

# Scope 3 TWG Group A Meeting Minutes

Meeting number 9

Date: 24 April 2025

Time: 5:00 PM – 7:00 PM ET

Location: Virtual

## Attendees

### Technical Working Group Members

1. Sahil Aggarwal, Greenview
2. Alissa Benchimol, Greenhouse Gas Management Institute
3. Zola Berger-Schmitz, Science Based Targets initiative
4. Dario Alessandro De Pinto, BANCA D'ITALIA
5. Verena Ehrler, IESEG School of Management
6. Talita Esturba, WayCarbon
7. Susanne Vedel Hjuler, Independent
8. Micheal King, Cisco Systems, Inc.
9. Ulf von Kalckreuth, Deutsche Bundesbank
10. Wenjuan Liu, RMI
11. Elliot Muller, CIRAIG, Polytechnique Montréal
12. Verena Radulovic, Center for Climate and Energy Solutions (C2ES)
13. Julie Sinistore, WSP
14. Sangwon Suh, Watershed
15. Carl Vadenbo,ecoinvent association
16. Cecilia Valeri, WBCSD
17. Luhui Yan, Carbonstop

### Guests

N/A

### GHG Protocol Secretariat

1. Natalia Chebaeva
2. Alexander Frantzen
3. Claire Hegemann
4. Allison Leach

## Documents referenced

1. Scope 3 – Group A – Meeting#9 – Presentation
2. Discussion Paper A.2 Allocations

## Summary

Item	Topic and Summary	Outcomes
1	<b><i>Attendance and Housekeeping</i></b> The Secretariat presented the housekeeping rules and decision-making criteria.	N/A
2	<b><i>Recap of the previous discussion</i></b> The Secretariat presented a summary of the main outcomes of meetings 2-8, with a particular focus on disaggregated reporting. The Secretariat presented an update to the TWG meeting timeline in order to accommodate full group meetings in May. This does not have an impact on the schedule of deliverables overall.	N/A
3	<b><i>Background and context</i></b> The Secretariat presented the current guidance on minimum data quality requirements, stakeholder feedback, and how this issue is reflected in relevant external frameworks.	N/A
4	<b><i>Minimum requirements for data quality</i></b> The Secretariat presented possible restrictions, the options for consideration, and decision-making criteria analysis. The main question considered was “Shall a minimum requirement on scope 3 data quality be introduced?”.	Indicative voting was held on several questions. The results will be used as input for a more in-depth survey, to be shared after the meeting.
5	<b><i>Requirement for data quality improvement</i></b> The Secretariat presented the key question on the requirement, four options, and decision-making criteria analysis. The main question considered was “Shall a requirement for data quality improvement be introduced?”.	Indicative voting was held on several questions. The results will be used as input for a more in-depth survey, to be shared after the meeting.
6	<b><i>New guidance on data quality improvement</i></b> The Secretariat presented a proposed structure for the revised guidance, including guidance on the data quality improvement process and on the appropriate use of inventory of certain quality.	Indicative voting was held. The results will be used as input for a more in-depth survey, to be shared after the meeting.
7	<b><i>Next steps</i></b> The Secretariat presented the next steps.	A survey will be circulated to members.

## Discussion and outcomes

### 1. Attendance and Housekeeping

- The Secretariat presented the housekeeping rules and the decision-making criteria (see slides 3 – 6).

#### Summary of discussion

- N/A

Outcomes (e.g. recommendations, options)

- N/A

## 2. Recap of the previous discussion

- The Secretariat presented a summary of the main outcomes of meetings 2-8, with particular focus on disaggregated reporting (see slides 7 – 11).
- The Secretariat presented an update to the TWG meeting timeline in order to accommodate full group meetings in May. This does not have an impact on the schedule of deliverables overall.

Summary of discussion

- N/A

Outcomes (e.g. recommendations, options)

- N/A

## 3. Background and context

- The Secretariat presented the current guidance on minimum data quality requirements, stakeholder feedback, and how this issue is reflected in relevant external frameworks (see slides 12 – 17).

