



Corporate Standard Technical Working Group

Subgroup 3, Meeting #5

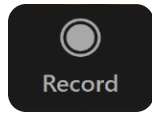
GHG Protocol Secretariat team:

Allison Leach, Iain Hunt, Hande Baybar

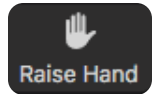
April 1st, 2025



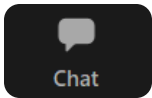
Meeting information



This meeting is **recorded**.



Please use the **Raise Hand** function to speak during the call.



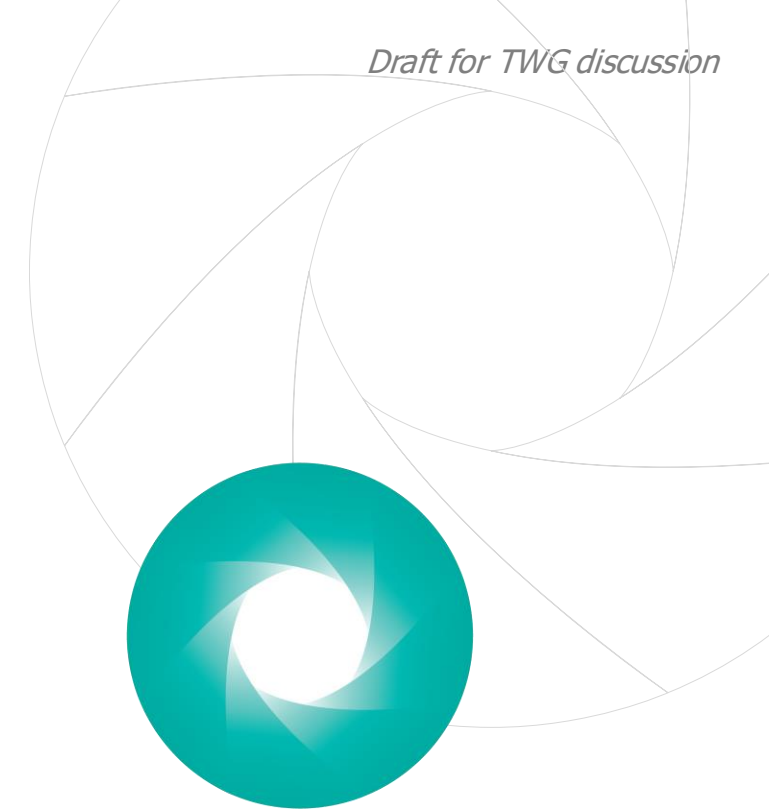
You can also use the **Chat** function in the main control.



Recording, slides, and meeting minutes will be shared after the call.

Agenda

Introduction and housekeeping	10 minutes
Feedback from full TWG: Scope 3 requirement	30 minutes
Feedback from full TWG: Differentiated scope 3 requirement	20 minutes
Differentiated scope 3 requirement: Definition	40 minutes
Differentiated scope 3 requirement: Operationalization	10 minutes
Wrap-up and next steps	10 minutes



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Agenda

Introduction and housekeeping

10 minutes

Feedback from full TWG:
Scope 3 requirement

30 minutes

Feedback from full TWG:
Differentiated scope 3 requirement

20 minutes

Differentiated scope 3 requirement: Definition

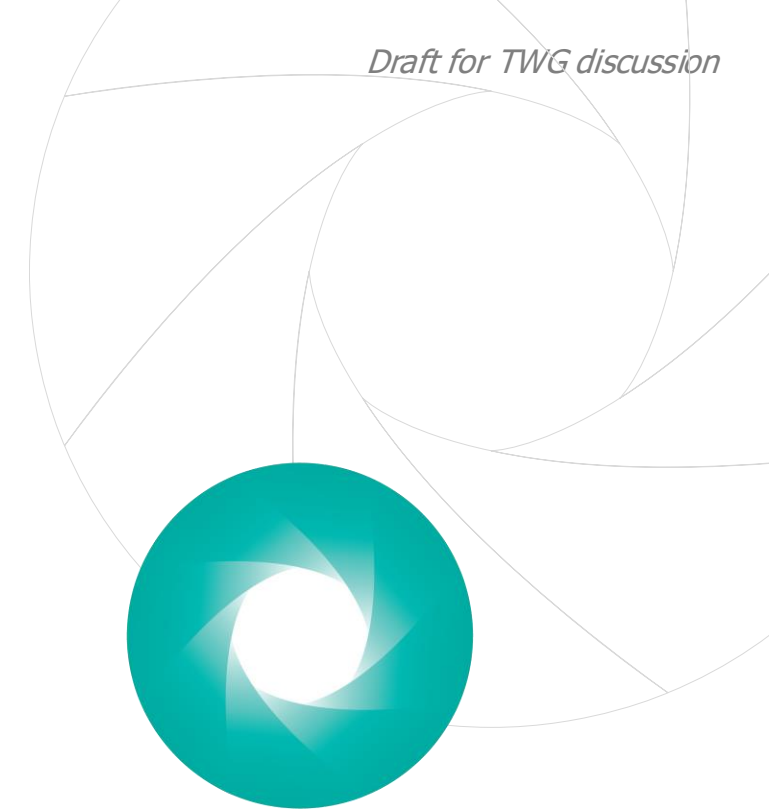
40 minutes

Differentiated scope 3 requirement: Operationalization

10 minutes

Wrap-up and next steps

10 minutes



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WORLD
RESOURCES
INSTITUTE



Today's objectives

1. **Review feedback from full TWG** on a scope 3 reporting requirement
2. **Finalize eligibility requirements** for differentiated scope 3 reporting
3. **Define** a differentiated scope 3 reporting requirement
4. Consider how a differentiated scope 3 reporting requirement should be **operationalized**

Today, we continue discussing and will hold indicative polls on
defining and operationalizing a differentiated scope 3 reporting requirement
in the Corporate Standard

Housekeeping: Guidelines and procedures

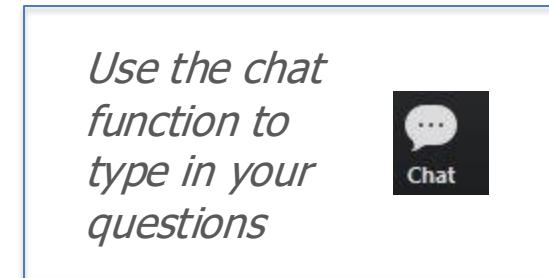
- We want to make **TWG meetings a safe space** – our discussions should be open, honest, challenging status quo, and ‘think out of the box’ in order to get to the best possible results for GHG Protocol
- Always **be respectful**, despite controversial discussions on content
- TWG members should **not disclose any confidential information** of their employers, related to products, contracts, strategy, financials, compliance, etc.
- In TWG meetings, **Chatham House Rule** applies:
 - “When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”
- **Compliance and integrity** are key to maintaining credibility of the GHG Protocol
 - Specifically, all participants need to follow the **conflict-of-interest policy**
 - **Anti-trust rules** have to be followed; please avoid any discussion of competitively sensitive topics*

* Such as pricing, discounts, resale, price maintenance or costs; bid strategies including bid rigging; group boycotts; allocation of customers or markets; output decisions; and future capacity additions or reductions

Zoom logistics and recording of meetings

Zoom Meetings

- All participants are muted upon entry
- Please turn on your video
- Please include your full name and company/organization in your Zoom display name



Meetings will be recorded and shared with all TWG members for:

- Facilitation of notetaking for Secretariat staff
- To assist TWG members who cannot attend the live meeting or otherwise want to review the discussions

*Recordings will be available for a limited time after the meeting; **access is restricted to TWG members only.***

Housekeeping: Summary of general feedback form responses

21 responses have been received through our general feedback form – thank you! Overarching themes include:

- Feedback on the scope of work presented in the Standard Development Plan
- Feedback on specific topics discussed in TWG meetings (note: this feedback is integrated into TWG meeting materials)
- Feedback related to TWG process

The list of submissions and Secretariat responses are tracked in the Shared TWG Folder in the Admin sub-folder

