

# Scope 3 Technical Working Group Meeting

*Working draft, do not cite*

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**Full TWG**

**Phase 2, Meeting 7**

Phase 1 outstanding items & Series D (category-specific boundaries & optionality) consideration

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January 15th, 2025

# Agenda

(Draft; for discussion)

- Secretariat Team Updates (5 min)
- Housekeeping and Timeline (5 min)
- EOY Survey results (75 min)
  - Survey A Disaggregation
  - Survey B Category 15 and 16
  - Survey C Series D Revisions
- Category 10/11 boundary setting and optionality (30 min or subject to time)
- Next steps (5 min)

(Draft; for discussion)

# Secretariat Team Updates

**Welcome!**



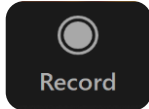
**Luke Jones**  
**Scope 3 Manager, WBCSD**

[jones@wbcasd.org](mailto:jones@wbcasd.org)

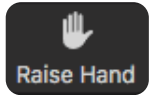
(Draft; for discussion)

# Housekeeping and decision-making criteria

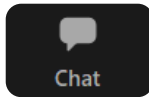
## Welcome and Meeting information



This meeting is recorded.



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\*

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\* 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

## 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.

<i>Illustrative example</i>	<b>Option A: Name</b>	<b>Option B: Name</b>	<b>Option C: Name</b>
<b>1A. Scientific integrity</b>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>
<b>1B. GHG accounting and reporting principles</b>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>
<b>2A. Support decision making that drives ambitious global climate action</b>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>
<b>2B. Support programs based on GHG Protocol and uses of GHG data</b>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>
<b>3. Feasibility to implement</b>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>	<ul style="list-style-type: none"> <li>• Pros</li> <li>• Cons</li> </ul>

(Draft; for discussion)

# Timeline for Phase 2

## Full Scope 3 TWG Meetings - 2026

Meeting #	Date	Time	Topic
<b>7</b>	<b>Jan 15</b>	<b>9-11 AM ET</b>	• <b>EOY Survey review &amp; Phase 2 (2026) SoW and Timeline review</b>
8	Feb 5	9-11 AM ET	• Complete Phase 1 review, scope 3 category sub-categories, and misc.
9	Feb 26	9-11 AM ET	• <b>Category 10/11</b>
<i>ISB Meeting</i>	<i>Mar 12</i>	<i>n/a</i>	• <i>Approval of Phase 1 Revisions to-date and Progress Update for public disclosure</i>
10	Mar 19	9-11 AM ET	• Category 10/11 (continued)
11	Apr 9	9-11 AM ET	• Category 10/11 (continued)
12	Apr 30	9-11 AM ET	• <b>Circularity, recycling, second-hand, and waste incineration</b>
13	May 21	9-11 AM ET	• Circularity (continued)
14	Jun 11	9-11 AM ET	• Circularity (continued)
<i>ISB Meeting</i>	<i>Jun 29</i>	<i>n/a</i>	• <i>Review and Approval of Phase 2 Revisions</i>
15	Jul 2	9-11 AM ET	• <b>Review Draft text and/or ISB comments</b>
16	July 23	9-11 AM ET	• Review Draft text and/or ISB comments (continued)

Target deadline for public consultation: **October 20<sup>th</sup>, 2025** \*

## Full Scope 3 TWG Meetings - 2025

Meet #	Date	Time	Topic
1	Aug 28		<ul style="list-style-type: none"> <li>Category-specific boundaries &amp; optionality</li> </ul>
2	Sep 18		<ul style="list-style-type: none"> <li>Category-specific boundaries &amp; optionality (continued)</li> </ul>
3	Oct 9		<ul style="list-style-type: none"> <li>A1. Disaggregation (cross-harmonization with CS TWG and editorial revisions)</li> <li>Category-specific boundaries &amp; optionality (continued)</li> <li>Category 10/11 boundaries, justified exclusions, and emission factor guidance</li> </ul>
4	Oct 30	9-11 AM ET	<ul style="list-style-type: none"> <li>Cross-cutting boundary for capital goods and WTW of fuels used for activities</li> <li>Category-specific boundaries/optionality and Category 10/11 boundaries</li> </ul>
5	Nov 20	9-11 AM ET	<ul style="list-style-type: none"> <li>Category-specific optional boundaries (Phase 2, Year 2025)</li> <li>Disaggregation (Group A, Phase 1)</li> <li>Commodities, undrawn commitments, and insurance/underwriting (Cat. 15/16)</li> </ul>
6	Dec 11	9-11 AM ET	<ul style="list-style-type: none"> <li>Complete aforementioned items to draw Phase 1 and category-specific boundary requirements to close EOY *</li> </ul>

\* Category 10/11 boundaries, including circularity/recycling, is being considered in 2026 (see previous slide)

# EOY Deliverable

(Draft; for discussion)

A decorative graphic in the top right corner consisting of several overlapping, thin-lined circles of varying sizes, creating a complex, geometric pattern.

## Phase 1 Revisions to-date (Summary of Outcomes)

- The following is the 1Q26 timeline for completing Phase 1 Summary of Outcomes
- This document was previously shared as: *"The Scope 3 Standard 2025 EOY Summary of Outcomes"*
- This document will be revised to include outcomes from Meeting #07 and #08 below

Meeting #	Date	Time	Topic
7	Jan 15	9-11 AM ET	• <b>EOY Survey review &amp; Phase 2 (2026) SoW and Timeline review</b>
8	Feb 5	9-11 AM ET	• Complete Phase 1 review, scope 3 category sub-categories, and misc.
9	Feb 26	9-11 AM ET	• Category 10/11
<i>ISB Meeting</i>	<i>Mar 12</i>	<i>n/a</i>	• <i>Approval of Phase 1 Revisions to-date and Summary of Outcomes for public disclosure</i>
n/a	Mar 19	n/a	• Publish Deliverable: <b><i>Phase 1 Revisions to-date</i></b>

(Draft; for discussion)

# **Survey A Results Disaggregation by data specificity**

## Question 1: Reporting on subcategory level

**[D30] Should any of the scope 3 categories 1 through 14 require (using “shall” language) that a company to report emissions by sub-category (within said category)?**

- **Yes**, some/all scope 3 categories **shall** require emissions to be reported by sub-category – **58%** (28/48)
- No, in which case, we likely won't budget time to prepare optional sub-categorization – 42% (20/48)
- Abstain – 2% (1/49)

### **YES Follow-up:**

- The Secretariat will send a survey for members to provide feedback regarding sub-categories