Summary of discussion

- N/A

Outcomes (e.g. recommendations, options)

- N/A

## 4. Minimum requirements for data quality

- The Secretariat presented possible restrictions, the options for consideration, and decision-making criteria analysis (see slides 18 – 28).
- The key question and options are:  
Shall a minimum requirement on scope 3 data quality be introduced?
  - Option 1a: No, maintain current guidance
  - Option 1b: Yes, provide a recommendation for minimum data quality, with metrics set by the Scope 3 Standard
  - Option 1c: Yes, provide a requirement for minimum data quality with metrics set by the Scope 3 Standard
  - Option 1d: Yes, provide a requirement for minimum data quality with metrics to be set by the practitioner in the data management plan

Summary of discussion

- A TWG member voiced their concern that the proposed requirements represent facets of data quality, but not data quality itself. High quality EEIO could yield better results than poor quality primary data. If the goal is to improve data quality, indirect measures such as documentation do not necessarily give an indication of data quality. The member stated that the uncertainty analysis taskforce might provide alternative recommendations, including quantitative uncertainty analysis.
  - The Secretariat replied that in practice, documentation of data is an important indicator of quality.
  - The TWG member agreed, but stated that this is simply bad practice, and that the Standard should provide guidance on good practices.
- A TWG member agreed with the Secretariat, stating that documentation is not equal to quality, but is an important indicator for quality, as transparency is key. Representativity is also important, and the lack thereof is where a lot of data quality issues originate.

- A TWG member stated that good documentation is a necessary but not sufficient condition for data quality.
- The Secretariat asked how the statement that EEIO is potentially more accurate than primary data can be validated, presumably only if primary data from a supplier specific activity is available. In that case, is the conclusion that reporting and requiring different types of data would be helpful?
  - A TWG member replied that there are a lot of bad EEIO, average and specific data sets. Using proxy values from EEIO data sets can be useful for getting closer to true value of GHG emissions.
- A TWG member agreed that transparency is key, followed by increasing quality of data.
- A TWG member commented that the proposal is more about best practices, rather than additional recommendations, as everything being proposed is already being audited by third-party verifiers. The member stated that these are not the real issues behind data quality, and concern that this might not drive improved data quality.
  - The Secretariat clarified that the current discussion is about imposing restrictions, not improvement pathways. The goal is to establish a minimum starting point.
  - The TWG member replied that such templates, resources, and guidance is already available in the market, and voiced their concern that these requirements would not be additional.
- A TWG member proposed different levels of requirements, e.g. documentation could be a requirement, methodology and specificity could be guidance. The member stated the necessity to discuss shall/should/may language for these points.
- A TWG member commented from their organization's inventory review experience on how companies should disclose data types. The result was a system with a breakdown per category and by emissions source within category, and then further information on representativeness, emission factor source, and specific assumptions. Some companies also could provide break down by geography. This disaggregation is key to judge if data is primary or secondary, especially for categories with hybrid approaches. The member stated that this system does not necessarily improve data, but it enables assessment of the data calculation method.
  - A TWG member asked how these factors are assessed for those datasets that do not consider international trade?
  - The TWG member replied that their organization does not make assumptions about how good the dataset is, and that no direct comparisons between data sources are made. This system provides a starting point, and future revisions are likely to contain more detail.
- A TWG member asked what the goal of the discussion is – to build a tool that enables a maximum number of organizations to use it now, or to set a target and get organizations to apply a certain approach. This determines the shall/should language decision. If the TWG decides 'shall', the bar is raised. The member stated that they are not sure if the TWG wants to set the bar at a level that most companies can meet now, or set it higher in order to be aspirational, and change industry. The member stated that 'shall' language could be used, then all companies who do not meet the full standard would not be in compliance.
  - A TWG member replied that in their opinion, the goal is to provide transparency regarding data and results of GHG inventories, and then encourage an increase in the quality of information provided.
  - The Secretariat asked if this kind of decision is in the purview of the GHG Protocol, or if it should be left to the frameworks.
- A TWG member commented that national reporting mostly uses 'shall' language, and if the goal is to get companies to do more, more peer pressure would arise if companies had to disclose why they are not following requirements. The member leans towards 'shall' requirements, but also sees the point around difficulty in achieving completeness.
- A TWG member agreed with a previous speaker, on setting a goal for this discussion. The member also highlighted that frameworks such as the CSRD and IFRS refer to GHG Protocol for operational questions, so the GHG Protocol dictates the rules. Other frameworks will not make decisions.
- A TWG member agreed on the need to define the purpose. The member also raised the question if the TWG is trying to mandate how information appears in submissions to standard setting organizations, or in public sustainability reports.

