GREENHOUSE GAS PROTOCOL

Scope 3 Technical Working Group Meeting

Full Group Meeting 3

Review of Group A proposed revisions

May 29th, 2025

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World Business Council for Sustainable Development

Agenda

- Attendance and housekeeping (5 min)
- Scope of work (5 min)
- Reporting requirements (60 min)
- Minimum data quality requirements and requirements for improvement (25 min)
- Allocation (15 mins)
- Next steps (5 min)

Housekeeping

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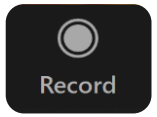
Welcome and Meeting information



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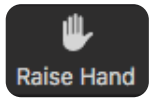
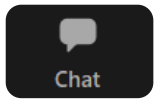


Please mute yourself by default and unmute when speaking

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.

Housekeeping

- 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 the 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

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Decision-Making Criteria

- Evaluating options: Describe pros and cons of each option relative to each criterion. Qualitatively assess the degree to which an option is aligned with each criterion through a green (most aligned), yellow (mixed alignment), orange (least aligned) ranking system. Some criteria may be not applicable for a given topic; if so, mark N/A.
- Comparing options: The aim is to advance approaches that ideally meet all decision criteria (i.e. maximize pros and minimize cons against all criteria). If options present tradeoffs between criteria, the hierarchy should be generally followed, such that, for example, scientific integrity is not compromised at the expense of other criteria, while aiming to find solutions that meet all criteria.

Illustrative example	**Option A: Name**	**Option B: Name**	**Option C: Name**
1A. Scientific integrity	• Pros • Cons	• Pros • Cons	• Pros • Cons
1B. GHG accounting and reporting principles	• Pros • Cons	• Pros • Cons	• Pros • Cons
2A. Support decision making that drives ambitious global climate action	• Pros • Cons	• Pros • Cons	• Pros • Cons
2B. Support programs based on GHG Protocol and uses of GHG data	• Pros • Cons	• Pros • Cons	• Pros • Cons
3. Feasibility to implement	• Pros • Cons	• Pros • Cons	• Pros • Cons

Note: This is a summary version. For further details, refer to the full decision-making criteria included in the annex to the Governance Overview, available at https://ghgprotocol.org/our-governance.

Group A Scope of Work

Data quality: Current guidance in the *Scope 3 Standard*

The *Scope 3 Standard* provides flexibility on what data sources and data quality to use to compile scope 3 inventories and has reporting requirements to ensure transparency on data sources and data quality used.

- The *Scope 3 Standard* provides guidance (Chapter 7) to support companies in selecting data:
  - Companies should collect data of sufficient quality to ensure that the inventory is relevant (i.e., that it appropriately reflects the GHG emissions of the company and serves the decision-making needs of users). Selection of data sources depends on a company's individual business goals. *(Scope 3 Standard*, p. 24)
  - Companies should prioritize data collection efforts on the scope 3 activities that are expected to have the most significant GHG emissions, offer the most significant GHG reduction opportunities, and are most relevant to the company's business goals." (*Scope 3 Standard*, p. 65).
  - When choosing data sources, companies should seek the highest quality (most representative) data available and reasonably obtainable. Data quality is defined by: Technology, Time, Geography representativeness, Completeness and Reliability. Examples of data quality indicators are provided in the guidance in box 7.2 of the Standard (on the right).
  - The *Technical Guidance* provides decision trees to select calculation methods. Calculation methods are prioritized based on the specificity of data inputs. The suggested trees application are subject to adequate quality of the data.

Data quality: Current guidance in the *Scope 3 Standard*

The *Scope 3 Standard* provides flexibility on what data sources and data quality to use to compile scope 3 inventories and has reporting requirements to ensure transparency on data sources and data quality used.

- Reporting requirements – companies shall report:
  - For each scope 3 category, a description of the types and sources of data, including activity data, emission factors and GWP values used to calculate emissions, and a description of the data quality of reported emissions data
  - For each scope 3 category, the percentage of emissions calculated using data obtained from suppliers or other value chain partners

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Rationale and general approach

Data quality/calculation methods was one of the most requested topics in stakeholder feedback. The emphasis is on two main points: improving the quality of the data and the inventory, while keeping calculation flexibility and accessibility.

The issue is approached from two perspectives:

1. Revisiting requirements on reporting of inventory quality to facilitate better interpretation of the data in order to meet the objectives
2. Consider introducing minimum requirements for inventory quality and requirement for improvement

	Prescriptiveness	Flexibility
Accounting/ quantification	Establish new requirements on what data/methods are allowed vs not allowed for scope 3 inventories	Maintain flexibility on what inventory quality/data/methods can be used, with guidance on recommended approaches
Reporting	Reporting requirements to ensure transparency (status quo), with additional options to improve transparency of data quality (options 1, 2, 3 below)	N/A

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Scope of Work and Timeline

Workflow and timeline of Subgroup A considerations:

A1: Oct 2024	A2-A3: Nov-Dec 2024	A4-A8: Jan-Apr 2025	A9-A10: Apr-May 2025
Confirming the connection between inventory quality and various inventory objectives	Requirements for inventory quality reporting	Further definition of the tiers: considerations of the influencing factors and the final configuration	Consideration of imposing a minimum data quality requirement, requirement for improvement, and/or additional guidance

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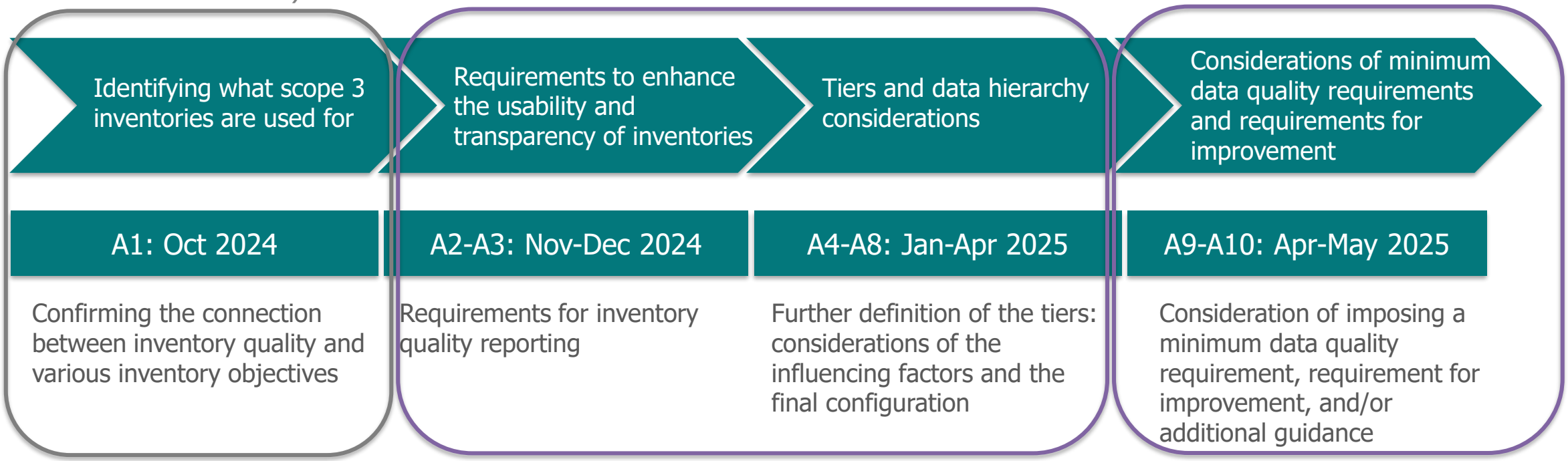
Today's considerations

Outcomes used in guidance text preparation and editing: not considered today

Reporting requirements

Minimum requirements and requirements for improvement



The meeting is dedicated to consideration of the revision and Q&A.

We will poll the TWG on the revision asynchronously, after the meeting. Presented polls intend to demonstrate the questions to come

Reporting requirements

Main question

How to communicate a scope 3 inventory more effectively, enhancing its usability and transparency?

Three options were considered:

- Option 1: Improved implementation of the current requirements
- Option 2: Data quality scoring
- Option 3: Disaggregated reporting

Data quality reporting: Process and Options

Identifying what scope 3 inventories are used for	Requirements to enhance the usability and transparency of inventories	Tiers and data hierarchy considerations	Considerations of minimum quality requirements and requirements for improvement
A1: Oct 2024	A2-A3: Nov-Dec 2024	A4-A8: Jan-Apr 2025	A9-A10: Apr-May 2025

Options considered*:

A. Improved implementation of current requirements

The reporting requirements are edited to enhance the disclosure of inventory data quality.

TWG support: 0%

TWG opposition: 50%

B. Data quality scoring

Inventory preparers are required to perform a quality assessment of the input data/inventory datapoints and report the quality of the inventory

TWG support: 30%

TWG opposition: 44%

C. Disaggregated reporting

Inventory preparers will be required to disaggregate reported of scope 3 emissions based on the data type, calculation type, of different quality of inventory data.