## Summary of ISO 14064-1's sub-categories

- “GHG emissions should be further subdivided into subcategories consistent with the [ISO] categories”.
- There is no explicit restriction on the exact subcategories within ISO14064-1, but they offer recommendations. Reporting companies may further subdivide each category, depending on the intended use or other factors.
- Many of the recommended ISO subcategories already broadly align with a whole, distinct Scope 3 category (e.g., capital goods is a subcategory of “Category 4: Indirect GHG emissions from products used by an organization”)

Examples of subcategorization suggested in ISO that GHGP could consider:

- **Purchased goods/services** (part of Category 4 in ISO):
  - “subcategorization may be defined by the user. For example, subcategorization may distinguish products by type of material,... or by function in the value chain”
  - Separate reporting of emissions from purchased goods vs emissions from purchased services
- **Employee commuting** (part of Category 3 and Category 4 in ISO): reports employee commuting (i.e., transportation to workplace) and telecommuting separately.
- **Downstream transportation** (part of Category 3): separation of emissions from client and visitor transport from other downstream transportation sources.

## Question 2: Requirements for identifying activity data as specific

**Do you support the editorialized requirements for identifying and determining whether activity data (as an input) is specific?**

- **No need for edits – 61% (23/38)**
- Minor edits needed (e.g. vocabulary, editorial) – 26% (10/38)
- Major edits needed (e.g. remove or add a requirement) – 13% (5/38)
- Abstain – 22% (11/48)

### **Limited Follow-up:**

- The Secretariat is reviewing and will respond to member feedback (next page) regarding rules for identifying specific activity data
- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat may make minor edits and deem this draft language sufficient for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)

## Consolidated survey feedback for minor and major edit suggestions

- **Technological representativeness** – additional clarity, with example(s), would reduce misinterpretation of this requirement
- **Temporal representativeness** – restricting “specific activity data” to only to the time period being reported is likely to cause increased data collection cost for information that is currently periodically collected.
- **Site specificity** – additional clarity, with example(s), would reduce misinterpretation of this requirement. Some felt that getting data at a facility-level is a demanding requirement, particularly for fragmented supply chains or for SMEs,
- **Allocation of market-based instruments** – additional information on whether the allocation rules apply to energy subject to market-based instruments (e.g., RECs/EACs). **Note: this is outside the scope of the Scope 3 TWG, and would be considered in the AMI TWG.**
- **Allocation for homogenous companies only** – permitting homogenous companies only to allocate data (and be classed as specific). Collaboration between companies in a value chain working together on circular economy activities, and these companies may not be in the same industry and considered diversified.
- **Transportation terminology** – adding terminology, in line with that used in ISO14083, for transport activity data would ease interpretation by relevant users, such as do the criteria apply to all transport chain elements.
- **Clarity/consistency of terminology with other standards** – e.g., ISO14083 (as above); consider reversing the tiering numbers as per international practice

## Question 3: Requirements for identifying emission factors as specific

**Do you support the editorialized requirements for identifying and determining whether an emission factor is specific?**

- **No need for edits – 58%** (22/38)
- Minor edits needed (e.g. vocabulary, editorial) – 18% (7/38)
- Major edits needed (e.g. remove or add a requirement) – 24% (9/38)
- Abstain – 22% (11/49)

### **Limited Follow-up:**

- The Secretariat is reviewing and will respond to member feedback (next page) regarding rules for identifying specific emission factors
- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat may make minor edits and deem this draft language sufficient for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)

# Consolidated survey feedback from minor and major edit suggestions

- **Ease requirements for emission factor specificity** – collecting specific emission factors can be very time consuming, especially at a point while product-level data exchange protocols are not widespread yet. Users will already need to state emission factor sources and GWP AR versions used.
- **Temporal representativeness** –
  - Data that is calculated using data from previous years, but which is valid for the reporting period should be considered specific (e.g., EPDs which are valid for 3-5 years typically).
  - Clarity over whether sub-annual emission factors are considered specific or not.
  - It was noted that most users would be reliant on the timely updates of third-party emission factor databases to achieve specificity of the emission factors.
  - Batch-level results might add noise to the inventory results, and liable to system gaming.
- **Geographic representativeness** – provide clarity on how to interpret regional proxies (particularly for emission sources where paywalled databases or US/EU emission factor sources dominate)
- **Transportation** – clarifying the definition of emission factors in a transport context (where ISO14083 refers to both emission factors (e.g., kg CO<sub>2</sub>e / MJ) and emissions intensities (kg CO<sub>2</sub>e / t-km or p-km))
- **Allocation of market-based instruments** – additional information on whether the allocation rules apply to energy subject to market-based instruments (e.g., RECs/EACs). **Note: this is outside the scope of the Scope 3 TWG, and would be considered in any AMI TWG.** \*
- **Alignment to Scope 2 guidance** – aligning the approach with the Scope 2 proposed changes for electricity emission factors. \*
- **Provide guidance on considering EF specificity when paired to activity data of different specificity** – to encourage more consistent interpretation of tiering.

## Potential minor **edits** (and/or guidance) to identify specific data

- **2.1** Demonstrate **temporal representativeness** (i.e., corresponding to, **or is officially validated as holding validity for**, the (time) period being reported).
- **2.3** Be **site-specific** (collected **for the facility or site where emissions occur**, from a reporting company's or a value chain partner's premises).
- **2.4.1** Only homogeneous companies **may** allocate corporate-level data (diversified companies **shall not**). **Diversified companies may allocate business-segment level data, provided that activities within the business segment are sufficiently similar to be considered homogeneous.** \*
- **2.5.7.1** *Transportation-specific* activity data **shall** be quantified at the level of the transport chain element using physical or functional units appropriate to the applicable transport or hub operation category, as relevant (e.g., tonne-km, passenger-km, vehicle-km, mass, area, time)
- **3.1** Demonstrate **temporal representativeness** (if possible, collected in the (time) period being reported)... Note specific exceptions for (3.5.3) location-based electricity emission factors and (3.6.1) emission factors for some downstream activities. **Sub-annual emission factors may be used only if their temporal resolution aligns with the relative activity data. Sub-annual emission factors and activity data shall not be used if they do not reflect anticipated seasonal variations.**

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\* *The definitions of homogenous and diversified remain to be developed.*

## Question 4: Naming of the EEIO/spend-based tier

What naming should be used for the [EEIO/spend-based] tier?