### Outcomes (e.g. recommendations, options)

The Secretariat conducted indicative polling on the following questions:

- “Shall a minimum requirement on documentation quality of scope 3 data be introduced?”
  - No, maintain guidance – 0% (0/16)
  - Yes, provide a recommendation for minimum data documentation with metrics set by the Scope 3 Standard – 25% (4/16)
  - Yes, provide a requirement for minimum data documentation with metrics set by the Scope 3 Standard – 75% (12/16)
  - Yes, provide a requirement for minimum data documentation with metrics to be set by the practitioner – 0% (0/16)
  - Abstain – 0% (0/16)
- “Shall a minimum requirement on methodology of scope 3 data be introduced?”
  - No, maintain the guidance – 8% (1/13)
  - Yes, provide a recommendation for data methodology with metrics (parameters) set by the Scope 3 Standard – 30% (4/13)
  - Yes, provide a requirement for data methodology with metrics (parameters) set by the Scope 3 Standard – 62% (8/13)
  - Yes, provide a requirement for data methodology with metrics (parameters) set by the practitioners – 0% (0/13)
  - Abstain – 7% (1/14)
- “Shall a minimum requirement on specificity of scope 3 data be introduced?”
  - No, maintain the guidance – 21% (3/14)
  - Yes, provide a recommendation for minimum data specificity with metrics (parameters) set by the Scope 3 Standard – 36% (5/14)
  - Yes, provide a requirement for minimum data specificity with metrics (parameters) set by the Scope 3 Standard – 43% (6/14)
  - Yes, provide a requirement for minimum data specificity with metrics (parameters) set by the practitioners – 0% (0/14)
  - Abstain – 0% (0/14)
- The Secretariat also conducted a poll prompting members to submit written answers to the questions
  - “What minimum documentation do you think the data shall/should have?”
  - “What minimum methodology requirement do you think the data shall/should have?”
  - “What minimum specificity requirement do you think the data should meet?”
- The Secretariat will share the results from the written answer poll with members after the meeting, and use them as input for later outcomes

## **5. Requirement for data quality improvement**

- The Secretariat presented the key question on the requirement, four options, and decision-making criteria analysis. (see slides 29 – 38).
- “Shall a requirement for data quality improvement be introduced?”
  - Option 2a. No, maintain recommending improvement over time
  - Option 2b. No, maintain recommending improvement over time, but introduce recommended metrics
  - Option 2c. Yes, metrics shall be set by the Scope 3 Standard
  - Option 2d. Yes, metrics shall be set by the practitioner in the data management plan

### Summary of discussion

- A TWG member stated that it is important to guide companies through improvements. Usually, companies make an effort in their reporting the first year, but do not improve year on year. Requiring peripheral facets of data quality will not achieve the goal of improving data quality over time.
- A TWG member agreed with the previous speaker.
- A TWG member highlighted the necessity to clearly spell out what is important, what companies should aim for. Comprehensive uncertainty assessment is one method, and if it were feasible it would


meet the goal. But quantitative uncertainty is not feasible, as data quality as a whole is too low. From a more practical perspective, a suggestion could be to look at percentage of primary/specific data.


- A TWG member stated the need to avoid cherry picking, and to overall guide best practices towards more precision and completeness. If a few leading companies engage in these practices, it would become obvious to the market that such data could be available, and that might help spiral progress.
- A TWG member stated that one of the main objectives of GHG accounting is helping organizations to take climate action, thus calling the group to be more ambitious. The member believes that companies have the capability to provide much higher data quality if required by through their procurement processes. If leading companies are encouraged to use scoring methodology, manufacturing companies will provide high quality data.