TWG support: 70%

TWG opposition: 0%

*Options are described in more detail in: S3-DiscussionPaper-20241024.pdf

Support of the options is measured in a TWG meeting, 17 members present

Opposition to the options is measured in an asynchronous survey, 18 responses

Data quality reporting: Decision-making criteria analysis

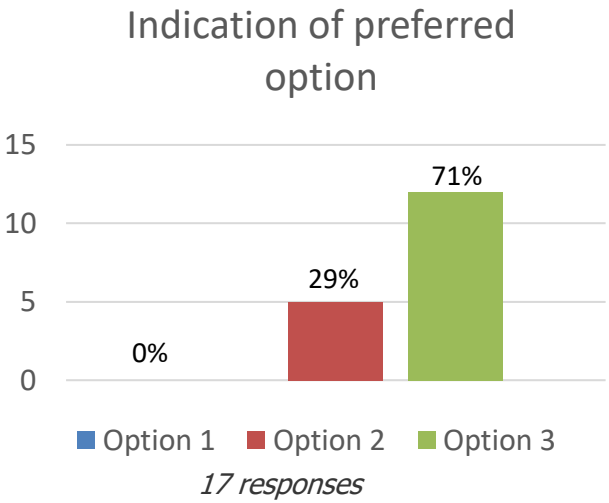
Criteria	Option A: Improved implementation of current GHG Protocol requirements	Option B: Data quality scoring	Option C: Disaggregated reporting
Scientific integrity	Largely NA Enhancing transparency in preparation for inventory calculation and in calculation and reporting (pre- and per-activity: script, visual control)	Largely NA Evidence from LCA on data scoring as proxy to uncertainty assessment. Intrinsic limitations to score assigning, prune to subjectivity	Largely NA Some evidence from pro-forma financial reporting, and IPCC tiering
GHG accounting and reporting principles	Expected to enhance transparency Indirect influence on other principles	Expected to enhance transparency Indirect influence on other principles	Expected to enhance transparency Indirect influence on other principles
Support decision making that drives ambitious global climate action	Low to medium (open for interpretation)	Medium (subjective pre-interpretation)	Medium to high (specific input)
Support programs based on GHG Protocol and uses of data	Pro: High interoperability (fits all) Con: Low to medium support to user (generic input for own interpretation)	Pro: Medium to high interoperability (doesn't fit those with different scoring) Con: Low to medium support to user (Subjective interpretation done by others)	Pro: Medium to high support to users (specific input for own interpretation) Con: Low interoperability (not incorporated in current frameworks) but could be incorporated
Feasibility to implement	Easy and accessible May be confusing in preparation and interpretation	High difficulty and low accessibility. Potential to ease with use of AI	Generally accessible, may pose difficulties in data aggregation and transfer in introduction stage. Subject to configuration

See the full preliminary assessment in Sections 6 and 7 of the Discussion Paper A.1 Inventory Quality

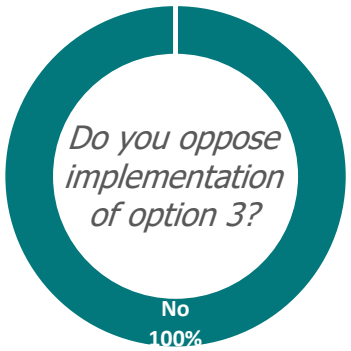
Scope 3 inventory shall be reported in a disaggregated manner

Level of support from TWG

Majority support for disaggregated reporting of scope 3 inventory ("option 3")



17 responses



18 responses

Rationale

Promotes transparency and empowers inventory users in interpretation of suitability of inventory for the objectives and actions they pursue

Implications

- Some feasibility concerns due to **unfamiliarity**
- **Cross-cutting: Alignment** necessary across workstreams as scope 3 data is other companies' scope 1 and 2 data
- Needs alignment with other frameworks

See: S3-DiscussionPaper-20241024.pdf,
Meeting A#2: Presentation, S3-GroupA-Meeting2-Minutes-20241114.pdf
Meeting A#3: Scope 3 - Subgroup A - Presentation - 2024.12.05, Scope 3 - Subgroup A - Meeting Minutes - 2024.12.05

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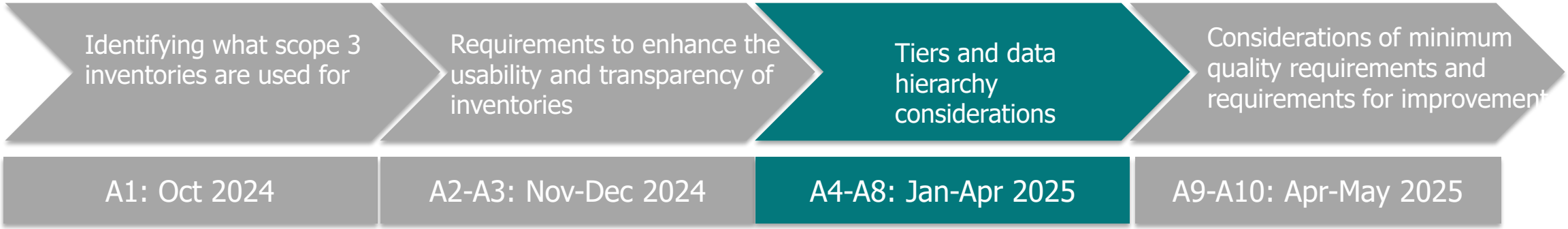
Disaggregation principle

Next question: how to disaggregate?

- 9 proposals were formulated and considered: 1 proposal from the Secretariat, and 8 proposals from TWG members
- Two dimensions were identified as desired components of the solution: data quality (accuracy/precision) and actionability
- The proposals that include **principal disaggregation based on calculation methods received the most support**
- The group expressed preference for implementation of option in which calculation methods and data inputs have differentiated classifications for downstream vs. upstream categories, and focus is made on data specificity, **defining specificity of outputs based on specificity of inputs**.
- Verification and uncertainty assessment were polled to be important for introduction, however not to act as the main disaggregation principle.

Steps of further finetuning



11 disaggregation principles were considered

Round 1 proposals:

1 proposal from the Secretariat +

8 proposals from TWG members

- The proposals that include principal **disaggregation based on calculation methods** received the most support
- A **verification** add-on was supported
- An **uncertainty** add-on was supported

4 options for disaggregation (round 2) were considered:

- **Option 1:** existing calculation methods normalized across categories
- **Option 2:** Classify results using category-specific tiers unique for each category
- **Option 3.** Classify results based on specificity of data
- **Option 4.** Classify results based on specificity of data, differentiated for categories 9-12

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Disaggregated reporting: TWG recommendation so far

Disaggregation principle	Verification add-on	Uncertainty assessment add-on
Most supported: Option 4: disaggregation based on data specificity	**Most supported:** Mark "+" for the verified data in reporting	**Most supported:** Required quantitative uncertainty assessment for large companies, required qualitative uncertainty assessment for the rest
Runner-up Option 2: disaggregation by existing calculation methods		**Runner-up** Qualitative uncertainty assessment is required for large, other assessment is optional for all Optional uncertainty assessment across the board, with a mark of recognition for opting-in

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Draft general requirements for disaggregated reporting

[G1] Organizations shall report scope 3 inventory emissions disaggregated by the specificity of the data, **in three line items** (tiers) for each scope 3 category: Specific data, Non-specific data, EEIO / Spend-based data.

[G2] When reported and when passed along the value chain, emissions data shall be **communicated in disaggregated manner**. Emissions shall be disaggregated by scope 3 category and data specificity tier.

[G3] Emissions data classified as specific, non-specific or EEIO /Spend-based should be **passed along the value chain** and reported by the recipients of the data maintaining the tier, if qualified by representativity.

[G4] Emissions data within the same tier and the same scope 3 category can be summed up.

[G5] Emissions data and emissions calculated using activity data or emission factors provided without classification in data specificity tiers, shall be reported into a temporary tier of **Unknown** used during the transition period. Companies shall not use **Unknown** tier of reporting after the transition period, and for more than X% of the scope 3 inventory during the transition period.

Note: *Transition period duration and maximum percentage allowed for reporting on the tier are for further development*

[**G6**] All emissions data, activity data, and emission factors used in scope 3 inventory calculations shall **meet the minimum requirements** (see Chapter 7.X)

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Example structure of disaggregated scope 3 reporting

Category	Year 1	Year 2	Year 3
Category 1. Purchased goods and services	***1000***	***1200***	***1100***
Specific	200	200	100
Non-specific	700	500	400
EEIO/Spend-based	100	500	600
Category 2. Capital goods	***500***	***600***	***600***
Specific	0	0	0
Non-specific	200	0	0
EEIO/Spend-based	300	600	600
…..			
TOTAL	***15500***	***15000***	***18000***
Specific	2500	1000	500
Non-specific	11500	12500	12000
EEIO[/Spend-based]	1500	1500	5500

Implications for reporting

Several more requirements of disaggregation might be introduced during the revision:

- *Group C leads to recommending disaggregation of category 15 by investment activity*
- *Group 1 in phase 2 will be considering required disaggregation of cat.1 into Goods and Services*
- *Group 1 in phase 2 will be considering required disaggregation of cat. 3 by the four activities*
- *Group 2 in phase 2 will be considering required disaggregation of cat. 4 and 9 into transport and other distribution activities*
- *Group 3 in phase 2 will be considering required disaggregation of cat. 11 into direct and indirect use phase emissions,*
- *etc.*

Introducing a requirement for disaggregation by tier might make reporting visuals convoluted.

Should the by-tier disaggregation be required per sub-line (activity)?

Should the by-tier disaggregation and by-activity disaggregation be separate tables?