- **EEIO/spend-based – 50%** (23/46)
- EEIO – 0% (0/48)
- **Spend-based – 48%** (22/46)
- Other – 2% (1/46)
- Abstain – 6% (3/49)

### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat may select use of the title, "Spend-based", for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)
  - This is solely on the basis that some EEIO emission factors are not recorded on a per-monetary-unit basis, and the rules explicitly state that these types of emissions factors or "Non-specific"

## Question 5: Naming of the Unknown/Unclassified tier

What naming should be used for the [Unknown/Unclassified] tier?

- **Unknown/Unclassified** – 41% (19/46)
- Unknown – 2% (1/46)
- **Unclassified** – 48% (22/46)
- Other – 9% (4/46)
- Abstain – 6% (3/49)

### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will present the "Unclassified" title language for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)

## Question 6/7: Use of the Unknown/Unclassified tier

### Should a reporting company's use of the Unclassified tier be time-limited? (Question 6)

- **Yes**, revision A1 in the Revised Scope 3 Standard should have its own (requirement-specific) permissible period for use – **49%** (21/41)
- **No**, revision A1 in the Revised Scope 3 Standard should not have its own (requirement-specific) permissible period for use – **50%** (20/41)
- Abstain – 15% (7/48)

### Should a reporting company's use of the Unclassified tier be restricted to X% of its entire required scope 3 emissions inventory? (Question 7)

- Yes, revision A1 in the Revised Scope 3 Standard should be restricted to X% of their required scope 3 inventory – 42% (18/43)
- **No, revision A1 in the Revised Scope 3 Standard should not be restricted – 58% (25/43)**
- Abstain – 10% (5/48)

## Question 6/7: Use of the Unknown/Unclassified tier (cont'd)

**(Question 7.1) If you replied “yes” to Question 7, select which % level the use of the unclassified tier should be restricted to**

- 75% – 8% (1/13)
- 50% – 8% (1/13)
- **25% - 69% (9/13)**
- Other – 15% (2/13)
- Abstain – 27% (5/18)

**(Question 7.2) If you replied “no” to Question 7, please select one or more of these options**

- The Standard should **recommend** that companies should classify emissions as either Measured, Specific, [Partially- or Non-specific], or [EEIO/spend-based] – if it is possible for them to do so – **90% (18/20)**
- The Standard or Guidance should **recommend** that any program or disclosure body/mandate (e.g., SBTi, IFRS, ESRS, etc.) that does require or will consider requiring reporting companies to provide insight into data specificity or data reliability, that said disclosure body/mandate **should** adopt and use these disaggregation requirements, as required by the GHG Protocol – 40% (8/20)
- Other – 10% (2/20)
- Abstain – 0% (0/20)

## Question 6/7: Use of the Unknown/Unclassified tier (cont'd)

### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will *not* present a revision-specific restriction of use of the Unclassified tier to the ISB for review and approval (neither a time-limit nor a restriction)
  - The adoption or phase-in period for this revision will match that of the corporate suite of standards
  - No % restriction will be introduced
  - Secretariat will propose that either restriction be reviewed in the next revision (ETA ~2032)
- The Secretariat will present the non-consensus (50/50) outcome (regarding time-limiting the Unclassified tier) to the ISB for a final decision

## Question 8: Naming of the Partially- or Non-specific tier

What naming should be used for the [Partially- or non-specific] tier?

- Non-specific – 14% (4/29)
- Partially-specific AND Non-specific (two tiers) – 21% (6/29)
- **Partially- or Non-specific – 48% (14/29)**
- Other – 17% (5/29)
- Alternative name – 0% (0/29)
- Abstain – 15% (5/34)

### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will present the "Partially- or Non-specific" title language for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)

## Question 9: Disaggregation of both required and optional scope 3 emissions

Shall the Standard require that both required scope 3 emissions and optional scope 3 emissions (if included) be disaggregated by specificity?

- **Yes**, both required and optional scope 3 emissions **shall** be disaggregated – **32%** (13/41)
- **No**, only required scope 3 emissions **shall** be disaggregated, optional scope 3 emissions **should** be disaggregated – **37%** (15/41)
- **No**, only required scope 3 emissions **shall** be disaggregated, optional scope 3 emissions **may** be disaggregated – **32%** (13/41)
- Abstain – 15% (7/48)

### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will present the *requirement* to disaggregate required scope 3 emissions, and the *option* to disaggregate optional scope 3 emissions, for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)

## Question 10: Reporting of disaggregated values

### How shall data specificity-disaggregated values be reported?

- **GHG emissions – 44%** (20/45)
- Percentages, without any restrictions – 11% (5/45)
- Percentages, with the restriction/requirement that any % figure must be reported next to the subtotal emissions figure (denominator) by which the % is being calculated or be clearly titled as such – 11% (5/45)
- GHG emissions OR percentage of subtotal – 33% (15/45)
- Abstain – 6% (3/48)

#### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will present the *requirement* to disclose disaggregated values using GHG emissions (e.g., tCO<sub>2</sub>e) and the *option* to disclose % emissions figures (without any restrictions) for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)

## Question 11/12: Reporting of disaggregated values

Shall, should, or may a company report its disaggregated scope 3 emissions via an Annex?

- **Support – 60%** (29/36)
- Oppose – 15% (7/36)
- Abstain – 25% (12/48)

*Polling question error: This will be re-pollled via the 'disaggregation package' (single vote)*

Should there be requirements for how data specificity-disaggregated emissions are presented?

- Mandatory presentation rules – **40%** (19/40)
- Optional presentation rules – **44%** (21/40)
- Abstain – 17% (8/48)

### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will draft language sufficient for ISB review and approval (for the target March 30<sup>th</sup> publication of Draft Phase 1 Revisions)

## Survey A.1 Crosscutting CS – S3

Should the data quality tiers be uniform across scopes, or should they be scope-specific tiers?

- **Uniform tiers across scopes – 59%** (27/46)
- Scope-specific tiers – 41% (19/46)

### **NO Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will present the recommendation to use uniform tiers to the Corporate Standard TWG
- *The final scope 1 and scope 3 data specificity tiers may not be uniform across both scopes*

## 'Disaggregation package' (single vote)

### **YES Follow-up:**

- The Secretariat will distribute a follow up survey to approve the 'disaggregation package' (single vote)
- The Secretariat will present the outcome of said (single vote) package and results from Survey A to the Corporate Standard TWG and the ISB for final review and approval
- *The final scope 1 and scope 3 data specificity tiers may not be uniform across both scopes*

(Draft; for discussion)

# Survey B Results

## Survey B (category 15 and category 16)

### Question 1: Commodities (select) moved to Category 16

- **Support:** **89%** (32/36 votes)
- Oppose: 11% (4/36 votes)
- Abstain 27% (13/49 votes)

### Question 2: Undrawn commitments (lender perspective) moved to Category 16

- **Support:** **91%** (29/32 votes)
- Oppose: 9% (3/32 votes)
- Abstain 35% (17/49 votes)

### Question 3: Do you agree with the draft revised category 15 text (as editorialized)?

- **Support:** **84%** (27/32 votes)
- Oppose: 16% (5/32 votes)
- Abstain 35% (17/49 votes)

## Survey B (category 15 and category 16)

### Question 4: Shall or May distributors of fuel and/or energy include upstream and contained carbon (downstream combustion)?

