility criterion for the differentiated scope 3 reporting requirement?
 - **Split opinions** for further considering an emissions threshold eligibility criterion
 - 6 of 14 members supportive (3 strongly supportive; 3 supportive)
 - 2 of 14 members neutral
 - 6 of 14 members opposed (2 strongly opposed; 4 opposed)

Outcomes (e.g. recommendations, options)

- The following outcome will be presented to the ISB as a recommendation:
 - *Scope 3 reporting should be differentiated and defined by GHG Protocol*
- An indicative poll found *majority support* for the following overarching goal of differentiated reporting: "Provide a more feasible scope 3 reporting option for companies with lower capacity."
- An indicative poll found *majority support* for addressing mandatory disclosure rules with a general statement applying to all of the Corporate Standard.
- An indicative poll found *majority support* for considering an emissions threshold as an eligibility criterion for a differentiated scope 3 reporting requirement.

4. Differentiated scope 3 requirement: Definition

- The Secretariat invited discussion on the priority purpose(s) of differentiated scope 3 reporting. The Secretariat then presented revised options for defining a differentiated scope 3 reporting requirement, held a discussion, and conducted indicative polls. (Slides 30-41)

Summary of discussion

- **Discussion: What purpose(s) should be prioritized in defining a differentiated scope 3 requirement?**
 - Multiple members said they think that inventory preparers should be the stakeholders that are prioritized in a differentiated scope 3 reporting requirement. One member added that preparers have diverse backgrounds and face more challenges than users of the data, and so they should be supported.
 - A member said that scope 3 is important but often neglected. They indicated preference for prioritizing preparers and for prioritizing the following purposes, in order: Temporary ramp-up to complete scope 3; internal decision-making; and provision of data to value chain partners. Another member agreed.
 - A member asked what the purpose "public reporting" refers to. The Secretariat clarified it refers to voluntary public reporting.
 - A member said that they think it is a risk to set requirements that policymakers typically set, and that new reporters could benefit from a temporary ramp-up that existing reporters did not have. The Secretariat clarified that the differentiated pathway would be for voluntary reporters only.

- A member voiced support for the purpose “temporary ramp-up to complete scope 3.”
- **An indicative poll** was conducted asking: Which of the following **purposes** should be prioritized for a differentiated scope 3 reporting requirement? *Responses organized in the table below, from the highest level of support to the lowest level of support.*
 - **Majority support** for the following two prioritized purposes of a differentiated scope 3 reporting requirement: Internal decision-making and a temporary ramp-up to complete scope 3.

Option	Indicative poll responses
A. Internal decision-making	Majority support , with 5 of 14 members indicating highest priority; 5 high priority; 1 medium priority; 2 low priority; and 1 lowest priority.
C. Temporary ramp-up to complete scope 3	Majority support , with 3 of 14 members indicating highest priority; 6 high priority; 1 medium priority; 3 low priority; and 1 abstention.
B. Provision of data to value chain partners	Split opinions , with 2 of 14 members indicating highest priority; 3 high priority; 7 medium priority; and 2 low priority.
D. Public reporting	Split opinions , with 1 of 14 members indicating highest priority; 4 high priority; 5 medium priority; 2 low priority; and 2 lowest priority.

Note: The poll included an option for “other,” but as additional input was not solicited, this option is excluded from the table above.

- **An indicative poll** was conducted asking: Which of the following stakeholders should be prioritized for a differentiated scope 3 reporting requirement?
 - **Majority support** for prioritizing the needs of the preparers
 - 12 of 14 members selected “The preparers (i.e., feasibility)”
 - 2 of 14 members selected “Users of the data (e.g., internal or external decision-makers)”
- A member noted that this was a theoretical discussion, since voluntary reporting does not have any mandates associated with it. The Secretariat acknowledged this observation, but noted that a company following requirements from GHG Protocol can state in their public reporting that they are in conformance with GHG Protocol.
- **Discussion: Defining a differentiated scope 3 reporting requirement**
 - A member asked for more information on the data quality flexibility option and the status of discussions about scope 3 data quality requirements in the Scope 3 TWG. The Secretariat responded that the Scope 3 TWG is currently discussing data and inventory quality, such as a consideration to disaggregate reporting based on different levels of data quality. The member asked if it is possible to align data quality with the objectives of reporting. The Secretariat said the Scope 3 TWG is currently discussing the structure for this, as well as potential additions like verification.
 - A member said they think it is important to set a minimum level of data quality requirements, such as to ensure that value chain partners receive high quality data for their own inventory. They continued that scope 3 should be made easier for companies with lower capacity and said that the top 3 to 5 scope 3 categories typically capture the most important categories.
 - A member suggested that the discussion on data quality be broken down into sub-topics, such as activity data. They noted examples, such as employee commuting where activity data may not be hard to collect, but where emission factors might be more challenging and of a lower quality. They suggested predefined emission factors or a way to ease the reporting burden, such as having small companies only report activity data as an indicator of emissions.
 - A member asked how the differentiated scope 3 reporting pathway would be operationalized, such as with a conformance level for small companies. The Secretariat clarified that the discussion on operationalization will come next, but that different levels of reporting is indeed

one option. The member noted that when a company is asking a supplier for their emissions data, it is important to know the level of completeness and the quality of reporting. The Secretariat replied that voluntary reporting is at the reporter's discretion, but they must meet a certain bar to state that they are in conformance with GHG Protocol.