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Draft calculation requirements for disaggregated reporting

[C1] Specific Rule:

Emissions calculated using specific activity data and specific emission factors shall be classified by a reporting company as **Specific (Tier 1).**

[C2] EEIO/Spend-based Rule:

Any emissions calculated utilizing an environmentally extended input-output (EEIO) emission factor input (whether country-level or regional), or other proxy *emission factors* expressed as emissions per monetary unit (e.g., kgCO2e / $), shall be classified by a reporting company as **EEIO/Spend-based (Tier 3).**

> ***Note:*** *Any results (or calculation method) utilizing an activity data input (e.g., unit count product, unit weight fuel, unit weight material, etc.) calculated, estimated, or modelled from or based on spend data (e.g., expenses or COGS) must be classified by a reporting company as Average (Tier 2).*

[C3] Non-specific Rule:

Emissions not classified as EEIO/Spend-based or Specific shall be reported as **Non-specific** (process-based) data **(Tier 2)**

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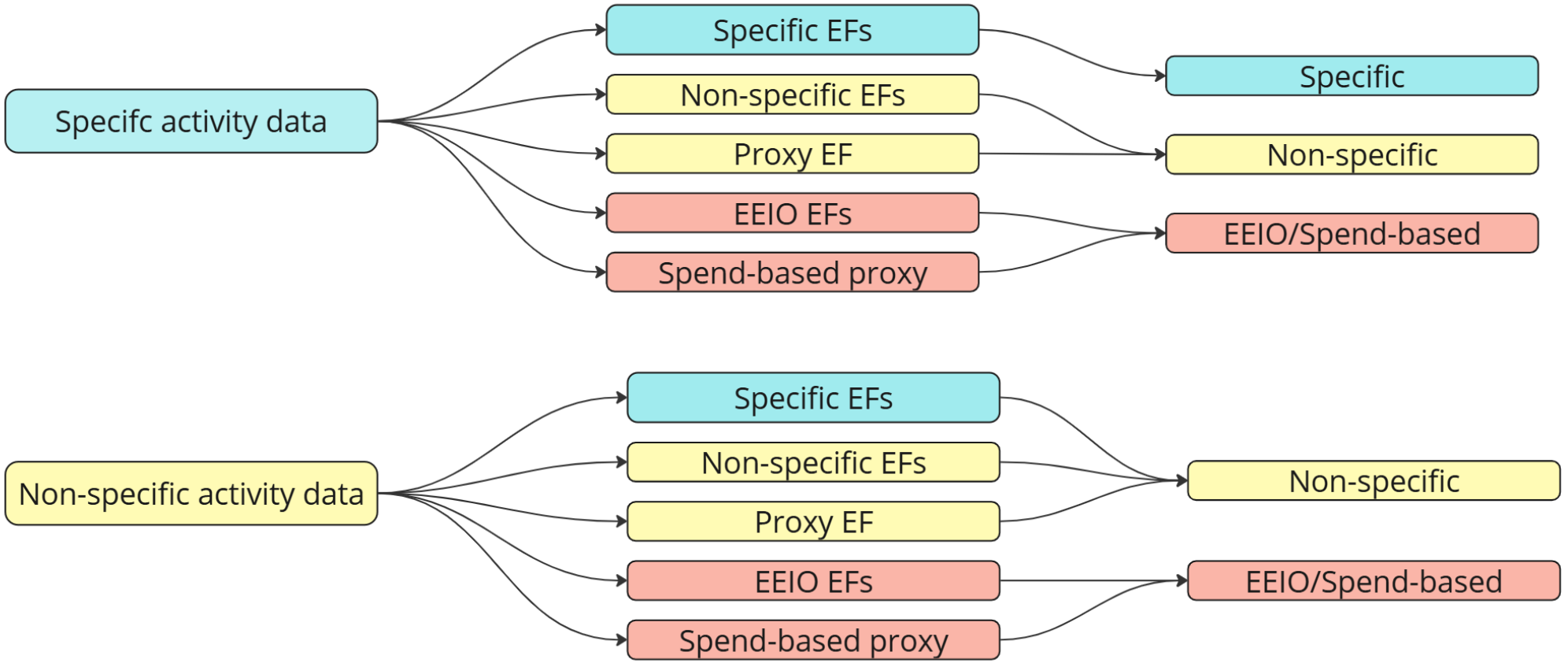
Classification of data (schematics)



Rules for defining specificity

- Requirements for defining specificity were co-developed by the Secretariat and a dedicated taskforce within group A
- Requirements have been stress-tested with each category of scope 3
- Requirements will be finetuned further by category-specific groups in phase 2.
  - Including whether to introduce a potential fourth tier “Partially specific”

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What are specific activity data

Activity data is classified as specific if all of the following is observed:

- The time period of the measurement is correspondent to the reporting period,
- The data is collected from a company's own premises or provided by value chain partners (upstream or downstream), for the specific site and technology/process/product/waste fraction, that is relevant to the reporting company
- If data is allocated, the allocation is applied consistently among all outputs to avoid under- or over-reporting of emissions, using the allocation guidance .
- The data complies with the applicable rules below [A2-A7]

Fuel, energy and material consumption: measured in physical units	Process and fugitive emissions: Measured in physical units, or modelled in chemical or physical modelling	Waste: measured in physical units or modelled based on the product or process design, and adequately characterized in composition	Services: measured in physical or economic units adequate to the function of the service

Activity data in categories 9-12 is classified as specific if it:

- Is energy carrier specific (fuel and energy consumption) or substance specific (fugitive and process emission)
- Utilizes product-specific design characteristics avoiding grouping into families
- Utilizes segment-specific scenarios based on market segmentation by sector and region and utilizes case/value-chain-partner-specific, or scenarios from relevant product category rules (PCR)

Draft Requirements (Rules) for reporting tier definition.pdf

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What are specific emission factors

Emission factors are classified as specific if they are compliant with the GHG Protocol corporate suite of standards, calculated using latest IPCC AR, and comply with the requirements below (rules E2 - E7)

Fuel-specific combustion EFs

Substance-specific process-and fugitive EFs

Location-based electricity EFs: regional and no more than 3yo

Market-based electricity EFs: compliant with Scope 2 Standard

Waste treatment: waste-specific by the partner, or waste-specific and technology-specific and geography-representative

Cradle-to-gate EFs shall be disaggregated and cascaded with the specific tier used when:

- Specific data and specific EF are used (see rules A1-A7 and E1-E7)
- Representative for the product (no families)
- Previously made studies can be used if re-validated

Draft Requirements (Rules) for reporting tier definition.pdf

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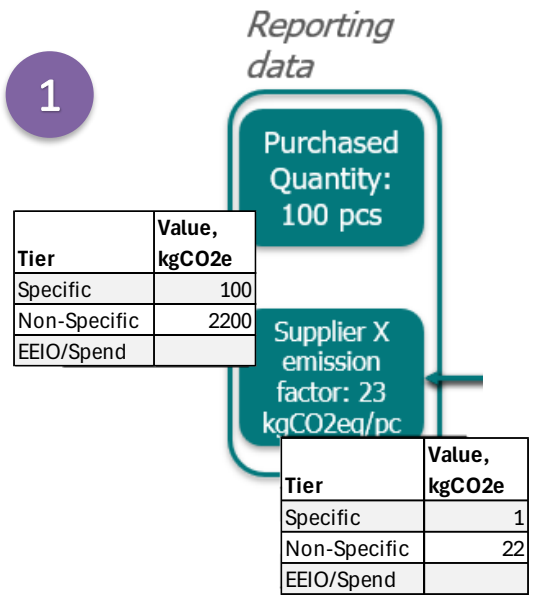
Disaggregated reporting approach: decision making criteria analysis

Illustrative example	Pros	Cons
1A. Scientific integrity	• Minimizing subjective choices	• Maintains some subjective methodological choices
1B. GHG accounting and reporting principles	• Applicable to all categories, and potentially scope 1 and 2	
2A. Support decision making that drives ambitious global climate action	• Promoting supplier engagement: first tier and beyond • Promotes improvement over time	
2B. Support programs based on GHG Protocol and uses of GHG data	• Interoperable (can be mapped with other frameworks)	• Needs a transition period
3. Feasibility to implement	• Is facilitating implementation with rules	• Complex • Needs an adoption period and transition period

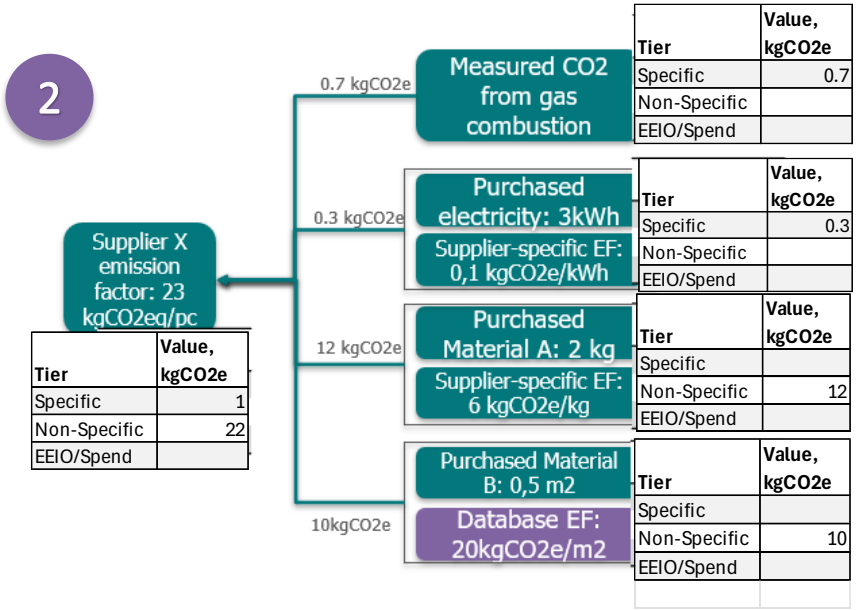
Engaging suppliers along the value chain example (1)

This example considers potential of the option to incentivize supplier engagement along the value chain.