Please continue using the **Microsoft Form** for all feedback and questions

Welcoming new members to Subgroup 3

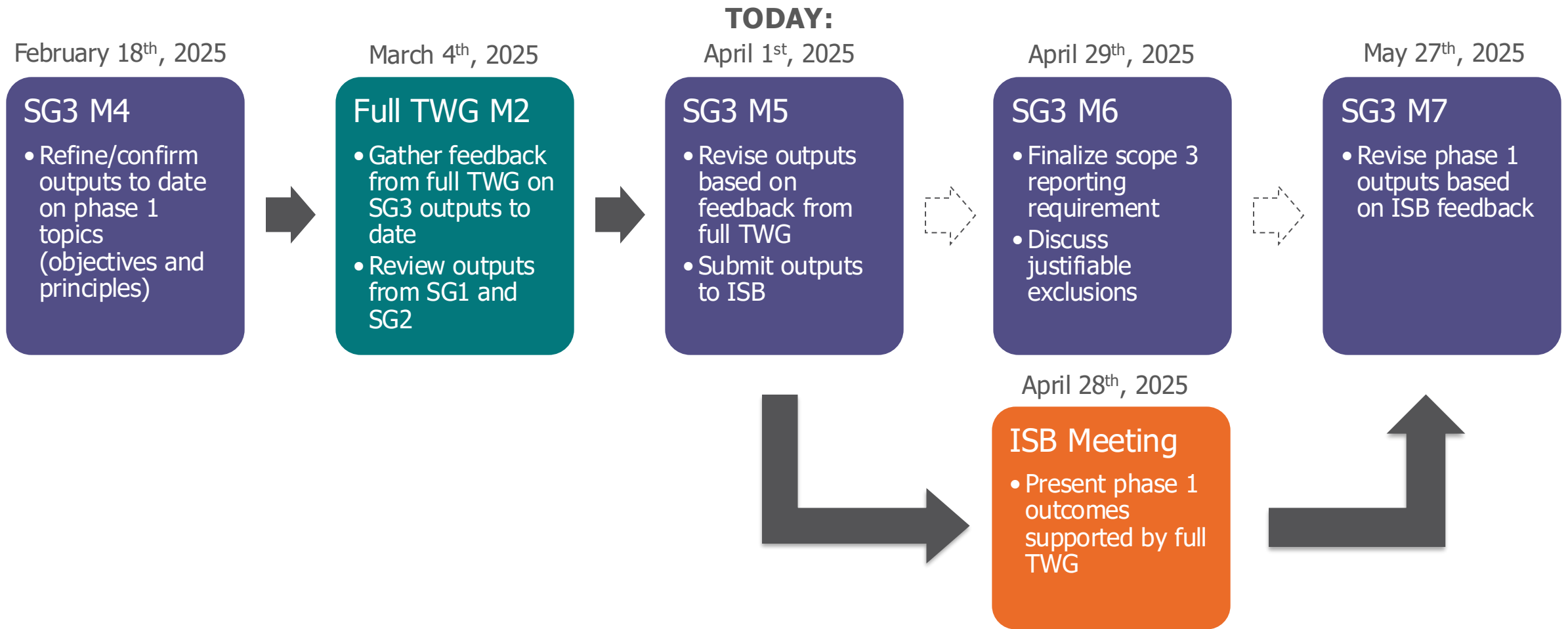
Quick <30 second introductions:

- Name
- Location
- Organization
- Current role (*and how it relates to use of the Corporate Standard*)

Subgroup 3

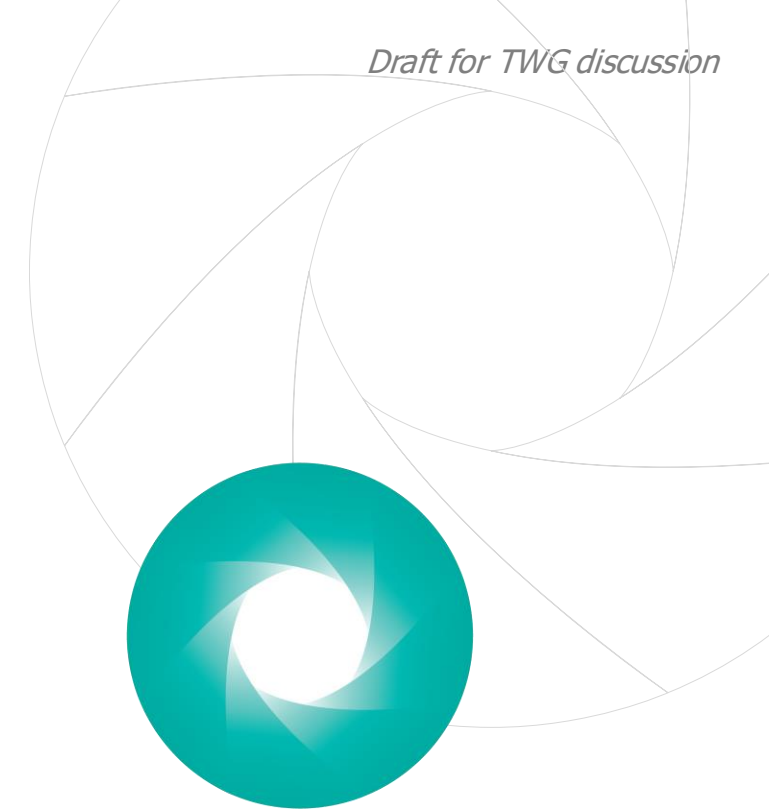
- **Tomoo Machiba**, Zeroboard, Inc.
- **Mamahloko Senatla**, Kenmare Resources
- **Max Sonnen**, Ecomatters
- **Zi (Christiana) Wang**, JD Logistics

Upcoming schedule



Agenda

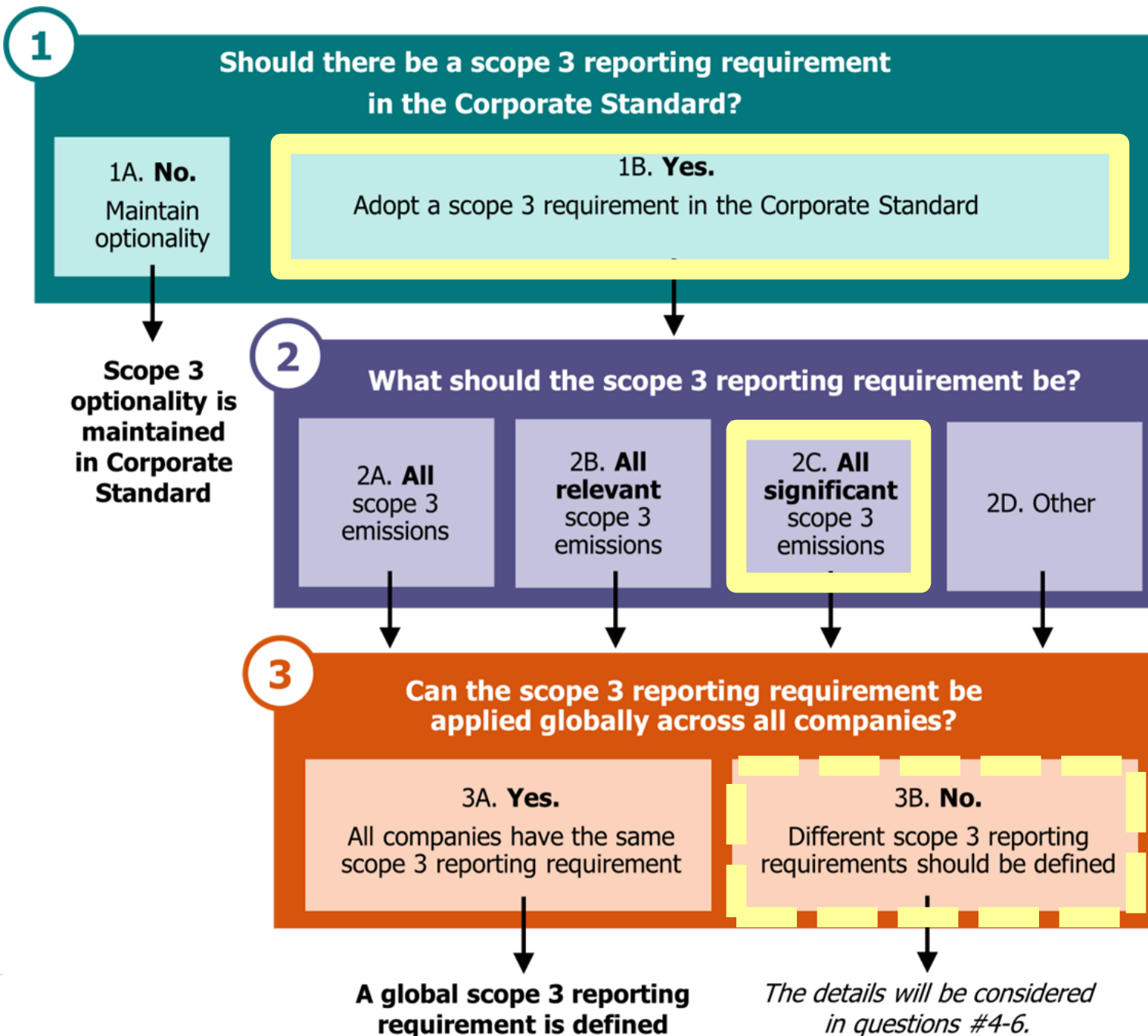
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Wrap-up and next steps	10 minutes



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Part 1:
Questions
#1-3



Scope 3 reporting shall be **required** in the Corporate Standard

All **significant** scope 3 emissions shall be required

“Significance” should be defined with a cumulative **5% exclusion threshold** relative to total scope 3 emissions

Scope 3 reporting should be **differentiated** and defined by GHG Protocol

External program update: SBTi draft standard

Draft Corporate Net-Zero Standard Version 2.0
Public consultation period is open



	Exclusions	Frequency of scope 3 reporting	“Relevant” scope 3 emissions required
CURRENT STANDARD	Reporters may exclude up to 5% of emissions	Companies report their full scope 3 inventory annually	NA
DRAFT VERSION 2.0	No exclusions are permitted	Companies required to report: <ul style="list-style-type: none"> • Relevant scope 3 emission sources annually • Full scope 3 reporting every three years 	Relevant scope 3 emissions sources include: <ul style="list-style-type: none"> • Significant scope 3 categories representing 5% or more of total scope 3 emissions; and • Emission-intensive activities representing 1% or more of total scope 3 emissions or at least 10,000 tCO2e/year.

