

Scope 3 TWG Group B Meeting Minutes

Meeting number 9b

Date: 7 May 2025

Time: 11:00 AM – 12:00 PM ET

Location: Virtual

Attendees

Technical Working Group Members

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|--|---|
| 1. Lindsay Burton, Ernst & Young | 7. Alan Lewis, Smart Freight Centre |
| 2. Leo Cheung, The Carbon Trust | 8. Thea Lyngseth, ECOS |
| 3. Hugo-Ernest Jones, SBTi | 9. Nicola Stefanie Paczkowski, BASF |
| 4. Alasdair Hedger, Ellen MacArthur Foundation | 10. Ellen Riise, Essity Hygiene & Health AB |
| 5. Tom Jackson, Loughborough University | 11. Micheal Taptich, Amazon |
| 6. Tim Letts, WWF | |

Guests

n/a

GHG Protocol Secretariat

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| 1. Natalia Chebaeva | 3. Claire Hegemann |
| 2. Alexander Frantzen | |

Documents referenced

1. Discussion Paper B.2 Intermediary Parties
2. Supplementary Paper B.2
3. Scope 3 – Group B – Meeting#9b – Presentation

Summary

Item	Topic and Summary	Outcomes
1	<i>Agenda</i> The Secretariat presented the agenda.	N/A
3	<i>Facilitated Emissions</i> The Secretariat presented identification criteria, a decision-tree for facilitated emissions, proposed classification, and boundary considerations. The Secretariat conducted indicative polling with the following results: "Should or may reporting companies as facilitators account for an report emissions associated with a facilitated activity" - Some should – 50% (5/10) "If included, should facilitators include all upstream and downstream scope 3 emissions of a facilitated activity?" - Other (e.g. case-specific) – 50% (5/10)	The polls will be repeated for the full subgroup B.
4	<i>Calculation methods</i> The Secretariat facilitated a brief discussion on whether the TWG needs to develop calculation guidance as part of this revision process.	The Secretariat may conduct a full subgroup B poll on the matter of calculation methods.
5	<i>Next steps</i> The Secretariat presented the next steps.	N/A

Discussion and outcomes

1. Agenda

- The Secretariat presented the agenda and housekeeping rules (see slides 3-4)

Summary of discussion

- N/A

Outcomes (e.g. recommendations, options)

- N/A

2. Facilitated Emissions

- The Secretariat presented identification criteria and a decision-tree for facilitated emissions, proposed classification and boundary considerations (see slides 3 – 29).

Summary of discussion

- A TWG member stated that the content presented today is a lot more promising than previous iterations.
- A TWG member agreed with the narrative presented but asked how category 16 would relate to beyond value chain mitigation actions. The member asked if the TWG was going to develop guidance on this.
 - The Secretariat stated that the Scope 3 team is in regular contact with the Action and Market Instruments (AMI) team. AMI is still defining their statements, and it does not make sense to address this topic before they have further refined their approach.
- A TWG member stated that a good litmus test for the proposed system is how accounting would work for a third-party product held in stock by a marketplace platform, versus a product that the

marketplace platform owns itself. The member added that there is great improvement in the language, much cleaner and simpler. Regarding the language on slide 15 "...A facilitated activity is a third-party activity, product, and/or emitting source that is enabled, initiated, and/or substantially influenced by a reporting company's services...", would the 'substantially influenced by' capture a real estate agent? Influence is a facet of relevance, perhaps that should be rewritten to state 'relevant'.

- A TWG member agreed with the previous speaker, asserting that influence should be swapped for relevance.
 - The Secretariat proposed the language 'measurably linked'
 - A TWG member said that that is an option, but repeated their preference for 'relevant'
 - The Secretariat reminded the group that a pathway for influence is currently under development, a list that determines influence and thus relevance. The Secretariat agreed that 'relevant' could be the best language here.
- A TWG member stated that the draft text looks really good. The member highlighted the distinction with Beyond Value Chain Mitigation (BVCM), which includes activities not in the value chain.
- A TWG member stated that the latest draft language really pushes the conversation forward and creates structure. Category 16 will be very useful, even if it ends up as a fully optional category. The member had not gone through the revisions in detail, but voiced support for the proposed tables. The member proposed collapsing the tables into one and adding a column on where to account – in category 16, or where in the other 15 categories. Different types of models could be listed in the same place, such as with two-sided platform-based marketplaces. It would also be helpful to bring back the list of two-sided marketplaces which was part of the discussion paper. The member also advocated for the development of more guidance on how clear-cut cases can be brought into the boundary (e.g. ride share app emissions).
- A TWG member agreed with the previous speaker.
- A TWG member added that an area to potentially use 'shall' in category 16 could be where the facilitator takes the full payment from the end user, e.g. ride hailer, e-marketplace, and later passes the cash through to the provider, less services fee. This kind of transaction differs from e.g. a realtor, who only gets their fee at the completion of the transaction.
- A TWG member stated that if category 16 is added, it would need poignant language on what, why, and how. A lot of credibility is at stake with the introduction of a new category, so the justification has to be strong. The member suggested using language stating that 'facilitated emissions should be accounted for' if not required for existing scope 3 categories. More clarity on how to use the optional boundary, and more clarification on where to place emissions that aren't required, would be helpful. The member stated that the more user judgement is needed, the less the goal of the revision is achieved. Much stakeholder feedback revolves around the fact that the current Standard requires a lot of user judgement, and it would be great to be more prescriptive.
 - The Secretariat asked whether making the minimum boundaries required, introducing the 95% threshold, and leaving category 16 optional would be a good halfway point.
 - The TWG member stated that from an assurance standpoint this is not a good solution. Category 16 would need to be excluded, since it is not a 'shall'. But some topics in facilitated emissions should be a 'shall', so under this approach they won't be reported consistently. Any 'shall' activities should be separated from 'should' activities. All activities left optional will not be reported by corporations. If the goal is for facilitated emissions to be calculated and reported, then it is necessary to require them (using 'shall'). Any items that end up a 'may' or a 'should' will not be prioritized by companies and can't reasonably be assured. Only requirements ('shall') can be used as criteria for assurance or verification.
- A TWG member agreed with the previous speaker, stating that this is why transport emissions should be a 'shall'.
- The Secretariat stated that neither surveys completed by TWG members nor polls held in meetings indicate consensus. A possible path forward would be a call for evidence from industry.
- A TWG member added that one way 'should' and 'shall' facilitators are currently being distinguished is by the flow of cash.
- A TWG member stated that at this stage it does not make sense to re-define anything that is already housed in a category, and that perhaps these considerations can be taken back up in the category-specific work in phase 2.
- A TWG member stated that licensing should not be moved from category 14 to category 16.