- **Require inclusion (shall):** **57%** (24/42 votes)
- Optional inclusion (may): 43% (18/42 votes)
- Abstain 14% (7/49 votes)

### Question 5: Should category 16 be called "Other value chain activities"

- Retain "Facilitated activities" 30% (13/44 votes)
- **Change to "Other value chain activities":** **64%** (28/44 votes)
- Other 7% (3/44 votes)
  - Suggestions under "Other" are to combine to "facilitated / other value chain activities"
- Abstain 10% (5/49 votes)

(Draft; for discussion)

# Survey C Results

## Summary of Survey C Outcomes

- **Nearly all votes showed consensus**, even if *quorum* (i.e. 32 votes) was not reached
- For questions that did not exhibit consensus (e.g. Questions 9, 10, 11), the Secretariat will provide language in a 'category-specific boundary package'
- The Secretariat will **distribute a survey to approve the 'category-specific boundary package' (single vote)**
- The detailed results for all questions can be found in **Appendix E** of this presentation
- The Secretariat will also summarize all boundary revisions and non-revisions in a new Table 5.4

## Question 1: Cradle-to-gate emissions of fuel/energy for all categories

- **Require ("shall") for all categories – 54%** (21/39)
- Require for some categories – 33% (13/39)
- Optional for all categories ("may") – 13% (5/39)
- Abstain – 9% (4/43)

### Question 1.1: Category-specific requirement ("shall") (if applicable)

#### **Majority** "shall" (consensus):

- Category 1 (PG&S) 75% (9/13)
- Category 2 (Capital goods) 62% (8/13)
- Category 3 (FERA) 69% (9/13)
- Category 4 (Upstream T&D) 77% (10/13)
- Category 6 (Business travel) 62% (8/13)
- Category 9 (Downstream T&D) 77% (10/13)

#### **Minority** "shall" (non-consensus):

- Category 7 (Employee commuting) 23% (3/13)
- Category 8 (Leased assets) 23% (3/13)
- Category 5 (Waste) 23% (3/13)
- Category 10 (Processing) 23% (3/13)
- Category 11 (Use of sold products) 46% (6/13)
- Category 12 (EOL treatment) 15% (2/13)
- Category 13 (Leased assets) 8% (1/13)

## Cumulative TWG member opinion (combining Question 1 and 1.1)

- Combining 21 TWG votes of “shall” for **all** categories, 13 TWG votes of “shall” for **some** categories, and treating all remaining votes as optional (excluding abstentions) results in the following:

Total <u>Shall</u>	Total <u>Optional</u>	Category name	Cumulative opinion	
			% shall	% optional
30	9	Category 1	77%	23%
29	10	Category 2	74%	26%
30	9	Category 3	77%	23%
31	8	Category 4	79%	21%
24	15	Category 5	62%	38%
29	10	Category 6	74%	26%
24	15	Category 7	62%	38%
24	15	Category 8	62%	38%
31	8	Category 9	79%	21%
24	15	Category 10	62%	38%
27	12	Category 11	69%	31%
23	16	Category 12	59%	41%
22	17	Category 13	56%	44%

## “Shall” include cradle-to-gate emissions of fuel/energy for all categories

Question 1: Cradle-to-gate emissions of fuel/energy for all categories

Question 1.1: Category-specific requirement (“shall”) (if applicable)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the ‘category-specific boundary package’ (single vote)
- The Secretariat will *require* (“shall”) the inclusion of the cradle-to-gate emissions of fuels/energy for all scope 3 categories for the ISB for review and approval
- The Secretariat will present results from Question 1, Question 1.1, and the cumulative member opinion (previous slide 41) to the ISB for a final decision

## Question 2: Cradle-to-grave emissions of embodied capital goods

### Cradle-to-gate (embodied) emissions of capital goods used by value chain partners to perform scope 3 category activities (allocated)

- Require ("shall") for categories 1, 2, 3, 4, 5, 6, 8, 9, and 12, 14, 15 – 27% (10/37)
- Require ("shall") for some categories – 19% (7/37)
- **Optional for all categories ("may") – 54%** (20/37)
- Abstain – 14% (6/43)

### Question 2.1: Category-specific requirement ("shall")

#### **Majority** "shall" (consensus):

- Category 1 (PG&S) – 57% (4/7)
- Category 2 (Capital goods) – 71% (5/7)
- Category 3 (FERA) – 86% (6/7)
- Category 8 (Leased assets) – 71% (5/7)

#### **Minority** "shall" (non-consensus):

- Category 4 (Upstream T&D) – 29% (2/7)
- Category 5 (Waste) – 14% (1/7)
- Category 9 (Downstream T&D) – 29% (2/7)
- Category 6 (Business travel) – 0% (0/7)
- Category 12 (EOL treatment) – 29% (2/7)
- Category 14 (Franchises) – 0% (0/7)
- Category 15 (Investments) – 0% (0/7)

## Cumulative TWG member opinion (combining Question 2 and 2.1)

- Combining 10 TWG votes of “shall” for **all** categories, 7 TWG votes of “shall” for **some** categories, and treating all remaining votes as optional (excluding abstentions) results in the following:

Total Shall	Total Optional	Category name	Cumulative opinion	
			% shall	% optional
14	25	Category 1	36%	64%
15	24	Category 2	38%	62%
16	23	Category 3	41%	59%
12	27	Category 4	31%	69%
11	28	Category 5	28%	72%
10	29	Category 6	26%	74%
15	24	Category 8	38%	62%
12	27	Category 9	31%	69%
12	27	Category 12	31%	69%
10	29	Category 14	26%	74%
10	29	Category 15	26%	74%

## “May” include cradle-to-gate emissions of fuel/energy for all categories

Question 2: Cradle-to-gate (embodied) emissions of capital goods used by value chain partners to perform scope 3 category activities (allocated)

Question 2.1: Category-specific requirement (“shall”) (if applicable)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the ‘category-specific boundary package’ (single vote)
- The Secretariat will maintain the *optionality* (“may”) inclusion of the cradle-to-gate emissions of capital goods used by value chain partners to perform all scope 3 categories for the ISB for review and approval
- The Secretariat will present results from Question 2, Question 2.1, and the cumulative member opinion (previous slide 45) to the ISB for a final decision