Full TWG feedback: Scope 3 requirement

1 Scope 3 reporting shall be **required** in the Corporate Standard

Subgroup 3 indicative poll

Unanimous support for scope 3 reporting requirement in the Corporate Standard

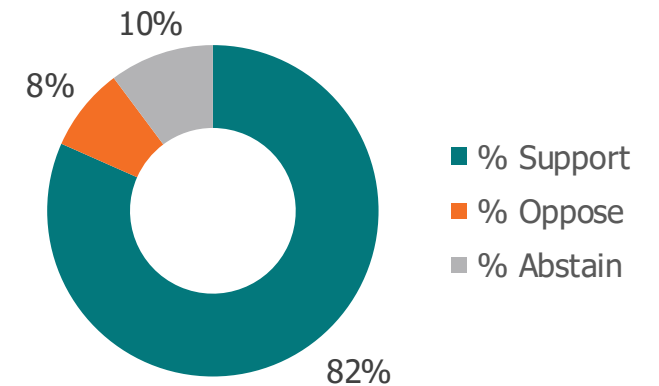
No - Maintain Corporate Standard optionality for scope 3 reporting (0/13) 0%

Yes - Adopt a scope 3 requirement in the Corporate Standard (13/13) 100%

Subgroup 3 Meeting #1

Full TWG indicative poll

Majority support for scope 3 reporting requirement in the Corporate Standard



49 responses

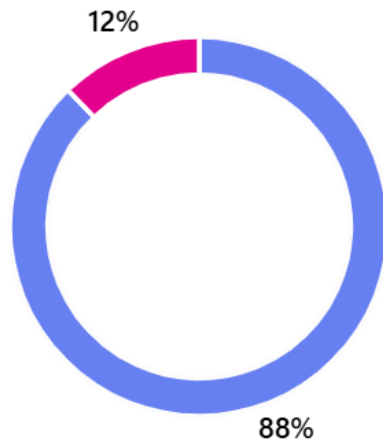
Full TWG Meeting #2

Full TWG feedback: Scope 3 requirement

41 responses

1 Scope 3 reporting shall be **required** in the Corporate Standard

Full TWG feedback survey



Majority support for scope 3 reporting requirement in the Corporate Standard

- Support - 36
- Strong opposition - 5
- Abstain - 0

Strong opposition (5 responses)

Details	Count*
Feasibility and deterring voluntary reporters, especially in developing countries	4
Not the role of GHG Protocol to set this requirement	2
Interoperability with disclosure rules (e.g., phase-in)	2
Inconsistent with efforts to simplify reporting (SEC, CSRD)	1
Proposal for more prescriptive guidance for how the optionality of scope 3 should be applied	1
Concerns about double-counting	1

*Count indicates how many respondents mentioned an issue. Respondents counted more than once if multiple issues raised.

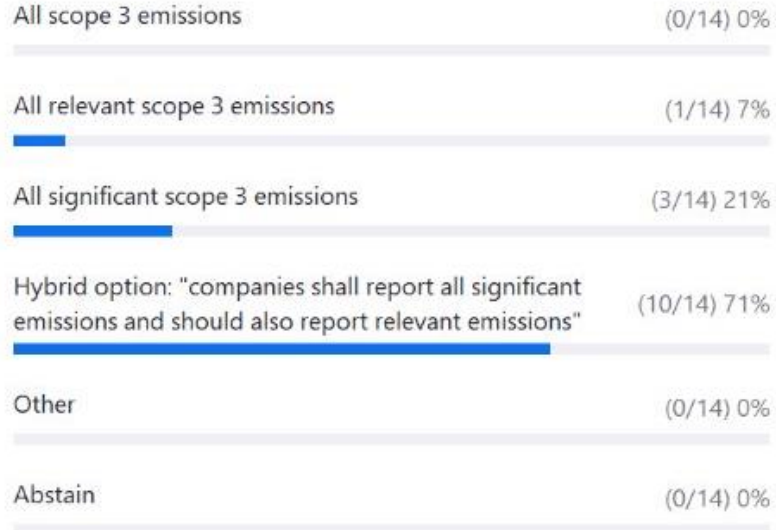
☑
Outcome to be presented to ISB for a **decision**

Full TWG feedback: Defining scope 3 requirement

2 All significant scope 3 emissions shall be required

Subgroup 3 indicative poll

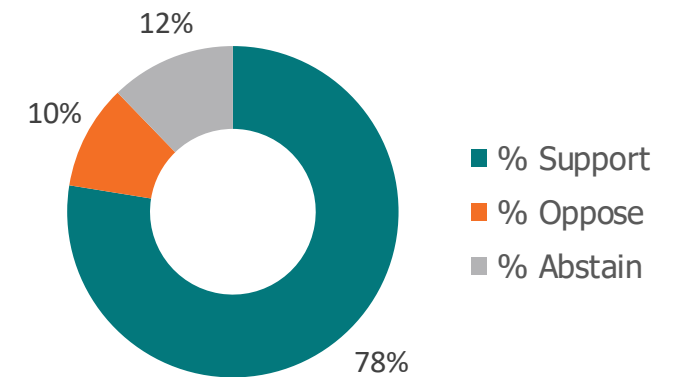
Majority support for all significant emissions



Subgroup 3 Meeting #2

Full TWG indicative poll

Majority support for all significant emissions



49 responses

Full TWG Meeting #2

Full TWG feedback: Defining scope 3 requirement

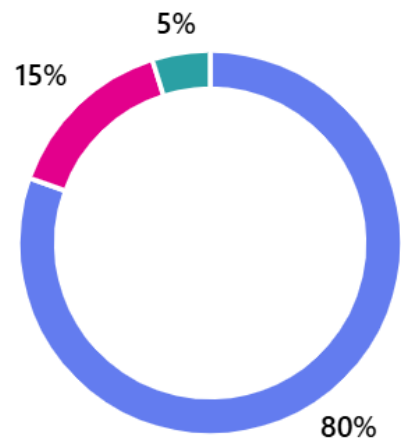
41 responses

2

All **significant** scope 3 emissions shall be required

Full TWG feedback survey

Strong opposition (6 responses)



Majority support for all significant emissions

- Support - 33
- Strong opposition - 6
- Abstain - 2

Topic	Details	Count
Opposed to scope 3	Opposed to a scope 3 reporting requirement	2
	Not the role of GHG Protocol to define a scope 3 requirement	1
	The use of "significant" does not align with the GHG accounting and reporting principles	1
Proposals	Proposes " material " scope 3 categories	1
	All emissions should be reported	1

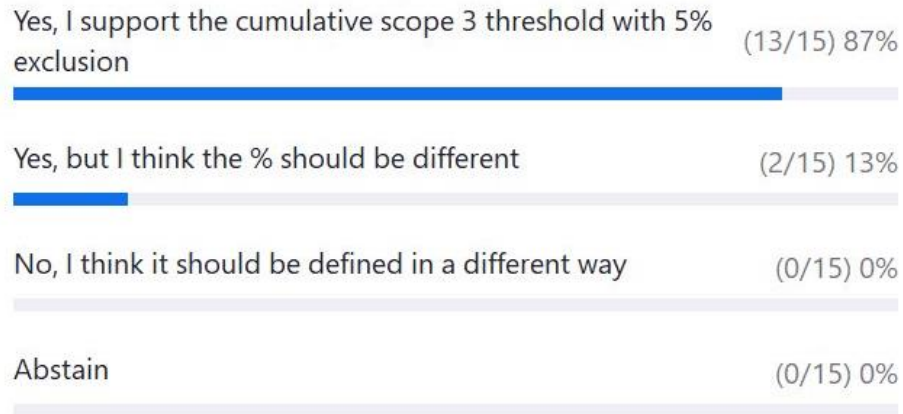
Outcome to be presented to ISB for a **decision**

Full TWG feedback: Defining “significant emissions”

2 “Significance” should be defined with a cumulative **5% exclusion threshold** relative to total scope 3 emissions

Subgroup 3 indicative poll

Majority support for 5% exclusion threshold

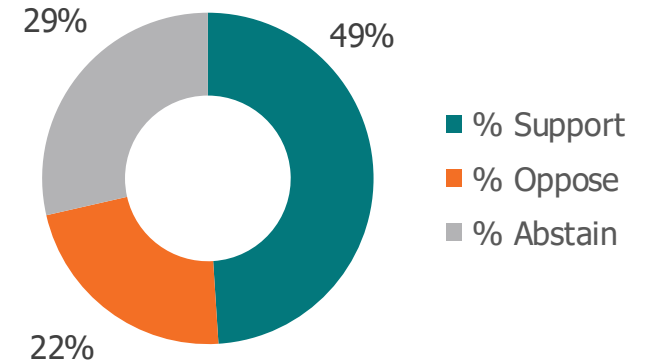


Subgroup 3 Meeting #2

Full TWG indicative poll

Split opinions for 5% exclusion threshold

This topic will be revisited at a future meeting



49 responses

Full TWG Meeting #2

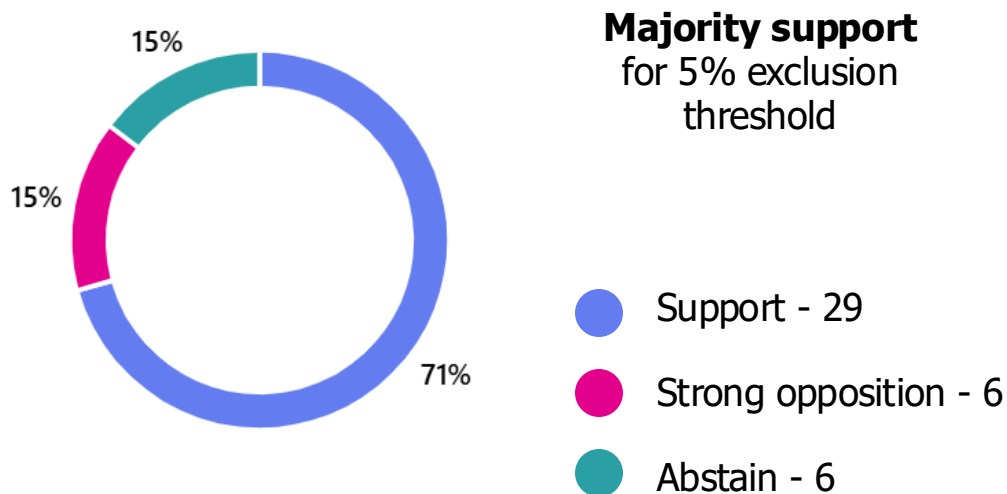
Full TWG feedback: Defining “significant emissions”

41 responses

2 “Significance” should be defined with a cumulative **5% exclusion threshold** relative to total scope 3 emissions

Full TWG feedback survey

Strong opposition (6 responses)



Details	Count*
Difficult to achieve in practice since it requires estimation of 100% of emissions.	2
Carefully consider terminology used (i.e., significant, relevant, material)	1
Risks undercounting emissions	2
Uncertainty is too high to set a threshold	1
Should delay recommendation until after discussing base year changes, uncertainty, and justifiable exclusions.	2

*Count indicates how many respondents mentioned an issue. Some respondents counted more than once if multiple issues raised.