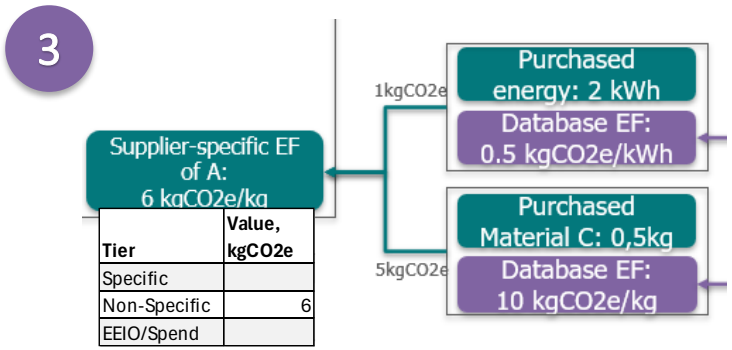
Company Z purchases 100 pcs of products from their supplier, company X. Company X provides them with an emission factor. In order to report by tiers, company Z requires company X to provide the emission factor in the breakdown by tiers of specificity as well



Company Z receives an emission factor from their supplier X, indicating 23kgCO2e/kg, of which 1kg/CO2eq is specific data, and 22kg/CO2eq is non-specific. Company Z asks company X the potential to increase reliance on specific data.



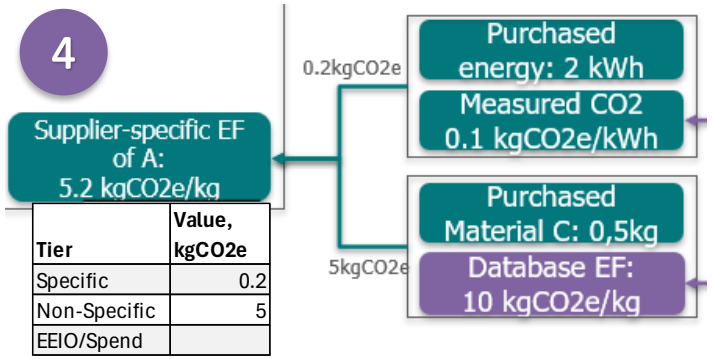
Company X analyses how their emission factor was calculated, as a result of own gas combustion (specific data) and 3 inflows from 3 suppliers. Company X sees that supplier of their material A provides only a non-specific. X engages with A for action



Supplier of material A calculated their emission factor (6kgCO2e) using emission factors from a database (thus result classified as non-specific). There are only two inputs in the process – energy (contributing 1kgCO2e) and material C (contributing 5 kgCO2e). Supplier of material A decides to act on the energy emission factor.

Engaging suppliers along the value chain (2)

This example considers potential of the option to incentivize supplier engagement along the value chain.

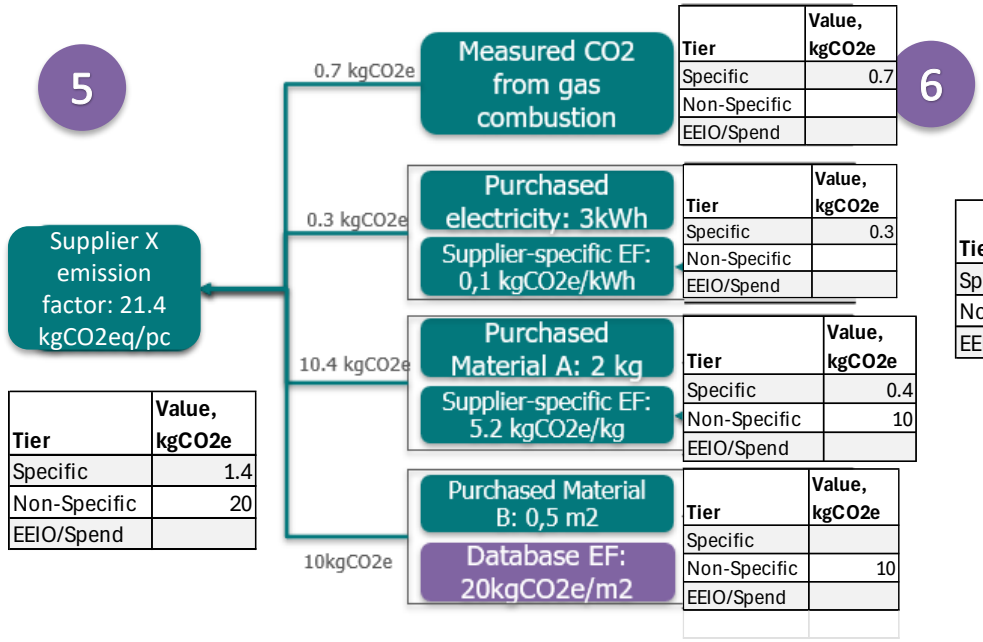


Tier	Value, kgCO2e
Specific	0.2
Non-Specific	5
EEIO/Spend	

Supplier of material A requests from their energy provider specific emission factor, which they provide: 0.1 kgCO2e/kWh, obtained fully as specific data. Supplier of material A now can adjust A's emission factor: 5.2kgCO2e, of which:

- 0.2kgCO2e – specific from energy
- 5kgCO2e – non-specific from material input C.

This information is passed down the supply chain to company X.



Tier	Value, kgCO2e
Specific	1.4
Non-Specific	20
EEIO/Spend	

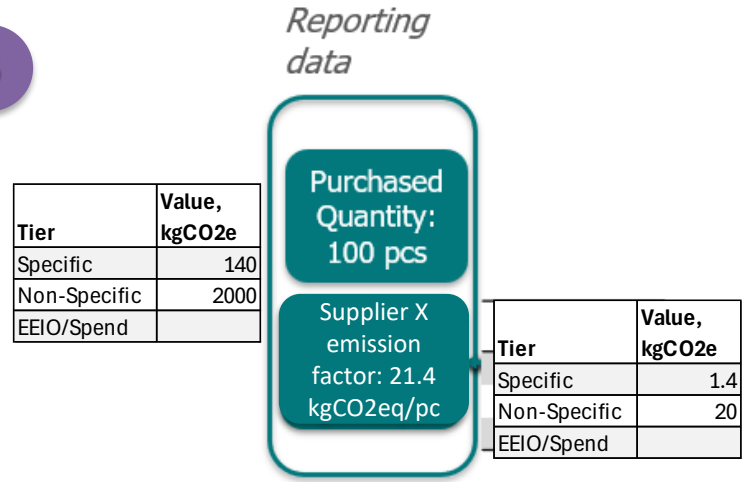
Tier	Value, kgCO2e
Specific	0.7
Non-Specific	
EEIO/Spend	

Tier	Value, kgCO2e
Specific	0.3
Non-Specific	
EEIO/Spend	

Tier	Value, kgCO2e
Specific	0.4
Non-Specific	10
EEIO/Spend	

Tier	Value, kgCO2e
Specific	
Non-Specific	10
EEIO/Spend	

Company X incorporates the new emission factor for A, recalculating the total, specific and non-specific contribution. With 2kg of A per product, the contribution of A changes from 12kgCO2e non-specific, to 10kgCO2e non-specific + 0.4kgCO2e specific. Data on other inputs stay the same. The total product EF changes from 23 (1 specific + 22 non-specific) to 21.4 (1.4 specific + 20 non-specific). Company X and passes it to the company Z



Tier	Value, kgCO2e
Specific	140
Non-Specific	2000
EEIO/Spend	

Tier	Value, kgCO2e
Specific	1.4
Non-Specific	20
EEIO/Spend	

Company Z incorporates the new emission factor. With input of 100 pieces of product X, the total reporting value for A changes from 2300 kgCO2e (2200 non-specific + 100 specific) to 2140 kgCO2e (2000 non-specific + 140 specific)

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Uncertainty assessment add-on

- An all-subgroup survey had been conducted and the results were passed for further work to a dedicated taskforce.

- The most supported option is: **Quantitative uncertainty assessment is required for large companies, qualitative uncertainty assessment is required for the rest.**

The taskforce has drafted the following tentative language:

Companies **shall** conduct and report uncertainty assessment of the data, as a minimum for top 80% of the scope 3 emissions.

Large companies **shall** conduct and report quantitative assessment, while other organizations may opt out and conduct and report qualitative assessment.

Unless specified otherwise in the legislation or regulation followed, large companies are defined as companies [above 1000 employees, or above €450M turnover: definition from draft CNZS v2.0, should be further aligned across the workstreams and with SBTi]

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Main conclusions of the uncertainty taskforce

1. Introduction of uncertainty assessment requirement would need
   a. Guidance development
   b. Transition period in implementation

2. Creation of a guidance is crucial to achieve consistency and feasibility. **Requirement for uncertainty assessment cannot be introduced without guidance** (at least on the transition period horizon)

The question of guidance development is two-fold:

- Methodological: is it possible to develop a methodologically-solid guidance that would be accepted by the field **->** question to the TWG

  The taskforce is of split opinion (20% extremely confident, 60% confident, 20% extremely not confident)

- Operational: is it possible to develop such guidance?

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Operational perspective

Development of a guidance is currently unlikely:

- Limited capacities and resources
- Difficulties to tie in such development into a timeline fitting the revision process

The Secretariat is exploring alternatives:

1. Using current GHG Protocol uncertainty guidance and tool as is
2. Using existing GHG Protocol resources with minor updates
3. Activate TWG members for development of new guidance
4. Call for existing (non GHG Protocol) guidance to be adopted: analysis and choice
5. No guidance adoption, leaving the requirement out and keeping the recommendation for future revision cycles

Indicative polling

Do you have expertise, willingness, and (additional) time for development of a guidance?