(Draft; for discussion)

# **Category 10 and 11 Planned topics for discussion**

## Planned topics for discussion under category 10 and 11

Revision ID	Topic
E1	Minimum boundary requirement for category 10 and 11, including: <ul style="list-style-type: none"> <li>- E1.1 Consider whether indirect emissions should be required</li> <li>- E1.2 Clarifying whether emissions from energy loss from intermediate components in (comprising) complex final products shall be included by the intermediate parts manufacturer</li> <li>- E1.3 Consider inclusion of well-to-tank emissions for energy as a requirement (<i>this is an extension of Survey C, Series D revisions, Question 1 regarding the inclusion of cradle-to-gate emissions of fuels/energy use by value chain partners</i>)</li> </ul>
E2	Consider the addition of quantification methodologies for category 10 and 11 including: <ul style="list-style-type: none"> <li>- E2.1 Whether to continue to allow the existing methodology to incorporate emissions across a product lifespan</li> <li>- E2.2 Consider whether to allow, or require, annualization approaches such as stock-based approaches for durable products</li> <li>- E2.3 Consider whether to allow, or require, usage-based approaches for some product types (e.g., EVs or software products)</li> </ul>
E3	Consider the addition of requirements or recommendations on the use of projected emission factors for grid or other energy decarbonization (e.g., only permit the use of static EFs vs. permitting the use of forward-year depreciating EFs)
E4	Provision of additional guidance on other best practice guidance of forecast modelling
E5	Provision of additional guidance on allocation of emissions from complex products to functional and non-functional parts (e.g., electrical monitors / sensors on airplanes)
E6	Consider requirements or recommendations on the addition of metrics to contextualize category 10 and 11 emissions

(Draft; for discussion)

# Next Steps

## Next steps

- GHG Protocol Secretariat:
  - Distribute the Recording
  - Distribute Meeting Minutes and the Feedback Form
- Next meeting:
  - **February 5<sup>th</sup> Meeting #8 at 9 - 11 AM ET**

**Thank you!**

Alexander Frantzen  
Scope 3 Manager, WRI  
[alexander.frantzen@wri.org](mailto:alexander.frantzen@wri.org)

Luke Jones  
Scope 3 Manager, WBCSD  
[jones@wbcsd.org](mailto:jones@wbcsd.org)

Claire Hegemann  
Scope 3 Associate, WRI  
[claire.hegemann@wri.org](mailto:claire.hegemann@wri.org)



(Draft; for discussion)

# Appendix A.

## Category 10 and 11 issues

(Draft; for discussion)

# **E1. Sold product minimum boundary requirements**

## Items for consideration under E1 | may be added to as needed

Revision ID	Topic
E1.1	Optionality of indirect use-phase emissions in category 11
E1.2	Inclusion (as a requirement or a recommendation) of emissions from mechanical energy loss in categories 10 and 11
E1.3	Inclusion (as a requirement or a recommendation) of cradle-to-gate emissions from energy/fuel use in categories 10 and 11
E1.4	Inclusion (as a requirement or a recommendation) of cradle-to-gate emissions from capital goods used to process and/or use a sold product in categories 10 and 11
E1.5	Consider the definitions of direct use-phase and indirect use-phase to improve clarity

## Consolidated stakeholder survey responses

- Many respondents asked for more guidance on interpreting and applying the minimum boundaries. Several respondents asserted that the current boundary definitions are inconsistent or unclear to determine the inclusion or exclusion of some activities.
  - Combined, **category 10 and category 11** accounted for nearly half of all requests for category-specific guidance
- Several respondents expressed concern that optionality gives rise to year-over-year GHG inventory fluctuations

(Draft; for discussion)

# **E1.1 Sold product – optionality of indirect use- phase emissions**

## Minimum boundary requirements | existing text

- **Note that if the applicability of categories depends on whether a company produces an intermediate product or a final product.** If a company produces an intermediate product (e.g., a motor), which becomes part of a final product (e.g., an automobile), the company accounts for downstream emissions associated with the intermediate product, not the final product (pg 55 Scope 3 Standard)
- **Use of sold products:**
  - “The direct use-phase emissions\* of sold products over their expected lifetime (i.e., the scope 1 and scope 2 emissions of end users that occur from the use of: products that directly consume energy (fuels or electricity) during use; fuels and feedstocks; and GHGs and products that contain or form GHGs that are emitted during use)” <- *Table 5.4 Scope 3 Standard*
  - **Optional:** The indirect use-phase\*\* emissions of sold products over their expected lifetime (i.e., emissions from the use of products that indirectly consume energy (fuels or electricity) during use) <- *Table 5.4 Scope 3 Standard*
  - The minimum boundary of category 11 includes direct use-phase emissions of sold products. Companies may also account for indirect use-phase emissions of sold products, and should do so when indirect use-phase emissions are expected to be significant <- *pg. 48 Scope 3 Standard*
  - Companies may optionally include emissions associated with maintenance of sold products during use. *pg. 48 Scope 3 Standard*

\* - **Direct use-phase emissions** includes emissions from products that directly consume energy (fuels or electricity) during use; Fuels and feedstocks; Greenhouse gases and products that contain or form greenhouse gases that are emitted during use

\*\* - **Indirect use-phase emissions** includes emissions from products that indirectly consume energy (fuels or electricity) during use <- *Table 5.8 Scope 3 Standard*

## Consolidated stakeholder survey responses | category-specific

- **Category 11 (use of sold products):**
  - **Make indirect use-phase emissions required in the minimum boundary.**
  - Provide minimum boundary clarity regarding direct and indirect energy use attributable to the use of sold products and whether or how to include the cradle-to-gate emissions associated with fuel or energy use by consumers
  - Clarify whether all indirect use-phase emissions should be included by all value chain entities. Table 3.2 of the Technical Guidance (p. 40) requires oil and gas entities to include downstream emissions (category 11), however, this rule does not follow for non-fossil intermediate product manufacturers explicitly
  - State explicitly whether and clarify how emissions associated with mechanical energy and/or energy loss should be accounted for by intermediate product or component manufacturers.
  - Clarify whether the cradle-to-gate emissions attributable to constructing renewable energy generating facilities that generate the electricity consumed by end-users should be included in the category 11 minimum boundary of a reporting company