Recommendations for the ISB

Decision vote by the
ISB in April



1

Scope 3 reporting shall be **required** in the Corporate Standard

2

All **significant** scope 3 emissions shall be required

To be revisited at a later date in Subgroup 3:

Informational update
for the ISB in April 

2

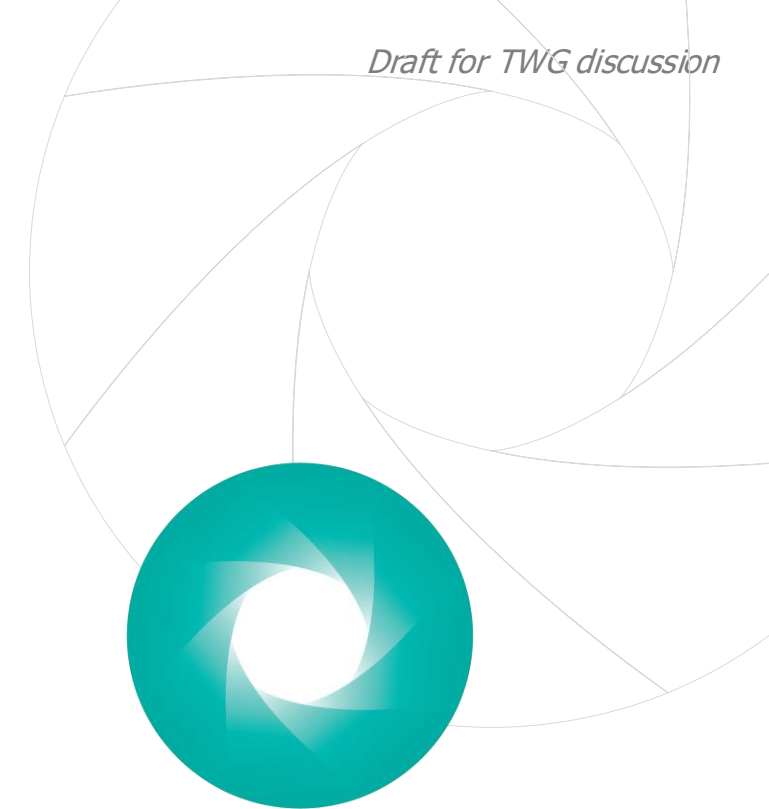
“Significance” should be defined with a cumulative
5% exclusion threshold relative to total scope 3 emissions



Do you have any questions/concerns about these next steps?

Agenda

Introduction and housekeeping	10 minutes
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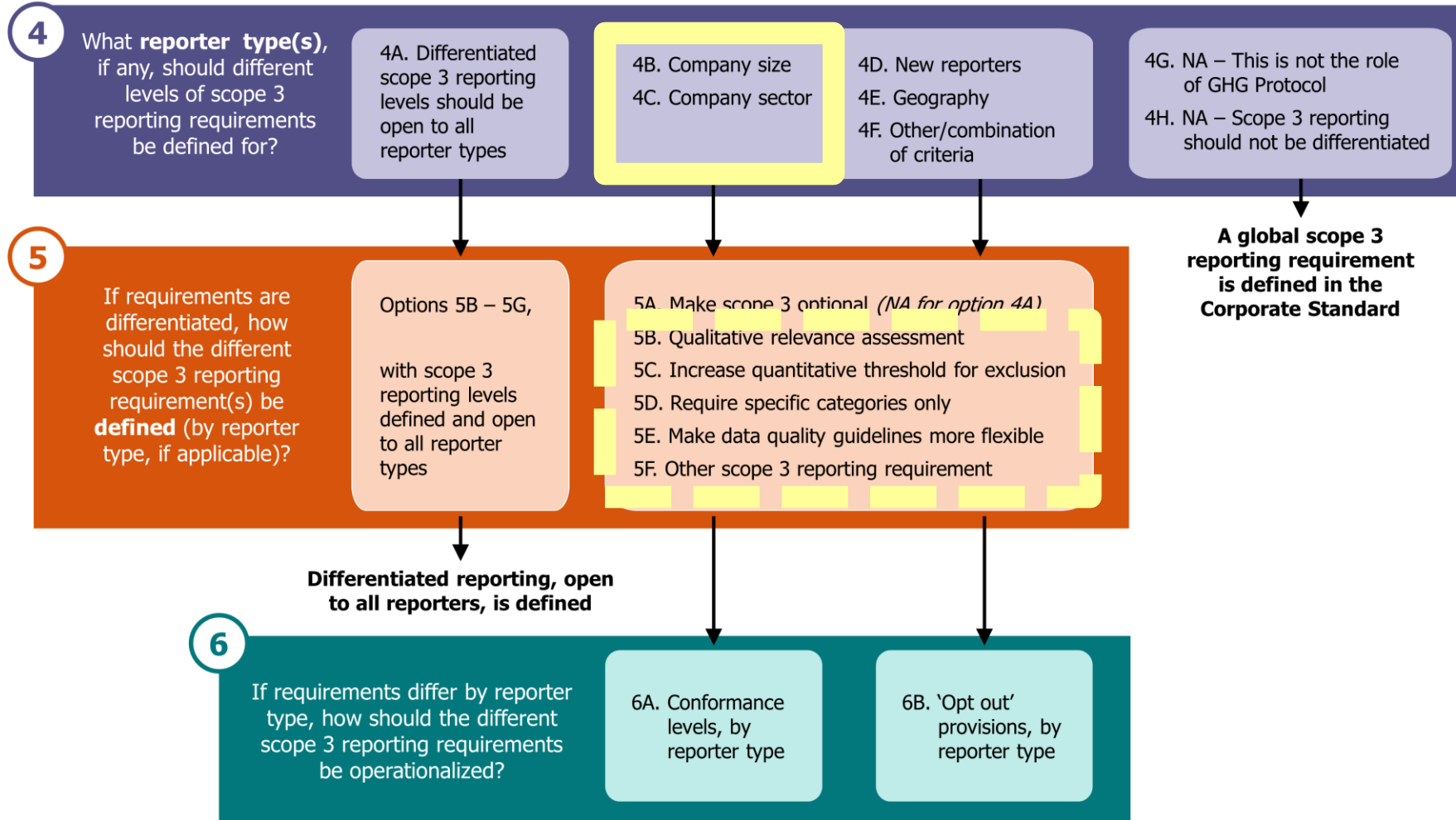


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**Part 2:
Questions
#4-6**

If different scope 3 reporting requirements are to be defined...



A differentiated scope 3 reporting pathway should be available for **small companies**, except for small companies in **high-emitting sectors**

A global scope 3 reporting requirement is defined in the Corporate Standard

*Recommendation
TBD*

*Recommendation
TBD*

Note: The questions and options were revised for meeting #5

Full TWG feedback: Whether to differentiate scope 3 reporting

3 Scope 3 reporting should be **differentiated** and defined by GHG Protocol

Subgroup 3 indicative poll

Majority support for differentiated scope 3 requirement

1. Should different levels of scope 3 reporting requirements be defined for the following reporter types? (Rank order) *

H. NA – This is not the role of GHG Protocol 13/13 100%



I. NA – Scope 3 reporting should not be differentiated 13/13 100%

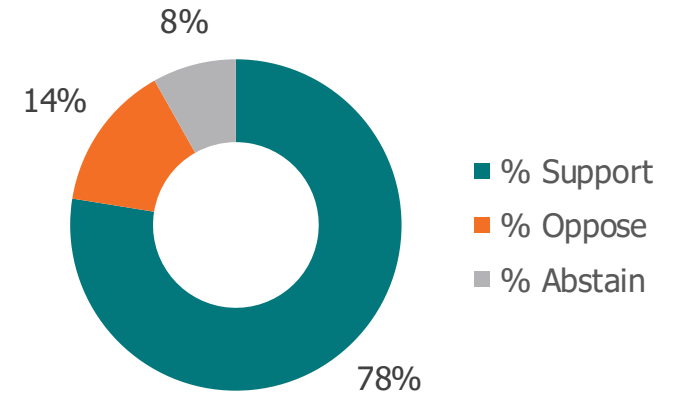


- No - strongly oppose
- No - somewhat oppose
- Neutral
- Yes - somewhat support
- Yes - strongly support
- Abstain