Main directional proposals*

1. Company shall follow the following **general steps** in uncertainty assessment *(4 agree, 1 abstain)*:

    Step 1. Identifying uncertainties
    Step 2. Characterizing uncertainties
    Step 3. Combining uncertainties

2. Uncertainty assessment **shall** cover intrinsic uncertainty and extrinsic uncertainties, including emission factors, application of emission factors and activity data *(5 agree)*

3. A hierarchy of assessment methods should be provided. *(4 agree, 1 abstain)*
    - statistical probability distribution, followed by assessing the characteristics of the dataset relevant to uncertainty in qualitative manner, e.g.
    - pedigree-matrix-based assessment ["translation" of into quantitative assessment], followed by
    - expert judgment-based assessment ["translation" of into quantitative assessment]

4. Quantitative uncertainty assessment should use Coefficient of variation *(3 agree, 2 abstain)*

5. Qualitative and quantitative uncertainty assessment shall be connected methodologically. For example, in the hierarchy above, pedigree matrix - based assessment should have the same first steps for both quantitative and qualitative assessments. *(5 agree)*

* Tentative suggestions for guidance

Uncertainty assessment add-on: decision making criteria analysis

Illustrative example	Pros	Cons
1A. Scientific integrity	• Minimizing subjective choices	• Subjectivity in qualitative assessment
1B. GHG accounting and reporting principles	• Promotes consistency and accuracy/precision	
2A. Support decision making that drives ambitious global climate action	• Promotes improvement over time	
2B. Support programs based on GHG Protocol and uses of GHG data	• Interoperable with CNZSv2.0	• Needs a transition period
3. Feasibility to implement	• Facilitating implementation with guidance and transition period	• Complex • Requires resources • Requires the guidance

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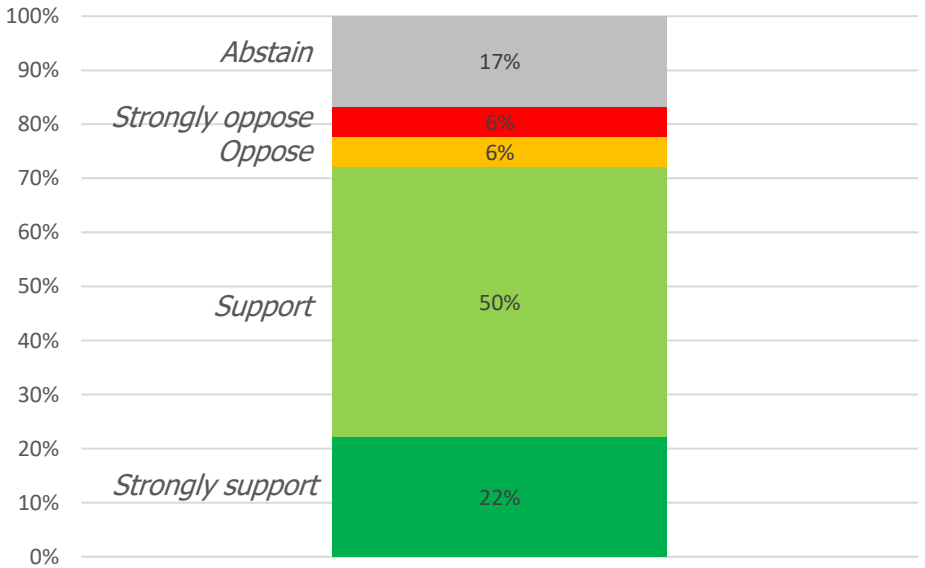
Recommendation A1

Disaggregation of scope 3 inventory data shall be done in 3 tiers, based on data specificity

Level of support from TWG

Majority (87% of non-abstained) support the proposal



18 responses

Rationale

Promotes transparency, accuracy, and supplier engagement along the whole value chain, minimizing subjective choices, and being applicable to all scopes and categories.

Implications

- **Feasibility concerns**
- **Cross-cutting: Alignment** necessary across workstreams as scope 3 data is other companies' scope 1 and 2 data
- Future-proof study is needed (e.g. AI use)
- Needs alignment with other frameworks

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
Meeting A#6: Scope 3 - Subgroup A - Presentation - 2025.02.20, Scope 3 - Subgroup A - Meeting Minutes - 2025.02.20
Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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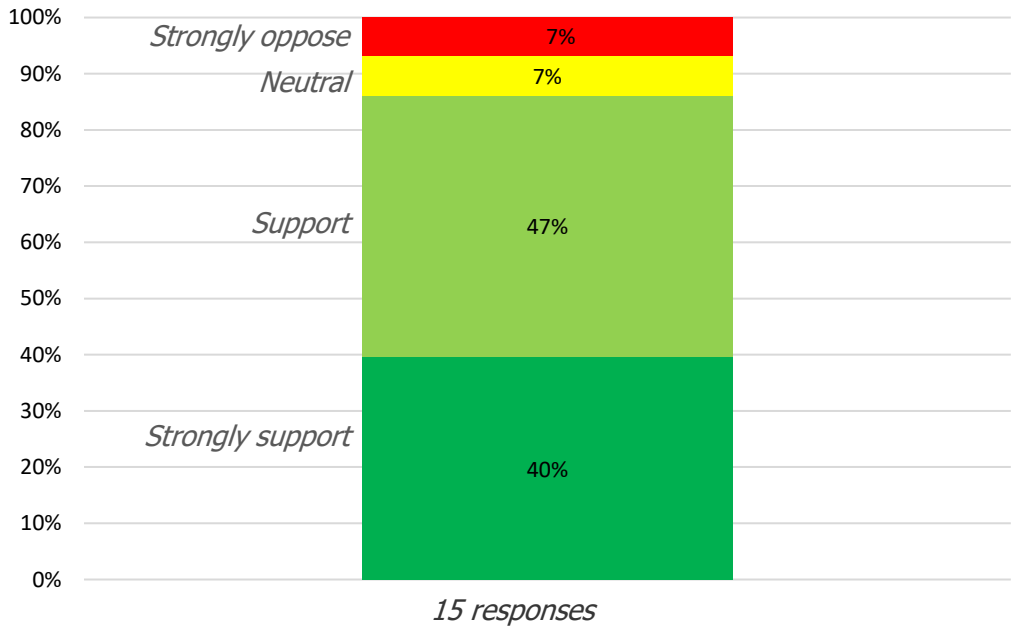
Recommendation A2

Introduce a verification add-on to scope 3 reporting, marking verified data with a "+"

Level of support from TWG

Majority (87%) support the proposal



Rationale

Promotes accuracy, facilitates more confidence in the reported data

Implications

- **Cross-cutting: Alignment** necessary with the Corporate Standard TWG consideration of verification and assurance
- **Further guidance is needed** on application of the add-on

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
Meeting A#6: Scope 3 - Subgroup A - Presentation - 2025.02.20, Scope 3 - Subgroup A - Meeting Minutes - 2025.02.20
Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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Recommendation A3

Recommend introducing an uncertainty assessment add-on (quantitative for large companies and qualitative for others), subject to development of guidance

Level of support from TWG

Majority (74%) support the proposal

19 responses

Rationale

Introduces a potentially more reflective proxy to data quality indication

Implications

- **Feasibility concerns**
- **Development of a guidance** is crucial, which is not only methodological, but an operational challenge, not currently in the scope of work

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
Meeting A#6: Scope 3 - Subgroup A - Presentation - 2025.02.20, Scope 3 - Subgroup A - Meeting Minutes - 2025.02.20
Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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Polling introduction

1. **Please indicate your level of support for adoption of the disaggregated reporting approach, developed and proposed by the Task Force.**

2. **Please indicate your level of support for recommending a verification add-on proposed by the Task Force.**

3. **Please indicate your level of support for recommending uncertainty assessment requirement (quantitative for large companies and qualitative for others) proposed by the Task Force, on condition of developing guidance.**

   - Strongly support
   - Support
   - Oppose
   - Strongly oppose
   - Abstain

Minimum data quality requirements and requirements for data quality improvements

Question and options for consideration

Q1. 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

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Potential types of restrictions