- A member asked for clarification on how the most relevant 3 categories would be identified. The Secretariat answered that a qualitative relevance assessment would be used, and guidance would need to be developed.
- A member proposed a combination of options: Relevant 3 categories and supplier inventory.
- A member asked whether differentiated reporting aligns with the GHG accounting and reporting principle of completeness. The Secretariat noted that differentiated reporting can hinder completeness to promote feasibility for select reporters.
- A member considered whether complex reporting requirements might lose sight of the original purpose of greenhouse gas disclosures of mitigating the impacts of climate change. The Secretariat responded that the topic of "ambitious global climate action" is a criterion in the GHG Protocol decision-making criteria.
- A member observed that voluntary reporters can report at their discretion, but stating that a report is in conformance with GHG Protocol gives it more credibility to external users and investors.
- A member noted that many voluntary reporters participate in third party verification, which requires conformance with the greenhouse gas accounting standard they are reporting to.
- **An indicative poll** was conducted asking: If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be defined? *Responses organized in the table below, from the highest level of support to the lowest level of support.*
 - **Majority support** for defining a differentiated scope 3 reporting requirement as the most relevant 3 categories and/or with flexible data quality requirements.

Option	Indicative poll responses
Most relevant 3* scope 3 categories	Majority support , with 8 of 13 members indicating strong support; 2 supportive; 1 neutral; and 2 strongly opposed.
Data quality flexibility	Majority support , with 2 of 13 members indicating strong support; 6 supportive; 2 neutral; 1 opposed; and 2 strongly opposed.
Proposal 2: Levels + key categories + phased	Split opinions , with 4 of 12 members indicating strong support; 3 supportive; 1 neutral; 1 opposed; 2 strongly opposed; and 1 abstention.
Supplier inventory (i.e., categories #1-8)	Split opinions , with 5 of 11 members indicating strong support; 1 supportive; 2 neutral; 1 opposed; and 2 strongly opposed.
Proposal 1: Indicators	Majority opposed , with 1 of 13 members indicating strong support; 1 supportive; 5 neutral; 3 opposed; 2 strongly opposed; and 1 abstention.
Any 3* scope 3 categories	Majority opposed , with 3 of 13 members indicating support; 3 neutral; 2 opposed; and 5 strongly opposed.
Any scope 3	Majority opposed , with 2 of 12 neutral; 3 opposed; and 7 strongly opposed.
Optional scope 3	Majority opposed , with 1 of 13 members neutral; 4 opposed; and 8 strongly opposed.

*Number of scope 3 categories to be determined

- **An indicative poll** was conducted asking: If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be defined? *Respondents asked to select their preferred approach.*

- **Majority support** for defining a differentiated scope 3 reporting requirement as the most relevant scope 3 categories (*when considering the overlap between "relevant 3 categories" and "key categories" in proposal 2*).
- 6 of 12 members selected the most relevant 3 scope 3 categories
- 3 of 12 members selected proposal 2: Levels + key categories + phased
- 1 of 12 members selected supplier inventory (i.e., categories #1-8)
- 1 of 12 members selected flexible data quality requirements
- 1 of 12 members selected proposal 1: Indicators
- An indicative poll was conducted asking: Should a differentiated scope 3 reporting pathway be a temporary or permanent option?
 - **Split opinions** on whether a differentiated scope 3 reporting pathway should be a temporary or permanent opinion
 - 7 of 13 members selected "Temporary ramp-up to complete reporting"
 - 6 of 13 members selected "Permanent option for eligible reporters"

Outcomes (e.g., recommendations, options)

- An indicative poll found *majority support* for the following two prioritized purposes of a differentiated scope 3 reporting pathway: Internal decision-making and a temporary ramp-up to complete scope 3.
- An indicative poll found *majority support* for prioritizing the needs of the preparers over users of the data for a differentiated scope 3 reporting requirement.
- An indicative poll found *majority support* for defining a differentiated scope 3 reporting requirement as the most relevant 3 scope 3 categories and/or with flexible data quality requirements.
- An indicative poll found *split opinions* on whether a differentiated scope 3 reporting pathway should be a temporary or permanent opinion

5. Differentiated scope 3 requirement: Operationalization

- Due to time constraints, this topic was not addressed. (Slides 42-45)

Summary of discussion

- Not applicable

Outcomes (e.g., recommendations, options)

- This topic will be covered at a future meeting.

5. Wrap-up and next steps

- The Secretariat shared a summary of next steps including the schedule for upcoming meetings and the plan to present recommendations to the ISB on April 28th, 2025. (Slides 46-50)

Summary of discussion

- No discussion

Outcomes (e.g., recommendations, options)

- Final meeting materials including slides, minutes, and recording to be shared by the Secretariat.
- The next Subgroup 3 meeting will be Tuesday, April 29th at 09:00 ET / 15:00 CET / 21:00 CHN

Summary of written submissions received prior to meeting

- The Secretariat invited all Corporate Standard TWG members to respond to a feedback survey to confirm support for preliminary phase 1 outcomes from subgroup 3 and to request input on outstanding questions. 41 members responded prior to the meeting, with results detailed in meeting slides and included as part of meeting discussions.