Subgroup 3 Meeting #3

Full TWG indicative poll

Majority support for differentiated scope 3 requirement



49 responses

Full TWG Meeting #2

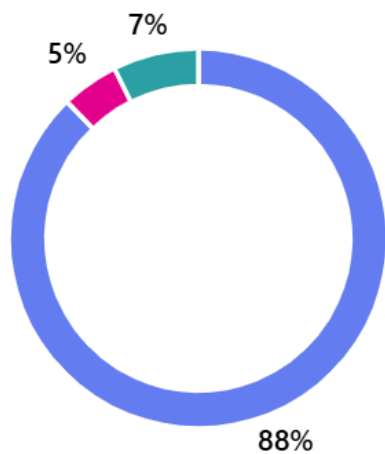
Full TWG feedback: Whether to differentiate scope 3 reporting

41 responses

3 Scope 3 reporting should be **differentiated** and defined by GHG Protocol

Full TWG feedback survey

Strong opposition (2 responses)



Majority support for differentiated scope 3 requirement

- Support - 36
- Strong opposition - 2
- Abstain - 3

Details	Count*
It is not the role of GHG Protocol to define differentiated reporting; it should be done by regulation. Maintain the current approach (scope 3 voluntary in Corporate Standard).	2
A separate rule/standard will cause confusion . Opposed to a scope 3 reporting requirement.	1

*Count indicates how many respondents mentioned an issue. Some respondents counted more than once if multiple issues raised.

Outcome to be presented to ISB for a **decision**

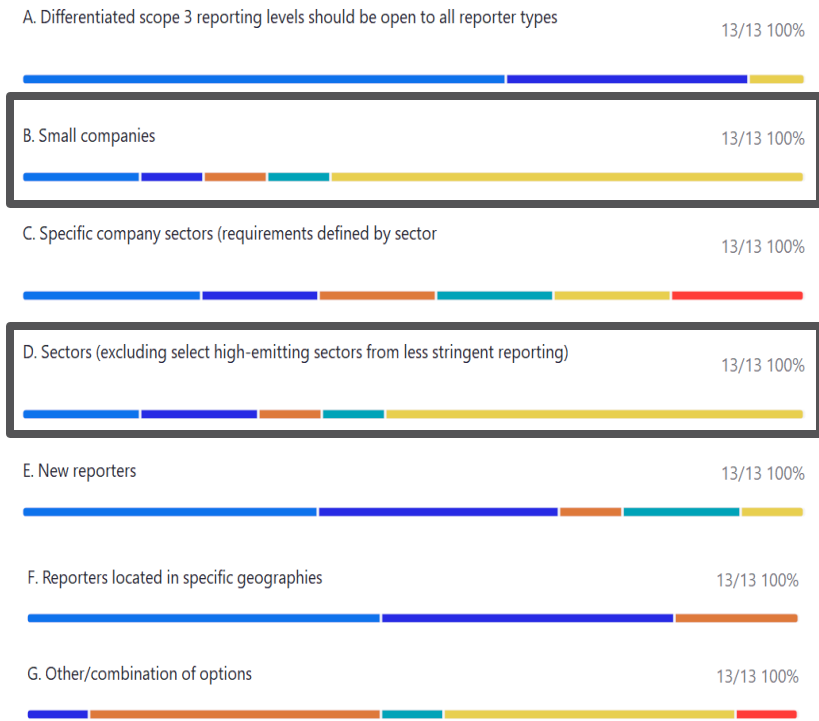
Full TWG feedback: Reporter types

4 A differentiated scope 3 reporting pathway should be available for small companies, except for small companies in high-emitting sectors

Subgroup 3 indicative poll

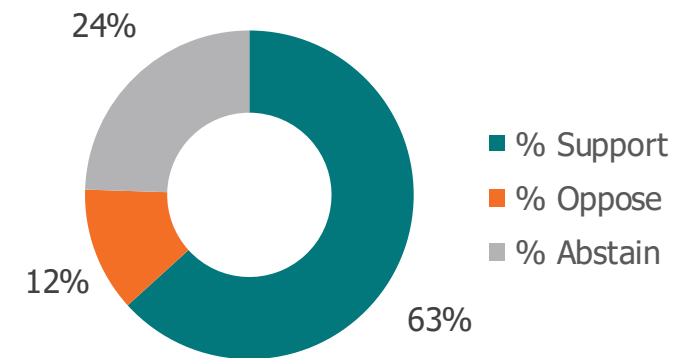
- No - strongly oppose
- No - somewhat oppose
- Neutral
- Yes - somewhat support
- Yes - strongly support
- Abstain

Subgroup 3 Meeting #3



Full TWG indicative poll

Majority support for limiting eligibility for the differentiated scope 3 reporting requirement to small companies, except for small companies from high-emitting sectors



49 responses

Full TWG Meeting #2

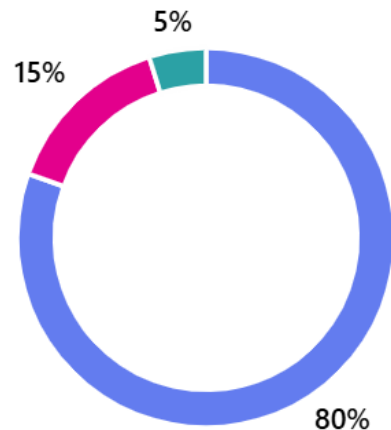
Full TWG feedback: Reporter types

41 responses

4 A differentiated scope 3 reporting pathway should be available for **small companies, except for small companies in high-emitting sectors**

Full TWG feedback survey

Strong opposition (6 responses)



Majority support for limiting eligibility for the differentiated scope 3 reporting requirement to small companies, except for small companies from high-emitting sectors

- Support - 33
- Strong opposition - 6
- Abstain - 2

Details	Count*
Not the role of GHG Protocol / opposed to scope 3 requirement	2
"Small companies" need to be defined.	3
Companies in developing countries should be included in the eligibility.	1
All companies generate emissions , and therefore no distinction should be made on company size.	1

*Count indicates how many respondents mentioned an issue. Some respondents counted more than once if multiple issues raised.

Discussion: Reporter types



**Discussion:
Reporter types
and eligibility
for
differentiated
scope 3
reporting**

Goal of the
differentiated
pathway

**Mandatory
disclosure
programs**

**Eligibility
criteria**

1. 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**

2. How should mandatory disclosure rules be addressed?

Mandatory disclosers are usually required to report all scope 3 emissions. *Note: The two options could be applied together*

- A **general statement** applying to all of GHG Protocol
- Incorporate it into the **eligibility criteria** for differentiated reporting (e.g., voluntary reporters only)

3. Should these additional eligibility criteria be further considered?

- **Emissions threshold** (for scope 1+2 OR scope 1+2+3)
- **Geography**

Poll Questions



Poll questions on differentiated reporting and reporter types:

- 1. 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
- 2. How should mandatory disclosure rules be addressed?** *Note: The two options could be applied together*
 - A general statement applying to all of GHG Protocol
 - Incorporate it into the eligibility criteria for differentiated reporting (e.g., voluntary reporters only)
- 3. Should these additional eligibility criteria be further considered for the differentiated scope 3 reporting requirement?**
 - Emissions threshold (for scope 1+2 OR scope 1+2+3)
 - Geography

Recommendations for the ISB

Decision vote by the
ISB in April



3

Scope 3 reporting should be **differentiated** and defined by
GHG Protocol

To be revisited by Subgroup 3:

Informational update
for the ISB in April



4

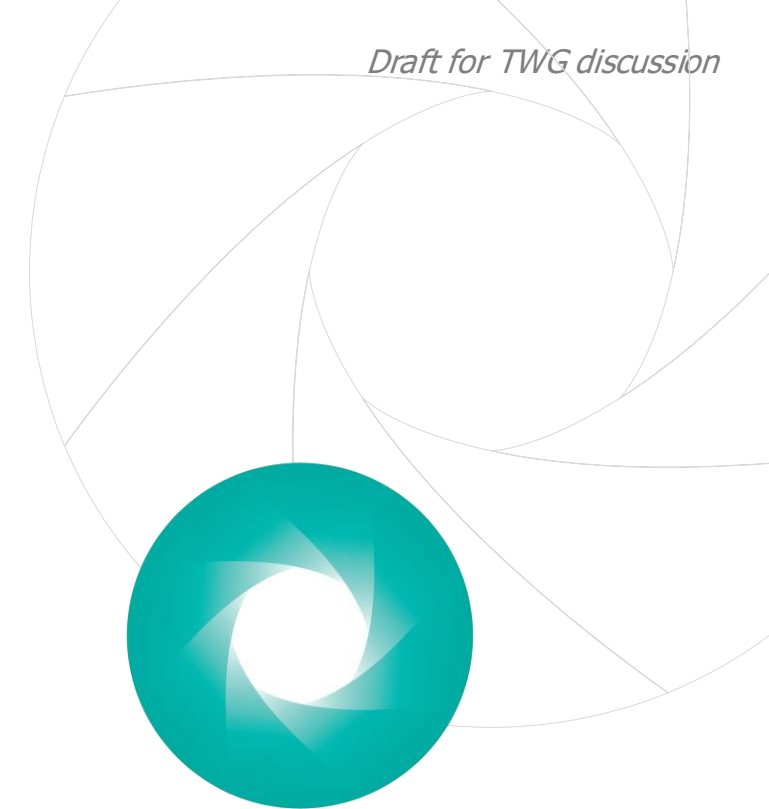
A differentiated scope 3 reporting pathway should be available for
**small companies, except for small companies in high-
emitting sectors**



Do you have any questions/concerns about these next steps?