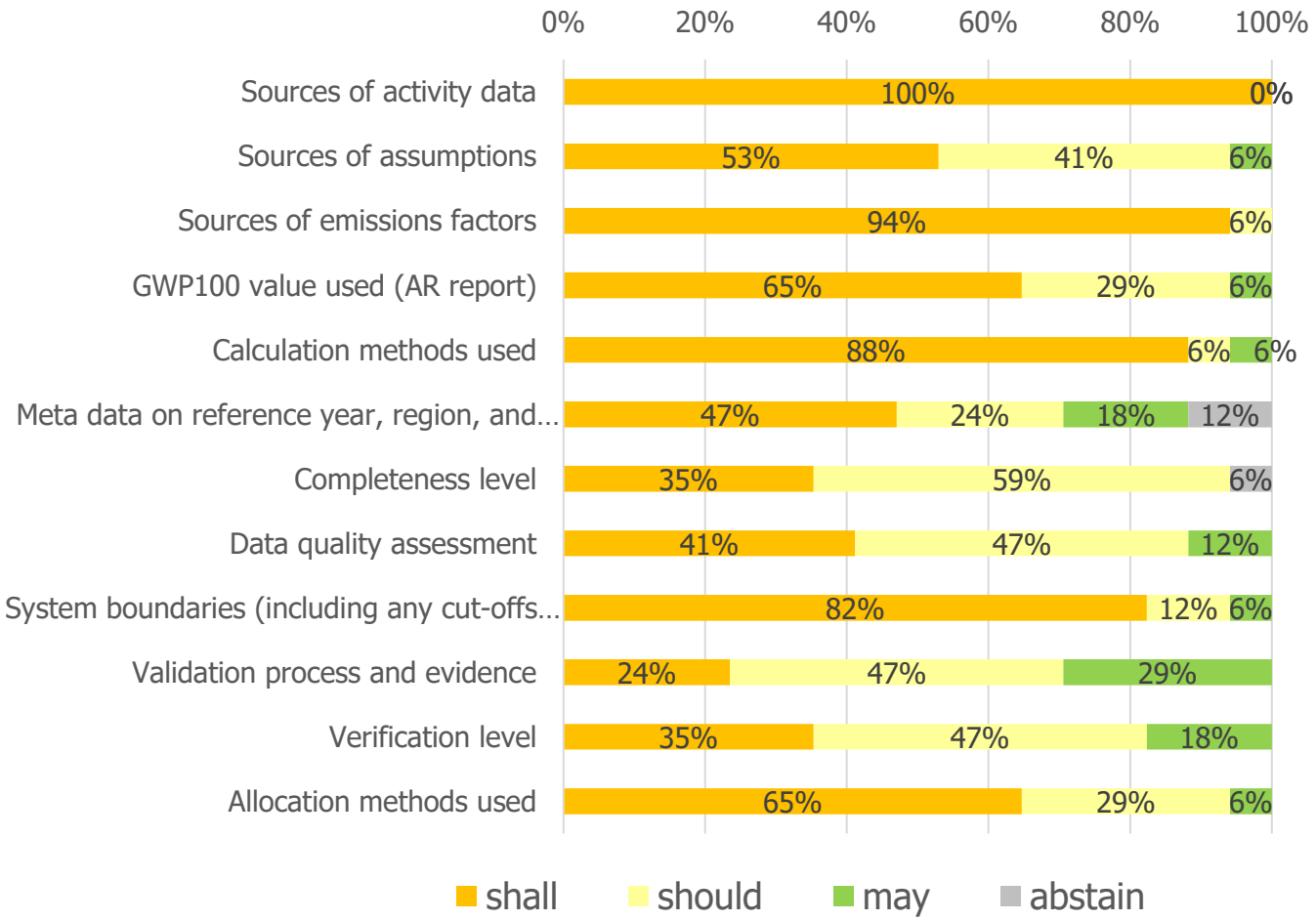
If a restriction on data quality is introduced as a requirement or a recommendation, several types are possible.

1. **Documentation:** minimum requirements to documentation of the input data that preparers use in their calculations (both activity data and emission factors, both primary and secondary).
2. **Methodology:** minimum requirements to the methodology used in input data that preparers use in their calculations (both activity data and emission factors, both primary and secondary).
3. **Specificity:** minimum requirements for the specificity of resulting inventory data.

Not meeting the set minimum requirements would imply that the resulting inventory is not compliant with the GHG Protocol.

The subgroup discussed the question and options, specific requirement points were gathered. A follow-up survey gather information on support of specific points to inform a proposal.

Survey results on the requirements for input data documentation

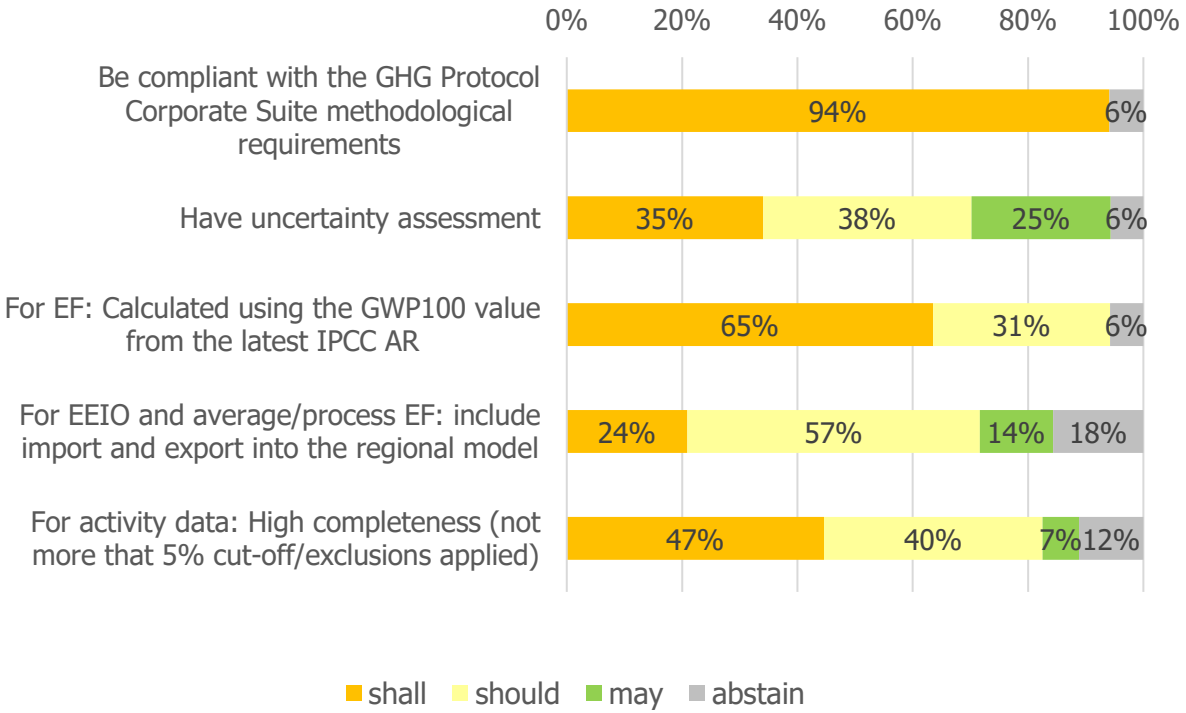


Based on the results of the poll:

Companies **shall** use the data that as a minimum has documented sources of activity data, sources of emission factors, calculation methods used, system boundaries including cut-offs applied, allocation methods used, GWP values, sources of assumptions, and metadata on the reference year, region, and technology.

Companies **should** use the data that is supplemented by information on its completeness level, data quality assessment, validation process and evidence, and verification level.

Survey results on the requirements for input data methodology



Based on the results of the poll:

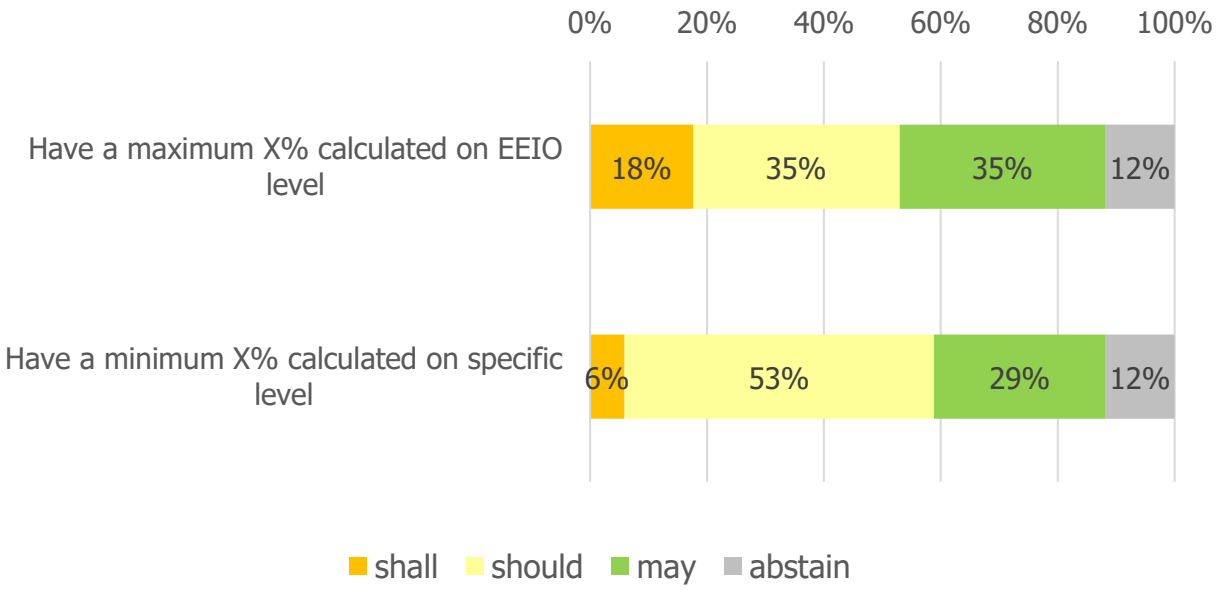
Companies **shall** use the data that is compliant with the GHG Protocol methodological requirements.

Companies **should** use the data of high completeness (not more that 5% cut-off or exclusions applied), emission factors that include import and export into the regional models and has uncertainty assessment provided.

CS TWG will be revisiting the GWP values requirement in the phase 2. Scope 3 TWG can provide a recommendation for the CS TWG:

Companies **shall** use the latest IPCC AR GWP values for scope 3 inventory calculations. That concerns the sourced emission factors and emissions data

Survey results on the requirements for inventory specificity



Based on the results of the poll:

Companies **should** pursue reporting minimum of X% of their scope 3 inventory at specific level.

Opinion on X is very diverse.

Proposal: companies should establish the value themselves.

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Proposal

Companies **shall** use input data that is compliant with the GHG Protocol methodological requirements, and have the following aspects documented: sources of activity data, sources of emission factors, calculation methods used, system boundaries including cut-offs applied, allocation methods used, GWP values, sources of assumptions, and metadata on the reference year, region, and technology.