- The Secretariat summarized that members are generally recommending that all facilitated emissions currently defined in existing scope 3 categories remain in said categories. No TWG members objected.
- A TWG member suggested requiring some facilitated activities ('shall'), recommending some facilitated activities ('should'), and keeping remaining facilitated activities optional ('may').
- The Secretariat replied that this is what would be settled through a public call for evidence.
- A TWG member commented that a blanket 'shall' for a whole category would make them nervous, as it ignores the nuances.
- A TWG member stated their support for a public call for evidence, if it would take the form of stakeholders expressing support/disagreement with the framework of the table(s) and whether each line item should be optional or required. The member suggested running the open call while the TWG moves to phase 2 and then picking the results up at the end of phase 2.
- A TWG member agreed with the previous speaker's idea for the public call for evidence, to help identify the 'shall' cases.
- A TWG member stated that it would make sense to go through the list of line items and figure out the boundary point by point. Not every conceivable facilitated activity and associated emissions should be required, if that would only result in a number so large that scope 3 emissions inventories become unworkable.
- A TWG member added that the case can be made that every industry has their own specific boundary, so the TWG should not over constrain. The TWG may not be able to close this topic out alone.
- The Secretariat suggested a pragmatic approach of defining the boundary as, at minimum, including the scope 1 and scope 2 emissions associated with the facilitated activity, and the scope 3 emissions (upstream and downstream) of the facilitated activities are optional. And then open up a call for evidence to get further boundary input.
- A TWG member replied that the TWG should aim to establish a floor, and the ceiling should be industry specific, as each industry knows their niche cases the best.
- A TWG member agreed with the previous speaker, but voiced reluctance to set the floor as only scope 1 and scope 2, including due to the nature of the energy transition. If the goal is to shift away from fossil fuels, setting a floor including scope 1, scope 2, and scope 3 category 3 might be better.
- A TWG member stated that this discussion mixes boundaries and activities. The member voiced support for including everything.
- A TWG member added that it is better to start by including everything, and then providing caveats, to not exclude important emissions upfront. Additional time would be needed to establish caveats.

Outcomes (e.g. recommendations, options)

The Secretariat conducted indicative polling on the following questions:

- "Should or may reporting companies as facilitators account for and report emissions associated with a facilitated activity"
 - May – 20% (2/10)
 - Should – 30% (3/10)
 - Some should – 50% (5/10)
 - Shall – 0% (0/10)
 - Abstain – 0% (0/10)
- The Secretariat will conduct this poll again for the entire subgroup B, including an option for 'some shall', as requested by TWG members.
- "If included, should facilitators include all upstream and downstream scope 3 emissions of a facilitated activity?"
 - Yes – 20% (2/10)
 - No – 30% (3/10)
 - Other (e.g. case-specific) – 50% (5/10)
 - Abstain – 9% (1/11)
- The Secretariat will conduct these polls again, for the entire subgroup B.

3. Calculation Methods

- The Secretariat did not present the pre-read slides due to time constraints (see slides 30 – 43).

Summary of discussion

- The Secretariat asked members if the group needed to develop calculation guidance as part of this revision process. This would need to be added to the scope of work for phase 2.
- A TWG member commented that for transport, it is already covered in sector guidance.
- A TWG member stated that a solution could be to offer guidance on how to think through the problem and then to point to sector guidance.
- The Secretariat reminded the TWG that the governance documents stipulate another revision in 5 years.
- A TWG member stated that having two pieces of language for optional activities ('should' and 'may') versus required activities ('shall') is complicated; this member proposed using binary ('required' vs. 'optional') standard requirements.

Outcomes (e.g. recommendations, options)

- No indicative polling was conducted.
- The Secretariat may conduct a full subgroup B poll on the matter of calculation methods.

4. Next Steps

- The Secretariat presented the next steps (see slides 48-50).

Summary of discussion

- N/A

Outcomes (e.g. recommendations, options)

- The Secretariat will summarize the findings, re-share the table, and think through options for defining emissions included within the boundary.

Summary of written submissions received prior to meeting

N/A