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Question 5: Defining differentiated scope 3 reporting requirements

Two related questions to consider:

Question 5, Part 1:

Defining the requirement

If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be defined?

Question 5, Part 2:

Temporary or permanent option

Should a differentiated scope 3 reporting pathway be a temporary or permanent option?



Discussion: What is the purpose of a less stringent differentiated scope 3 reporting requirement?

Which of the following purposes should we prioritize?

1. Internal decision-making*
2. Provision of data to value chain partners
3. Temporary ramp-up to complete scope 3
4. Public reporting
5. Others?

Which of the following stakeholders should we prioritize?

- 1. The preparers** (i.e., feasibility)
- 2. Users of the data** (e.g., internal or external stakeholders)

While we are evaluating options, please consider: **Is it fit for purpose?**

*Decarbonization, procurement decisions, risk assessment, opportunities assessment

Poll Questions



Poll questions on prioritized purposes and stakeholders:

- 1. Which of the following purposes should be prioritized for a differentiated scope 3 reporting requirement? [Highest priority to Lowest priority]**
 - a. Internal decision-making
 - b. Provision of data to value chain partners
 - c. Temporary ramp-up to complete scope 3
 - d. Public reporting
 - e. Other

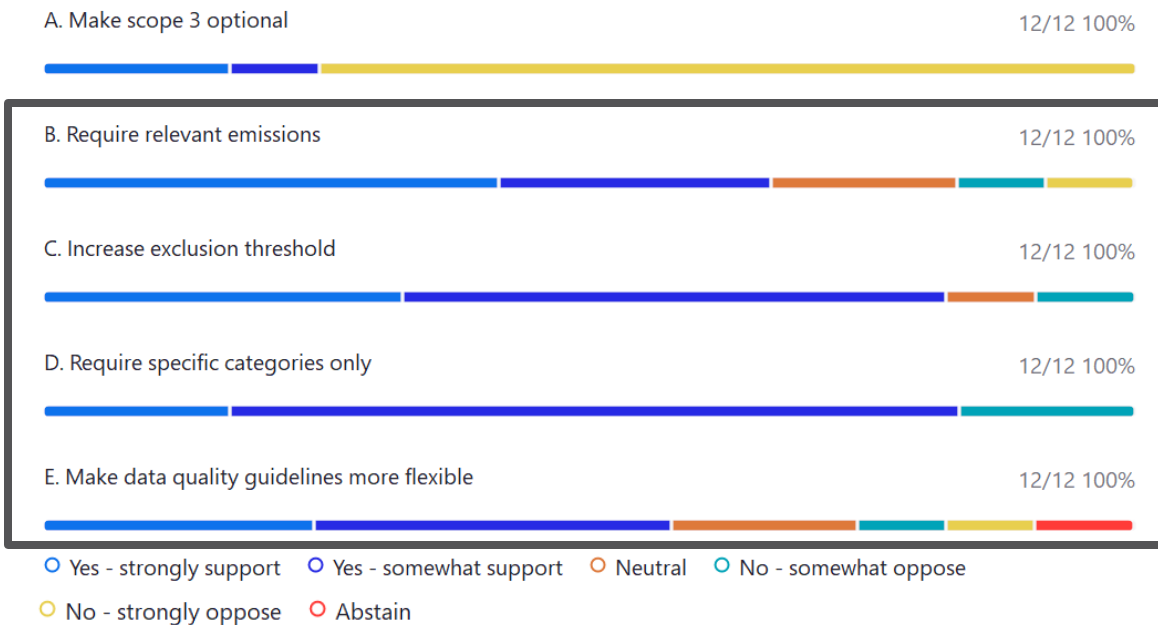
- 2. Which of the following stakeholders should be prioritized for a differentiated scope 3 reporting requirement? [Pick one]**
 - a. The preparers (i.e., feasibility)
 - b. Users of the data (e.g., internal or external stakeholders)

Full TWG feedback: Defining differentiated scope 3 reporting

40 responses

Subgroup 3 indicative poll

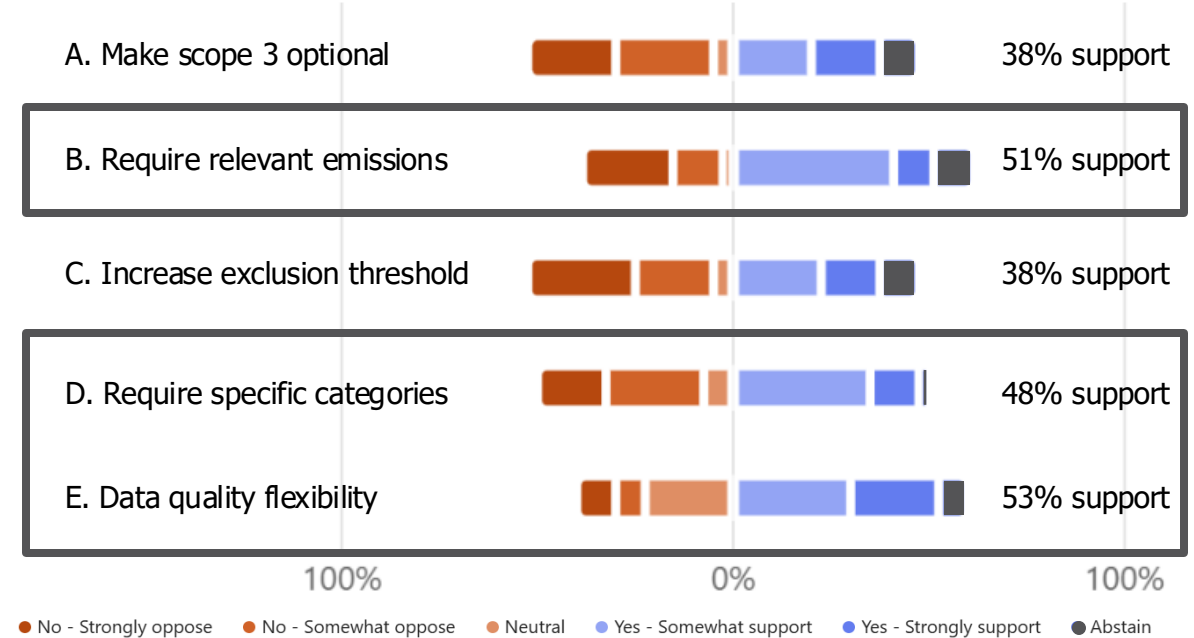
Majority support for options B, C, D, and E



Subgroup 3 Meeting #4

Full TWG indicative poll

Highest support for options B, D, and E



Full TWG Meeting #2 feedback survey

Question 5: Revised options

Revised options combine the following two components:

**Question 5, Part 1:
Defining the requirement**

**Question 5, Part 2:
Temporary or permanent option**

Revised options include proposals from the Secretariat and from Subgroup 3 members

Question 5: Revised options for defining differentiated scope 3 reporting requirement

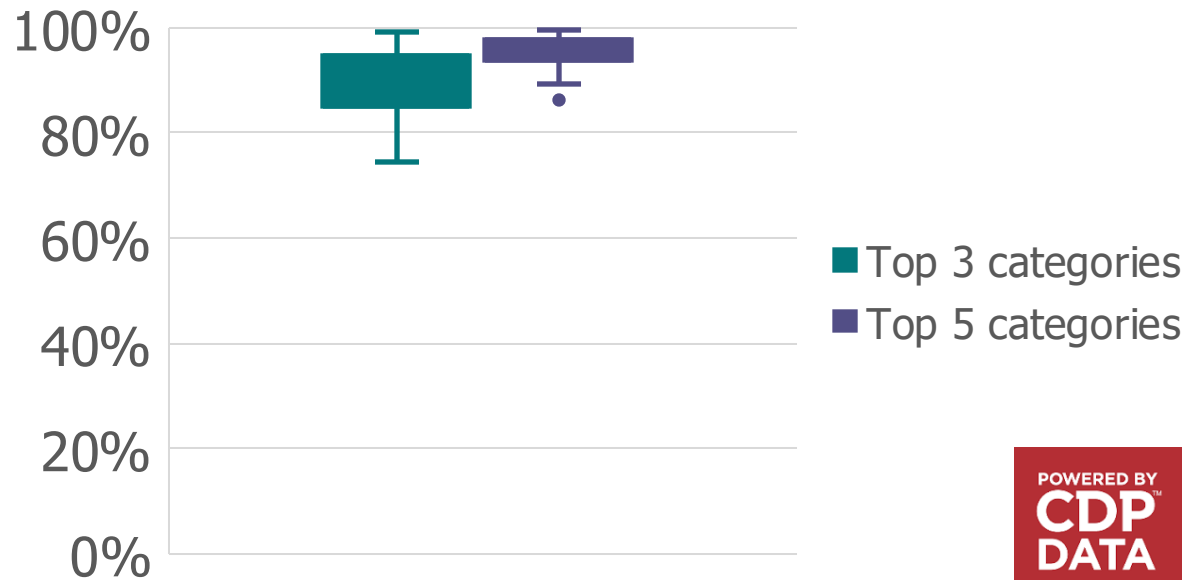
	Option name	Prioritized purpose	Description	Temporary or permanent
1	Optional scope 3	Temporary ramp-up	<ul style="list-style-type: none"> Make scope 3 optional 	Temporary
2	Any scope 3	Temporary ramp-up	<ul style="list-style-type: none"> Require any scope 3 The details are up to the reporter 	Temporary
3	Any 3 categories*	Internal decision-making	<ul style="list-style-type: none"> Require any 3* scope 3 categories Companies can choose top 3, with justification Allow 5% exclusion within reported categories 	Temporary
4	Relevant 3 categories*	Internal decision-making	<ul style="list-style-type: none"> Require most relevant 3* scope 3 categories Require relevance assessment to identify top 3 categories Allow 5% exclusion within reported categories 	Permanent
5	Supplier inventory	Provision of data to value chain partners	<ul style="list-style-type: none"> Upstream categories only (#1-8) for customers to calculate supplier-specific emission factors 	Permanent
6	Data quality**	Internal decision-making	<ul style="list-style-type: none"> Preliminary: Scope 3 uncertainty assessment is optional Preliminary: Scope 3 requirements for data improvement are optional 	Permanent

*How many categories should be required in options 3 and 4?