Companies **should** use the data of high completeness (not more that 5% cut-off or exclusions applied) and supplemented by uncertainty assessment, and provided with information on its completeness level, data quality assessment, validation process and evidence, and verification level. Emission factors should include import and export into the regional models.

Companies **should** set up a minimum percentage of their inventory reporting on specific tier and pursue reaching this percentage as a minimum.

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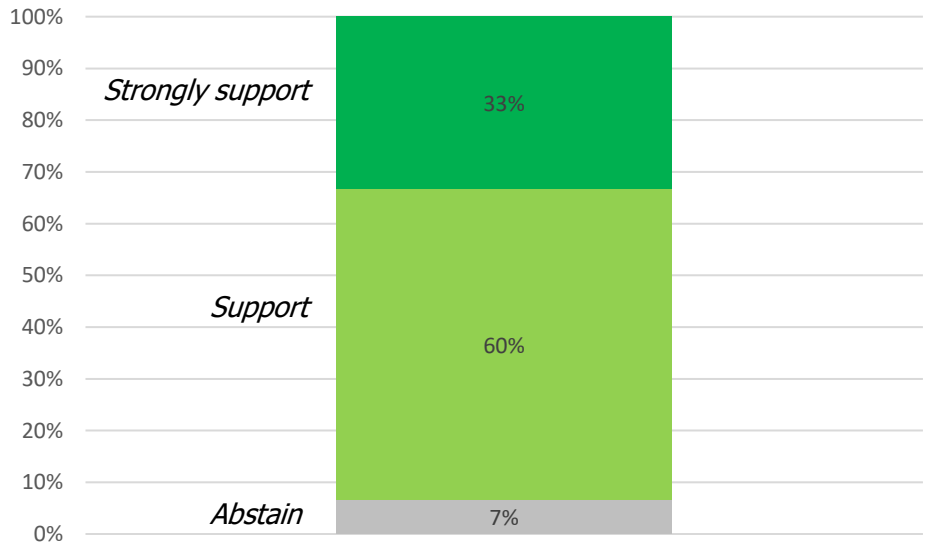
Recommendation A4

Minimum requirements for data quality

Level of support from TWG

All non-abstaining members support the proposal



19 responses

Rationale

Introduces feasible and clear minimum requirements

Implications

- **Cross-cutting alignment** with other workstreams
- **Cross-cutting alignment** with the Corporate Standard TWG on GWP values (acceptable IPCC AR)

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
Meeting A#6: Scope 3 - Subgroup A - Presentation - 2025.02.20, Scope 3 - Subgroup A - Meeting Minutes - 2025.02.20
Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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Requirement for improvement: Question and options

Q2. Shall a requirement for data quality improvement over time 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

Improvement metrics

To introduce a requirement or recommendation for data quality improvement, metrics for tracking data quality should be introduced for specificity of the data.

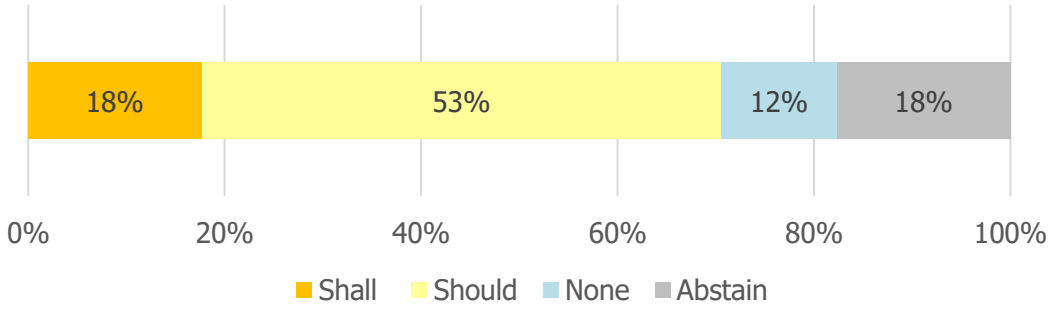
In-meeting survey of subgroup A, members indicated their support for metrics for improvement:

- *Share of emissions reported on Specific tier (should/shall) increase/decrease by X% per year*
- *Share of value chain partners providing specific data (should/shall) be increasing every X years*

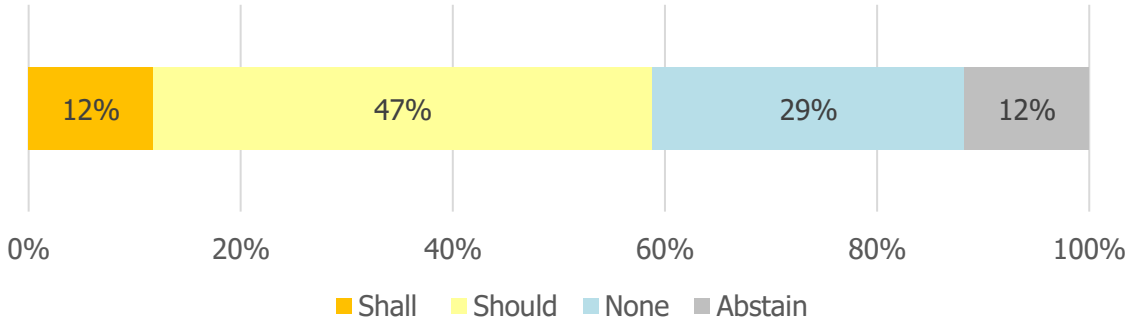
The group further worked on the level of the requirement (shall or should), and the suggested targets. Based on the discussion and results of an asynchronous survey, a proposal was formed.

Survey results

Share of emissions reported in the "specific" (tier 1) inventory quality tier (shall or should) increase per year.



Share of value chain partners providing specific data (shall or should) increase every X years



While there is no agreement on a particular value, two main points are highlighted for both metric's targets in comments:

1. Variability of reasonable targets across different sectors, business types, geographies, and experience with reporting.
2. Bringing attention to potential variations of inventories year-on-year in some sectors, leading to the advice for a mid-term target horizon

Proposal

Companies **should** set up data quality metrics such as:

- Share of scope 3 emissions reported in the "Specific" tier
- Share of value chain partners providing specific data

Companies **should** improve data quality over time, setting up data quality improvement targets based on established metrics and considering the company context. Companies **may** use year-on-year improvement targets, or mid-term horizon targets.

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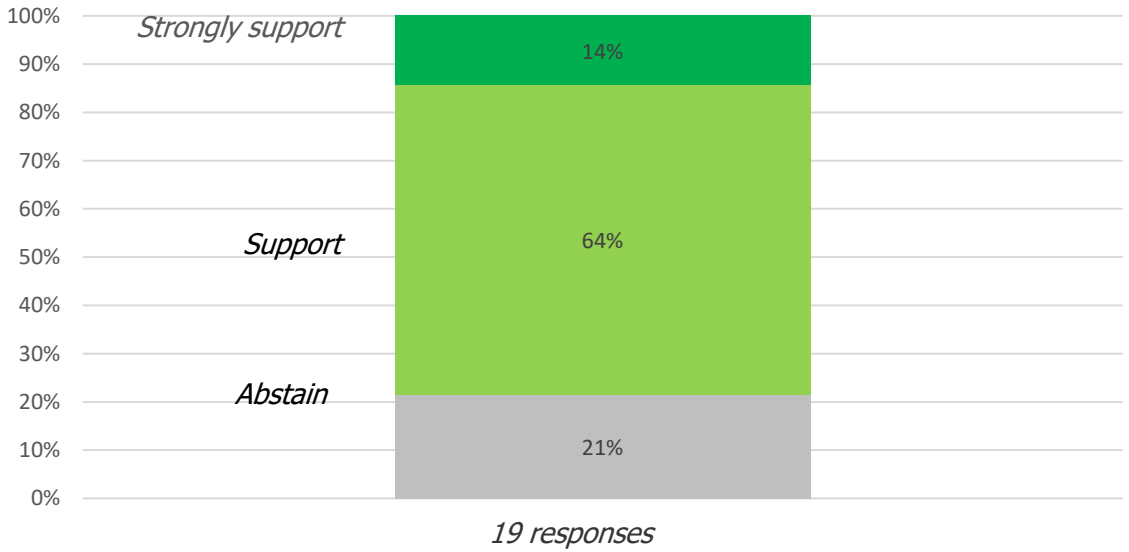
Recommendation A5

Requirements for data quality improvement

Level of support from TWG

All non-abstaining members support the proposal



Rationale

Introduces feasible and flexible recommendations supporting the ambition

Implications

- **Cross-cutting alignment** with other workstreams

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
Meeting A#6: Scope 3 - Subgroup A - Presentation - 2025.02.20, Scope 3 - Subgroup A - Meeting Minutes - 2025.02.20
Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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Polling introduction

- **Please indicate your level of support for adoption of the proposal on minimum data quality requirements**
  - Strongly support
  - Support
  - Oppose
  - Strongly oppose
  - Abstain

- **Please indicate your level of support for adoption of the proposal on recommendation for data quality improvement**
  - Strongly support
  - Support
  - Oppose
  - Strongly oppose
  - Abstain

Allocation

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Scope of work

Several questions were posed to the Subgroup A for consideration:

Q1. Should corporate level data allocation be maintained as is or revised?
Q2. If it stays allowed, what restrictions should be introduced on allocation?
Q3. Shall the GHG Protocol allocation hierarchy be made prescriptive?
Q4. Shall system expansion with substitution be added to the allocation choices?

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Recommendation A6

Corporate level data allocation shall be maintained but restricted to only homogenous value chain partners.

Level of support from TWG

94% supported maintaining but restricting corporate level data allocations.