## Context | Interoperability with other standards

- Reminder: feedback from the stakeholder survey indicated that the GHG Protocol should consider make indirect emissions a requirement for reporting
- Most other standards refer to the GHG Protocol definitions of direct use-phase and indirect use-phase, and follow the GHG Protocol's current requirements of reporting direct use-phase and optional reporting of indirect use-phase, rather than offering up their own definition:
- ISO 14064-4 Subcategory 5.1:
  - Broadly aligns with **direct use-phase emissions** to be included (if relevant for a reporting organization)
  - "Total lifetime emissions from all relevant products sold, by the reporting organization in the reporting year. These emissions result from either the processing of the product before the final customer or from the end consumer use of the product".
- SBTi (*Corporate Net-Zero Standard, 2025*)
  - "The direct use-phase emissions of final products shall be calculated based upon the lifetime consumption of the product(s)"
  - "Indirect use-phase emissions are generated by products that only consume energy indirectly during use over their expected lifetime. These emissions are classified as optional and are therefore not within the "minimum boundary" for scope 3 category 11 "use of sold products"
- As things stand, the GHG Protocol's optionality rules align with other standards

## E1.1 Optionality of indirect use-phase emissions

- **Option 1: No change**
  - Stick with existing definition to not require the reporting indirect use-phase emissions, and the recommendation to account for these emissions when they are expected to be significant.
    - This general approach is mirrored by other standards/frameworks/guidelines e.g., SBTi Net Zero, CSRD, ISSB
- **Option 2: Include indirect use-phase emission as a requirement**
  - “The minimum boundary of category 11 includes direct **and indirect** use-phase emissions. ~~Companies may also account for indirect use phase emissions of sold products, and should do so when indirect use phase emissions are expected to be significant. See table 5.8 for descriptions and examples of direct and indirect use-phase emissions.”~~

## Decision-making criteria for E1.1

- **Option 1: No change** – indirect use-phase emissions are optionally reported
- **Option 2: Expand requirements** – indirect use-phase emissions are added as a requirement

<i>Illustrative example</i>	<b>Option 1: No change</b>	<b>Option 2: Expand requirements</b>
1A. Scientific integrity	<ul style="list-style-type: none"> <li>• Pros: Maintains boundaries that distinguish between emissions that are from a product vs emission that are because of a product</li> <li>• Cons: Less complete estimation of the environmental impact of a company's product portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Pros: More full estimation of the environmental impact of a company's sold products. The indirect use may dominate over direct use for many products.</li> <li>• Cons:</li> </ul>
1B. GHG accounting and reporting principles	<ul style="list-style-type: none"> <li>• Pros: Transparent and relevant approach. Simpler requirement more likely to lead to greater accuracy. Preserves accepted Scope 3 logic</li> <li>• Cons: May not always be a complete or relevant accounting, depending on product type.</li> </ul>	<ul style="list-style-type: none"> <li>• Pros: A transparent, complete and relevant accounting. Brings closer alignment to LCA principles</li> <li>• Cons: More complex approach may lead greater uncertainty and reduced comparability. Also likely to lead to greater levels of double counting</li> </ul>
2A. Support decision making that drives ambitious global climate action	<ul style="list-style-type: none"> <li>• Pros:</li> <li>• Cons: Some innovations (e.g., low-temperature detergents) aren't incentivized via Scope 3 reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Pros: Incentivizes products that are designed to reduce emissions across all aspects of use</li> <li>• Cons: Less sensitivity in year-on-year trends to efforts made by the reporting company.</li> </ul>
2B. Support programs based on GHG Protocol and uses of GHG data	<ul style="list-style-type: none"> <li>• Pros: Maintains backwards compatibility; harmonizes with other standards</li> </ul>	<ul style="list-style-type: none"> <li>• Cons: Would not harmonize with other standards; recalibration of base years might be needed for related targets. Most standards refer to GHG Protocol definitions, though</li> </ul>
3. Feasibility to implement	<ul style="list-style-type: none"> <li>• Pros: No hassle maintaining records and more simple for many readers</li> </ul>	<ul style="list-style-type: none"> <li>• Cons: More complicated to estimate and requires extensive assumptions, reporting cost, and assurance complexity.</li> </ul>

(Draft; for discussion)

## **E2. Sold product quantification methodologies**

## TBD

- *Placeholder (see slide 41)*
- E2. Consider the addition of quantification methodologies for category 10 and 11 including:
  - E2.1 Whether to continue to allow the existing methodology to incorporate emissions across a product lifespan
  - E2.2 Consider whether to allow, or require, annualization approaches such as stock-based approaches for durable products
  - E2.3 Consider whether to allow, or require, usage-based approaches for some product types (e.g., EVs or software products)

## Stakeholder Feedback

- Several stakeholders reported that depreciating, amortizing, and/or annualizing emissions from products (particularly more durable products) would make reporting more comparable year-to-year, help establish sensible baselines, and create more meaningful key performance indicators.
- Aggregating forward- and previous-year emissions are noted to limit the efficacy of net zero targets that rely on absolute, aggregate inventories to inform decarbonization. A distortionary effect may also have implications for assessing potential emission reductions associated with other activities, including those related to circularity.
- A straight-line stock-based amortization approach was suggested, although the Secretariat notes that more complex approaches may be possible (e.g., those that account for changes in product use through time). Such a method would require estimate the number of sold products current in circulation (prior to end-of-life) in each reporting year.
- Others suggested that some products (such as software) would be better assessed through a usage-data method, as an alternative annualization approach. In this case, real-time measurements of product use can be used to generate reporting year data, and also update base year and previous year calculations.

## Current requirements on lifetime vs. amortized emissions

- **Capital goods:**
  - “[...] companies **should not depreciate, discount, or amortize** the emissions from the production of capital goods over time. Instead companies should account for the total cradle-to-gate emissions of purchased capital goods in the year of acquisition, the same way the company accounts for emissions from other purchased products in category 1.” (Box 5.4, p. 39)
- **Sold products:**
  - “Because the scope 3 inventory accounts for total lifetime emissions of sold products, companies that produce more durable products with longer lifetimes could appear to be penalized because, as product lifetimes increase, scope 3 emissions increase, assuming all else is constant. **To reduce the potential for emissions data to be misinterpreted, companies should also report relevant information such as product lifetimes and emissions intensity metrics to demonstrate product performance over time. Relevant emissions intensity metrics may include annual emissions per product, energy efficiency per product, emissions per hour of use, emissions per kilometer driven, emissions per functional unit, etc.**” (Box 5.8, p. 49)