**Can be added to any other option. Details pending outcomes from Scope 3 TWG on data quality

Why top 3 categories? CDP data analysis

Sum of top scope 3 categories*, relative to total scope 3 emissions



Source: CDP disclosures 2023



By reporting the **top 3 categories**, most companies will report **>88%** scope 3 emissions*

By reporting the **top 5 categories**, most companies will report **>95%** scope 3 emissions*

Note: This analysis uses CDP disclosures, which are known to be incomplete. Most companies in the data set are large companies.

*Assumes that companies select their top categories by magnitude

Criteria	1. Optional scope 3	2. Any scope 3	3. Any 3 categories	4. Relevant 3 categories	5. Supplier inventory
Scientific integrity	NA	NA	NA	NA	NA
GHG accounting and reporting principles	Cons: Significantly hinders relevance, completeness	Cons: Significantly hinders relevance, completeness	Cons: Hinders relevance, completeness	Pros: Improved relevance, completeness	Cons: Could hinder relevance, completeness if largest emissions are not in categories #1-8
Support decision-making that drives ambitious global climate action	Cons: Significantly hinders decision-making due to very limited scope 3 emissions	Cons: Significantly hinders decision-making due to very limited scope 3 emissions	Pros: Somewhat supports decision-making with scope 3 categories selected by the reporter (depending on categories)	Pros: Supports decision-making with most relevant scope 3 categories	Cons: Largest emissions may not be in categories #1-8, hindering internal decision-making
Support programs based on GHG Protocol and uses of GHG data	Cons: Not interoperable with external programs that require scope 3 No support to users of the data	Cons: Not interoperable with external programs that require scope 3 Minimal support to users of the data	Cons: Not interoperable with external programs that require scope 3 Minimal support to users of the data	Pros: Somewhat interoperable with programs that require relevant scope 3 emissions Supports users with relevant scope 3 emissions	Pros: Supports value chain partners Cons: Not interoperable with external programs that require scope 3
Feasibility to implement	Pros: Maximizes feasibility	Pros: Strongly promotes feasibility	Pros: Promotes feasibility	Cons: Relevance assessment could be a burden for some reporters	Cons: Categories #1-8 could be a burden for some reporters

Note: Option 6 (data quality) was not included because it is not final and can be combined with any option.

Question 5: Revised options for defining differentiated scope 3 reporting requirement

Subgroup 3 member proposals

Number	Proposal name	Description
Proposal 1	Indicative Scope 3 Assessment	<ul style="list-style-type: none"> Companies report standardized indicators for scope 3 emissions <ul style="list-style-type: none"> Examples: Spend by key categories, employee count, total sales Pre-defined emissions calculation logic would be applied to the indicators
Proposal 2	Combined Approach for Differentiated Scope 3 Reporting Requirements for Small Companies	<ul style="list-style-type: none"> Two different levels based on emissions threshold: <ul style="list-style-type: none"> Scope 3 optional for very low emissions Key scope 3 categories for companies above emissions threshold Flexible data quality requirements Phased approach based on growth, such as: <ul style="list-style-type: none"> Phase 1: Most significant categories only Phase 2: Additional categories Phase 3: Complete scope 3



Full group discussion

1. **Which option** do you prefer for small companies, excluding high-emitting sectors?
2. Which option(s) best aligns with the **prioritized purpose(s)** discussed earlier?

Question 5, Part 1:

Defining the requirement

1. Optional scope 3
2. Any scope 3
3. Any 3 categories
4. Relevant 3 categories
5. Supplier inventory (cat. #1-8 only)
6. Data quality*
7. Proposal 1: Indicators
8. Proposal 2: Levels + key categories + phased

Question 5, Part 2:

Temporary or permanent option

- a. Temporary ramp-up to complete reporting
- b. Permanent option for eligible reporters

*Can be added to any other option. Details pending outcomes from Scope 3 TWG on data quality

Poll Questions



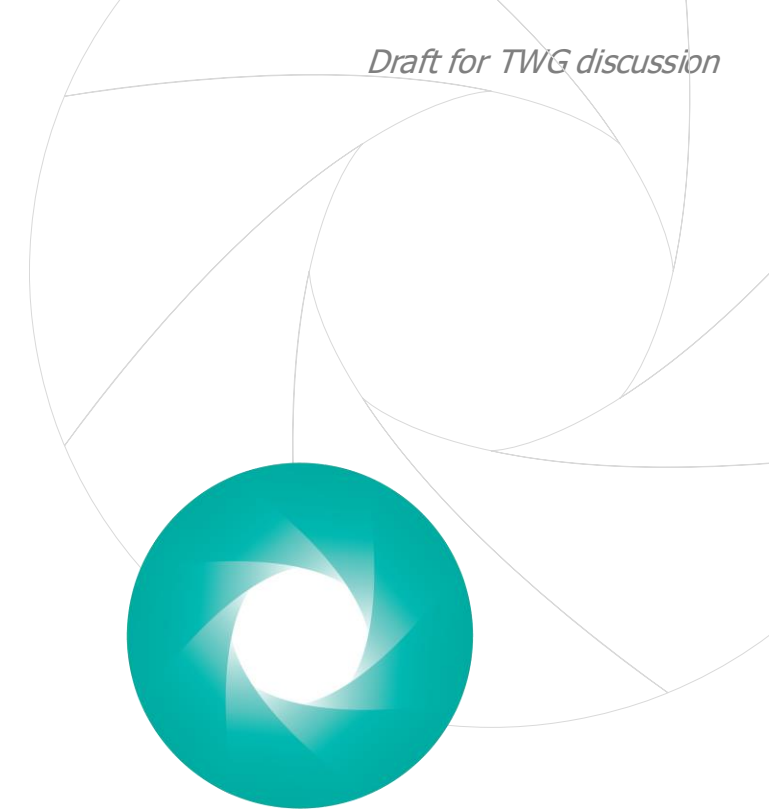
Poll questions on defining a differentiated scope 3 reporting requirement:

- 1. If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be defined?** *[No – strongly oppose TO Yes – strongly support]*
 - a. Optional scope 3
 - b. Any scope 3
 - c. Any 3 categories
 - d. Relevant 3 categories
 - e. Supplier inventory (cat. #1-8 only)
 - f. Data quality
 - g. Proposal 1: Indicators
 - h. Proposal 2: Levels + key categories + phased

- 2. Should a differentiated scope 3 reporting pathway be a temporary or permanent option?**
 - a. Temporary ramp-up to complete reporting
 - b. Permanent option for eligible reporters
 - c. Abstain

Agenda

Introduction and housekeeping	10 minutes
Feedback from full TWG: Scope 3 requirement	30 minutes
Feedback from full TWG: Differentiated scope 3 requirement	20 minutes
Differentiated scope 3 requirement: Definition	40 minutes
Differentiated scope 3 requirement: Operationalization	10 minutes
Wrap-up and next steps	10 minutes



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Question 6: How to operationalize differentiated scope 3 reporting

6

If requirements differ by reporter type, how should the different scope 3 reporting requirements be operationalized?

6A. Conformance levels, by reporter type

6B. 'Opt out' provisions, by reporter type

Question 6: The options

Option name	Defining the option	Pros	Cons
A Conformance levels	Two conformance levels would be defined: <ul style="list-style-type: none"> • Complete scope 3 reporting • Less stringent scope 3 reporting pathway for small companies 	Clearly defined conformance levels could promote transparency	Could disincentivize more complete reporting Could lead to stakeholder confusion , especially if it leads to misalignment within GHG Protocol
B 'Opt out' provisions	A global scope 3 requirement would be maintained An 'opt out' provision would be defined, only for small companies, with high-emitting sectors excluded	More interoperable with external programs Could incentivize more complete reporting	Somewhat hinders transparency and comparability, if disclosures are not clear
...



Discussion: What do you think of these options?