73% supported restricting its use to only homogenous value chain partners data, as a standalone restriction, or in combination with other restrictions.

(18 responses)

Rationale

Feasibility of implementation and facilitation of more specific data, while restricting the use in cases where it is likely to be misleading.

Implications

- A more detailed guidance on corporate level data allocation should be developed

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
Meeting A#6: Scope 3 - Subgroup A - Presentation - 2025.02.20, Scope 3 - Subgroup A - Meeting Minutes - 2025.02.20
Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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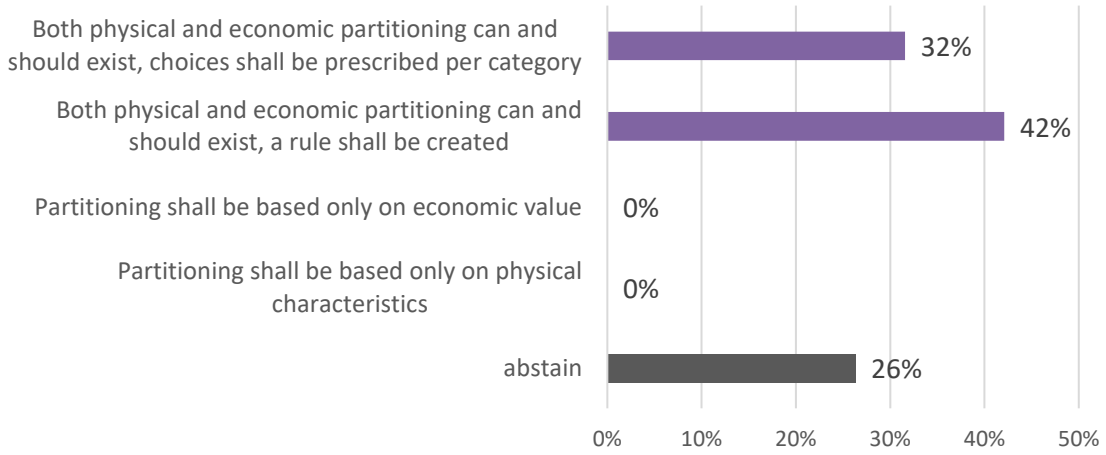
Recommendation A7 Both physical and economic allocation should exist.

Level of support from TWG

All non-abstaining members supported maintaining existence of both physical and economic allocation, with 57% supporting a rule creation



19 responses

Rationale

Maintaining attributional practice and inventory-method imperative of the GHG Protocol Corporate suite

Implications

- A certain level of prescriptiveness should be introduced in the allocation guidance: through prescribed choices or creation of a rule. For further work

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
Meeting A#6: Scope 3 - Subgroup A - Presentation - 2025.02.20, Scope 3 - Subgroup A - Meeting Minutes - 2025.02.20
Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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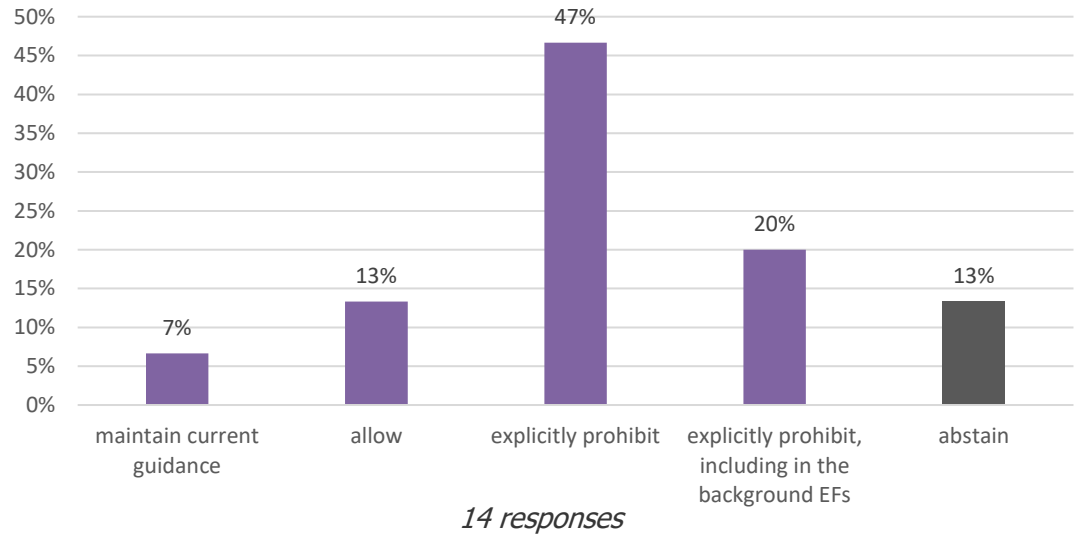
Recommendation A8

Explicitly prohibit system expansion with substitution

Level of support from TWG

84% of non-abstaining members support prohibition (options 3 or 4)



14 responses

Rationale

Maintaining attributional practice and inventory-method imperative of the GHG Protocol Corporate suite

Implications

- Mapping with the Product Standard
- Alignment needed for the data providers

See: Meeting A#4: Scope 3 - Subgroup A - Presentation - 2025.01.09, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.09
Meeting A#5: Scope 3 - Subgroup A - Presentation - 2025.01. 30, Scope 3 - Subgroup A - Meeting Minutes - 2025.01.30
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Meeting A#7: Scope 3 - Subgroup A - Presentation - 2025.03.13, Scope 3 - Subgroup A - Meeting Minutes - 2025.03.13

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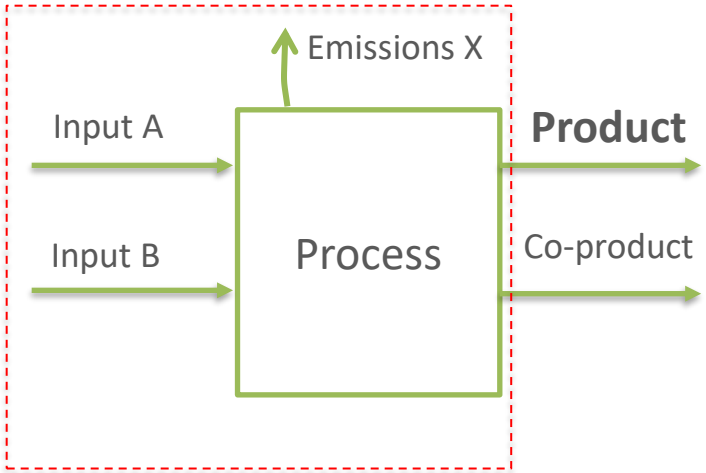
System expansion with substitution

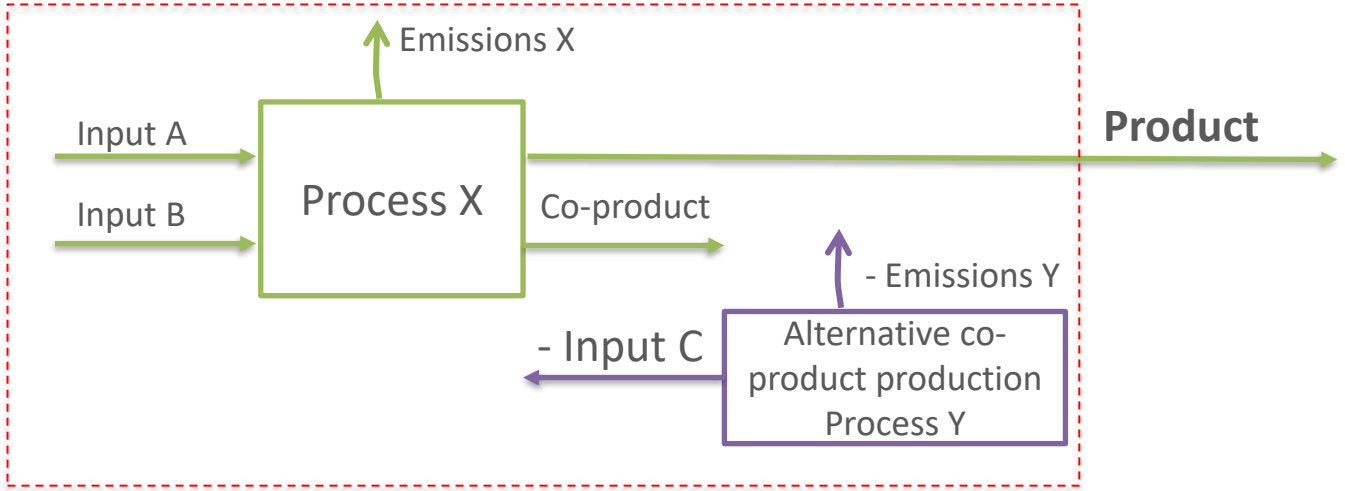
System expansion: considering a larger system that would include all co-products of the process in question. In the context of the need for information of a footprint of a particular product or service, system expansion would be coupled with substitution

Partitioning



Solution: split the system impacts based on a pre-defined proportion (e.g. mass, energy, economic value)

System expansion with substitution



Solution: keep the wider system with all its impacts, isolate product's impact by substituting the avoided emissions of a co-product production

System boundary

Studied process and flows

Co-product alternative process and flows

Next steps

Next steps

- GHG Protocol Secretariat:
  - Distribute the recording, feedback form and poll (by May 29th)
  - Prepare and distribute minutes of the meeting (by June 5th)

The next meeting is a FULL TWG meeting, on:

June 5: interim group B outcomes

- TWG members:
  - Please advise if you will not be able to attend the meeting

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Thank you!

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