### Outcomes (e.g. recommendations, options)

The Secretariat conducted indicative polling on the following questions:

- “Shall a requirement for inventory quality improvement be introduced?”
  - No, maintain recommending improvement over time – 0% (0/14)
  - No, maintain recommending improvement over time, introducing recommended metrics – 43% (6/14)
  - Yes, metrics shall be set by the Scope 3 Standard – 43% (6/14)
  - Yes, metrics shall be set by the practitioner in the data management plan and disclosed – 14% (2/14)
  - Abstain – 0% (0/14)
- “What metrics for tracking improvement do you support?”
  - A. Share of emissions reported on specific tier should increase by X% per year 14/14 100%  

  - B. Share of emissions reported on EEIO tier should decrease by X% per year 14/14 100%  

  - C. Number of categories reported without use of EEIO should increase every X years 14/14 100%  

  - D. Share of value chain partners providing specific data should increase every X years 14/14 100%  


○ strongly support  
 ○ support  
 ○ neutral  
 ○ oppose  
 ○ strongly oppose  
 ○ abstain
- “What metrics should be introduced?”
  - Share of emissions reported on specific tier should increase by X% per year – 58% (7/12)
  - Share of emissions reported on EEIO tier should decrease by X% per year – 25% (3/12)
  - Number of categories reported without use of EEIO should increase every X years – 17% (2/12)
  - Share of value chain partners providing specific data should increase every X years – 42% (5/12)
  - Other – 17% (2/12)
  - Abstain – 8% (1/13)
- The Secretariat stated that the results from these polls are purely to help formulate options for the follow-up survey, where the questions will be dealt with more substantially.

## **6. New guidance on data quality improvement**

- The Secretariat presented a proposed structure for the revised guidance, including guidance on the data quality improvement process and on the appropriate use of inventory of certain quality (see slides 39 – 44).

### Summary of discussion

- A TWG member stated their conceptual issues with categorization. They agree with changing spend to EEIO, as that is conceptually more representative. But there is an increasing trend of hybridizing EEIO with average datasets, which is a concern – it is a spectrum, not a dichotomy. The perception that the only way to act on emissions reduction when calculations are based on EEIO, is by reducing spend - is wrong. The member stressed the importance of sourcing, that the choice of country to source from can lead to substantial emissions reductions.
- A TWG member stated that in some cases it'll be possible to get better data in terms of geography, but also that average data for a specific geographic region might still be very varied.
- A TWG member suggested that this is one of the reasons why SBTi proposed a size and geography differentiation, as the levers available for different kinds of companies (large cap vs SMEs) are different. The member posed the question if this should result in differentiated expectations.
- A TWG member stated that there are situations where EEIO models are very precise, and able to provide lots of important information. But the quality of EEIO models always depends on the underlying heterogeneity of the industry. E.g., the chemical industry is very diverse, meaning that such models can be inaccurate, as compared to e.g. the services industry, for which EEIO models can be very exact.
- A TWG member agreed, that some EEIO models are bad, some are good. It is not possible to say whether EEIO or primary data is good or bad as a whole. The challenge lies with evaluating category by category and context by context. In reality, the choice for a reporting company is not between a great primary dataset and an EEIO dataset, but between an EEIO dataset and no data.
- A TWG member added that one of the reasons SBTi historically hasn't been prescriptive on methodological requirements is that it is very difficult to make statements such as 'EEIO data is always inferior to supplier specific data'. That is why SBTi asks for facets such as extrapolation %, representativeness, and emissions factor source/database specificity.

#### Outcomes (e.g. recommendations, options)

The Secretariat conducted indicative polling on the following questions:

- "Do you support the proposed structure of the guidance?"
  - Yes – 92% (11/12)
  - No – 8% (1/12)
  - Abstain – 14% (2/14)
- "Where in the Scope 3 Standard do you think the guidance should be provided?"
  - Chapter 7, collecting data – 63% (7/11)
  - Appendix C, data management plan – 18% (2/11)
  - Other – 18% (2/11)
  - Abstain – 21% (3/14)
- The Secretariat stated that members will have further opportunities to weigh in on this topic, including structure and content, in the feedback form.

#### **7. Next steps**

- The Secretariat presented the next steps (see slides 45 - 47).

#### Summary of discussion

- N/A

#### Outcomes (e.g. recommendations, options)

- The Secretariat will distribute a feedback form, based on the results of the in-meeting polls.

### **Summary of written submissions received prior to the meeting**

N/A