## Current guidance on reporting of historic and future scope 3 emissions

- **11.2 Optional information (p. 122)**
  - “Historic scope 3 emissions that have previously occurred, reported separately from future scope 3 emissions expected to occur as a result of the reporting company’s activities in the reporting year (e.g., from Waste generated in operations, Use of sold products, End-of-life treatment of sold products)”
- **11.3 Reporting guidance (p. 124)**
  - “Optional reporting: Historic scope 3 emissions that have previously occurred, reported separately from future scope 3 emissions expected to occur as a result of the reporting company’s activities in the reporting year
    - Emissions reported for category 5 (Waste generated in operations), category 11 (Use of sold products), and category 12 (End-of-life treatment of sold products) should not be interpreted to mean that emissions have already occurred, but rather that the reported emissions are expected to occur as a result of activities that occurred in the reporting year.
    - Companies may separately report historic emissions (that have already occurred) from future emissions (that have not yet occurred) in order to avoid misinterpretation by stakeholders”

## Category 11 (current standard): **activity-driven** boundary delineation

- Account for and report:
  - All downstream (“total expected lifetime” emissions in the year that a product is sold (**activity**))
  - Effectively, the gate-to-grave emissions of **goods and services sold** (**activity**) by a company
- The above **mirrors** Category 1
  - All upstream (cradle-to-gate) emissions of **goods and services purchased** (**activity**) by a company
- Combining Category 11 and Category 1
  - This yields the full life cycle (cradle-to-grave) emissions of the company’s **activities**

## Alternative approach: **emissions-driven** boundary delineation for Cat. 11

- Account for and report:
  - All 'in-year' **emissions** from the use of all products in circulation
- This may *not mirror* Category 1
  - All upstream (cradle-to-gate) emissions of goods and services purchased (**activity**) by company
- Combining Category 11 and Category 1
  - Possibly results in a *proxy* for the full life cycle (cradle-to-grave) emissions of the company's activities (see Appendix D)
    - This is partially a company-perspective (Category 1); and
    - Partially a product-perspective (Category 11)

## Comparison of current vs. alternative approach

1. Cumulative vs. annualized – generally shows about the **same total year-over-year**
    - **Emissions-driven** approach would indirectly (non-intuitively) serve as a proxy for the lifetime emissions of sold products, despite only reporting the emissions of products in circulation
    - **Activity-driven** approach more intuitively represents the projected lifetime emissions of sold products (despite the estimation uncertainty or variability)
  2. The **impact** of changing product design, selling low-carbon products, or changing the portfolio of sold products would **not** be clear or apparent for the **emissions-driven** approach
    - The impact of changing product design, selling low-carbon products, or changing the portfolio of sold products **would be clear** and apparent using the current (**activity-driven**) approach
  3. Regardless of the method:
    - Only per unit (i.e., per sold product) metrics effectively show potential efficiency gains (e.g., from durable products), for example, the GHG-intensity or unit product use (a metric)
- Refer to Appendix D for examples

## Decision-making criteria for Category 11 \*

- **Option 1: Activity driven** – Report cumulative category 11 emissions in the year that a product is sold
- **Option 2: Emissions driven** – Report category 11 emissions occurring in the reporting year (emissions-driven) resulting from product sales that occurred in previous years and the present year

<i>Illustrative example</i>	<b>Option 1: Activity-driven</b>	<b>Option 2: Emissions-driven</b>
1A. Scientific integrity	<ul style="list-style-type: none"> <li>• Cons: Somewhat less scientific</li> </ul>	<ul style="list-style-type: none"> <li>• Pros: More scientific as emissions are accounted in the year they are emitted</li> </ul>
1B. GHG accounting and reporting principles	<ul style="list-style-type: none"> <li>• Pros: Transparent, complete, consistent, accurate, relevant</li> </ul>	<ul style="list-style-type: none"> <li>• Pros: Similarly transparent, complete, transparent, accurate, relevant</li> </ul>
2A. Support decision making that drives ambitious global climate action	<ul style="list-style-type: none"> <li>• Pros: Shifting product portfolio is reflected immediately</li> <li>• Cons: Durable products disincentivized</li> <li>• Pros: Re-baselining would be easier</li> </ul>	<ul style="list-style-type: none"> <li>• Cons: Companies would not see the benefit of changing their products design.</li> <li>• Durable products disincentivized</li> <li>• Re-baselining would be challenging</li> </ul>
2B. Support programs based on GHG Protocol and uses of GHG data	<ul style="list-style-type: none"> <li>• Pros: Harmonizes with other standards and with the <i>Product Standard</i></li> </ul>	<ul style="list-style-type: none"> <li>• Cons: Would not harmonize with other standards not with the <i>Product Standard</i></li> </ul>
3. Feasibility to implement	<ul style="list-style-type: none"> <li>• Pros: No hassle maintaining records</li> <li>• Cons: Sometimes difficult to estimate</li> </ul>	<ul style="list-style-type: none"> <li>• Cons: More complicated to collect emissions data and maintain records</li> </ul>

\* The options and preliminary comparisons herein are not designed to be final, complete, or all-encompassing.

(Draft; for discussion)

# **E3. Forward-year emission factor restrictions**

## TBD

- *Placeholder (see slide 41)*
- E3. Consider the addition of requirements or recommendations on the use of projected emission factors for grid or other energy decarbonization (e.g., only permit the use of static EFs vs. permitting the use of forward-year depreciating EFs)

(Draft; for discussion)

## **E4. Best practice guidance for forecast modeling**

## TBD

- *Placeholder (see slide 41)*
- E4. Provision of additional guidance on other best practice guidance of forecast modelling

(Draft; for discussion)

## **E5. Additional guidance for allocating emissions to components of complex products (see also E1.2)**

## TBD

- *Placeholder (see slide 41)*
- E5. Provision of additional guidance on allocation of emissions from complex products to functional and non-functional parts (e.g., electrical monitors / sensors on airplanes)

(Draft; for discussion)

## **E6. Category 11 metrics**

## TBD

- *Placeholder (see slide 41)*
- E6. Consider requirements or recommendations on the addition of metrics to contextualize category 10 and 11 emissions

## Should the Scope 3 Standard require metrics?

- To support effective category 11 emissions disclosure:
  - Consider **requiring** current and/or **adding further** sold product metrics for disclosure
- Current Scope 3 Standard metrics language:
  - Box 5.7 (Scope 3 Standard, p. 50)
    - Lifetime emissions per product, corporate average emissions (kg CO<sub>2</sub>e/km)
    - *Non-emissions metrics: fuel economy (e.g., km per liter)*
  - Box 5.8 (Scope 3 Standard, p. 50)
    - Annual emissions per product, emissions per kilometer driven, emissions per functional unit)
    - *Non-emissions metrics: energy efficiency per product*