Poll Question

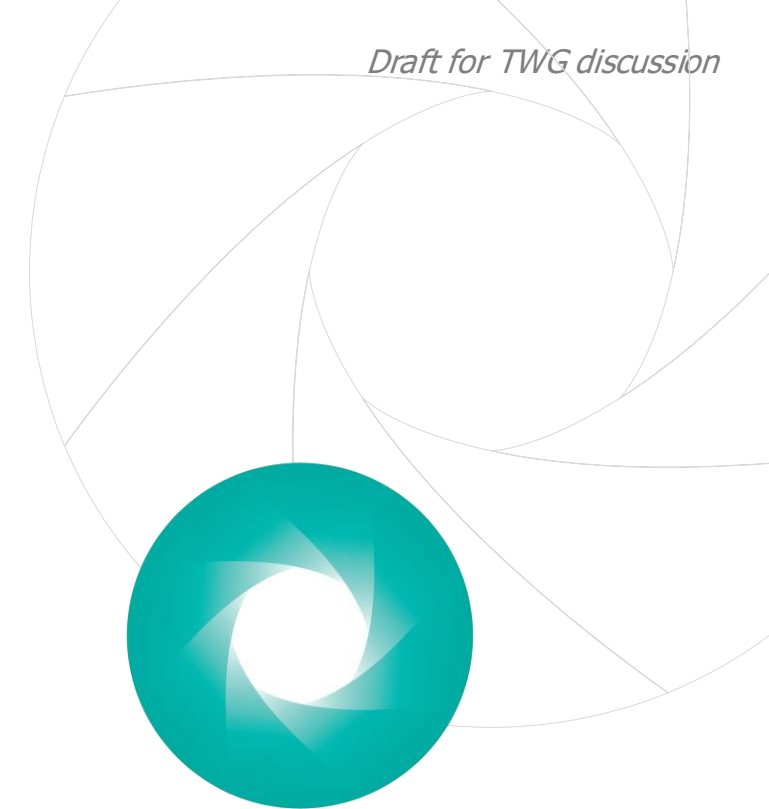


Poll question on operationalizing a differentiated scope 3 reporting requirement:

- 1. If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be operationalized?**
 - a. Conformance levels, defined by reporter type
 - b. Opt out provisions, defined by reporter type
 - c. Other
 - d. Abstain

Agenda

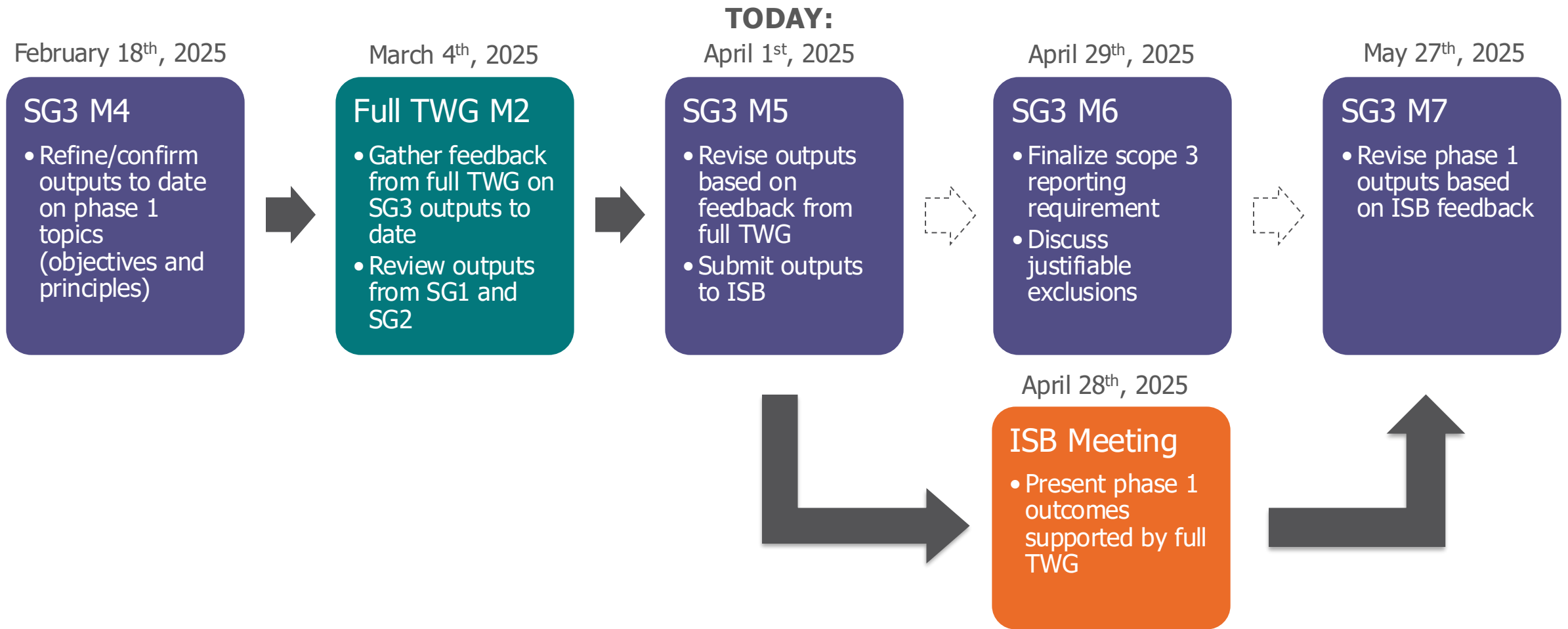
Introduction and housekeeping	10 minutes
Feedback from full TWG: Scope 3 requirement	30 minutes
Feedback from full TWG: Differentiated scope 3 requirement	20 minutes
Differentiated scope 3 requirement: Definition	40 minutes
Differentiated scope 3 requirement: Operationalization	10 minutes
Wrap-up and next steps	10 minutes



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Upcoming schedule (tentative)





Looking forward

TODAY: Subgroup 3 Meeting 5

April 1, 2025

- Revise recommendations based on feedback from Full CS TWG
- Continue discussing differentiated scope 3 reporting requirement

NEXT: Subgroup 3 Meeting 6

April 29, 2025

- Begin discussing justifiable exclusions
- Preliminary feedback from ISB on scope 3 reporting requirement, if ready

Subgroup 3 Meeting 7

May 27, 2025*

- **Phase 2!**
- Data quality requirements and additional guidance related to the use of proxies or estimates
- Data quality hierarchy

**May meeting date was updated. Revised 2025 meeting dates to be shared.*

Next steps

Next Subgroup 3 meeting is scheduled for **Tuesday, April 29th, 2025**

Items to be shared by GHG Protocol Secretariat:

- Final slides, minutes, and recording from this meeting
- Feedback survey on defining a differentiated scope 3 reporting requirement and operationalizing the requirement

TWG member action items:

- **Review** meeting materials
- Fill out post-meeting **feedback survey** by **EOD Sunday April 13th**

Thank you!

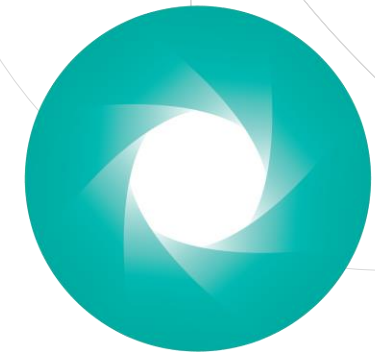
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Appendix



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GHG Protocol context – Scope 3 accounting requirements

Current language in the Scope 3 Standard

*"Companies **shall** account for **all** scope 3 emissions and disclose and justify any exclusions.*









*Companies **shall** account for emissions from each scope 3 category according to the **minimum boundaries** provided in Table 5.4.*

*Companies **may** include emissions from **optional activities** within each category.*

*Companies **may exclude** scope 3 activities from the inventory, provided that any exclusion is disclosed and justified."*

Key points:

- **All companies have the same requirements**
- **Justifiable exclusions** give companies a pathway to exclude emissions

	Name	Type	How the requirement is differentiated	What the differentiated requirement is
	IFRS S2	Climate disclosure mandate	Open to all companies Transition relief is for new reporters	IFRS proportionality and impracticability clause 1 year transition relief for reporting scope 3 emissions
	ESRS E1	Climate disclosure mandate	Small companies (<750 employees) that are new reporters	Scope 3 reporting is optional for first year of preparation of their sustainability statement
	US SEC	Climate disclosure mandate	Company size , based on market value	All emissions disclosure is optional for small companies (Smaller Reporting Companies, Emerging Growth Companies)
	California CA SB 253, 219	Climate disclosure mandate	NA - Not yet written	NA - Not yet written
	CDP	Voluntary reporting program	SMEs , defined based on headcount and annual revenue	Unique SME questionnaire that is simplified and streamlined
	SBTi	Target-setting initiative	SMEs , defined with multiple criteria	SME target-setting pathway, where scope 3 target is optional
	ISO 14064-1:2018	GHG Standard	NA	NA
	GRI	Climate Reporting Standard	NA	NA

Note: Approaches referenced in table are not limited to scope 3

*SME = Small- and medium-sized enterprises

Question 5: Options 3, 4, and 5: **Require specific categories only**

<i>Upstream or downstream</i>	<i>Scope 3 category</i>	
<p>Upstream scope 3 emissions</p>	<ol style="list-style-type: none"> 1. Purchased goods and services 2. Capital goods 3. Fuel- and energy-related activities (not included in scope 1 or scope 2) 4. Upstream transportation and distribution 5. Waste generated in operations 6. Business travel 7. Employee commuting 8. Upstream leased assets 	<p>Option 3: Any 3 categories</p>
<p>Downstream scope 3 emissions</p>	<ol style="list-style-type: none"> 9. Downstream transportation and distribution 10. Processing of sold products 11. Use of sold products 12. End-of-life treatment of sold products 13. Downstream leased assets 14. Franchises 15. Investments 	<p>Option 4: Relevant 3 categories</p> <p>Option 5: Supplier inventory (i.e., categories #1-8)</p>

*Defined in [EPA small business guidance](#)