# Should the Scope 3 Standard require metrics? (continued)

Scope 3 Standard (p. 122)

## Section: “Optional reporting: Information on product performance”

“To provide appropriate context related to category 11 (Use of sold products), a public GHG emissions report should include, when applicable, the following additional information:

- Product performance indicators and intensity metrics (e.g., average GHG intensity of sold products, average energy efficiency of sold products, average emissions per hour of use, average fuel efficiency of sold vehicles, average emissions per kilometer driven, GHG intensity of sold fuels, average emissions per functional unit, etc.)
- Annual emissions from the use of sold products (i.e., emissions that occur in a single year from products sold in the reporting year)
- Average lifetime/durability of sold products
- The methodologies and assumptions used to calculate product performance indicators and intensity metrics
- The percentage of sold products that are compliant with standards, regulations, and certifications, where applicable
- A statement explaining why emissions from category 11 (Use of sold products) have increased or decreased over time
- Any sold products not included in the inventory, with justification for their exclusion
- Other relevant information”

## Should the Scope 3 Standard require metrics? (continued)

- Questions:
  1. Should any of the metrics (currently defined in the Standard) be required
  2. Should any additional metrics be added (required or optional)
  3. Optionality: Should the disclosure of metrics be required or optional?
- Note: Metrics for a company's entire (Scope 1, 2, and 3, and/or multiple scope 3 categories) will be discussed next year when discussing performance tracking

## Potential outcomes

- Consider adding a per unit (sold product) metric as a part of disclosure:
  - This would add an **additional metric** (rather than a change to the corporate inventory)
  - Require such metric to be reported
  - First proxy metric calculation method:
    - Total Company(Scope 1, Scope 2, and Scope 3: Category 1 tCO<sub>2</sub>e + Amortized Category 2 tCO<sub>2</sub>e + Category 3 + 4 + 5 + 6 + 7 + 8 (using amortized leased asset construction tCO<sub>2</sub>e) + 9 + 10 + 11 + 12)
      - Divided by [Total unit product sold]
        - » = tCO<sub>2</sub>e/Total unit product sold
    - Exclude Category 14, 15, 17
      - Franchisors can and should report the weighted-average # of their franchisees
  - Second proxy metric calculation method:
    - Sub-total (using product allocation rules) Company(Scope 1, Scope 2, and Scope 3 Category 1 through 12) divided [Sub-total unit product sold]
- Consider adding a metric as a part of disclosure on the proportion of emissions that are believed to occur in the reporting year
  - This would be an additional metric (rather than a change to the corporate inventory)
  - Recommend such metric be reported
  - Allows the expression of annualized data alongside cumulative data, ensuring recalculation of existing scope 3 baselines isn't necessary

(Draft; for discussion)

# Appendix B.

## Category 11 examples

## Not all company-level reporting approaches show efficiency gain

Extending the durability of sold products can increase Category 11 (cumulative) emissions, and possibly also Category 1 (total cradle-to-gate) emissions, despite decreasing (improving) the effective GHG-intensity of an activity (or activities) of the use of said product(s) by a customer.

Some alternative methods of representing the GHG emissions of purchased/sold products for Corporate Carbon Footprint (CCF), i.e., GHG inventory reporting, were explored:

- A. Cumulative Category 1, Cumulative Category 11 – current Standard approach
- B. Cumulative Category 1, [Annualized](#) Category 11
- C. [Annualized](#) Category 1, [Annualized](#) Category 11

## Assumptions for a partial\* lifecycle PCF

Proxy PCF Lifecycle (Cumulative)					
Sold product	Vacuum A	Vacuum B	Vacuum C	Vacuum D	Vacuum E
Category 1 (tCO <sub>2</sub> e) - cumulative	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<i>Lifetime (durability) (years)</i>	<i>5 year</i>	<i>10 year</i>	<i>15 year</i>	<i>20 year</i>	<i>25 year</i>
tCO <sub>2</sub> e/year	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>
Category 11 (tCO <sub>2</sub> e) - cumulative	1.25	2.50	3.75	5.00	6.25
<b>Total (tCO<sub>2</sub>e) - Cumulative PCF *</b>	<b>2.25</b>	<b>3.50</b>	<b>4.75</b>	<b>6.00</b>	<b>7.25</b>
% yoy	n/a	56%	36%	26%	21%

\* This is a partial PCF as it only includes cradle-to-gate emissions, excludes scope 1 and 2, and excludes other scope 3 categories (e.g., T&D and EOL); the purpose of this example is to highlight the effect of Category 1 and Category 11 emissions accounting/reporting time boundaries for cumulative/annual figures

## A. Cumulative Category 1, Cumulative Category 11 – current Standard approach

Corporate Carbon Footprint (CCF): Cumulative Category 1 emissions and Cumulative Category 11 emissions					
Year	1	2	3	4	5
Category 1 (tCO <sub>2</sub> e) - cumulative	1.00	1.00	1.00	1.00	1.00
Category 11 (tCO <sub>2</sub> e) - cumulative	<u>1.25</u>	<u>2.50</u>	<u>3.75</u>	<u>5.00</u>	<u>6.25</u>
Vacuum A	1.25	0.00	0.00	0.00	0.00
Vacuum B		2.50	0.00	0.00	0.00
Vacuum C			3.75	0.00	0.00
Vacuum D				5.00	0.00
Vacuum E					6.25
<b>Total (tCO<sub>2</sub>e) - Cumulative CCF</b>	<b>2.25</b>	<b>3.50</b>	<b>4.75</b>	<b>6.00</b>	<b>7.25</b>
% yoy	n/a	56%	36%	26%	21%

## B. Cumulative Category 1, Annualized Category 11

Corporate Carbon Footprint (CCF): Cumulative Category 1 emissions and Annualized Category 11 emissions					
Year	1	2	3	4	5
Category 1 (tCO <sub>2</sub> e) - cumulative	1.00	1.00	1.00	1.00	1.00
Category 11 (tCO <sub>2</sub> e) - annualized	<u>0.25</u>	<u>0.50</u>	<u>0.75</u>	<u>1.00</u>	<u>1.25</u>
Vacuum A	0.25	0.25	0.25	0.25	0.25
Vacuum B		0.25	0.25	0.25	0.25
Vacuum C			0.25	0.25	0.25
Vacuum D				0.25	0.25
Vacuum E					0.25
<b>Total (tCO<sub>2</sub>e) - Partially Annualized CCF</b>	<b>1.25</b>	<b>1.50</b>	<b>1.75</b>	<b>2.00</b>	<b>2.25</b>
% yoy	n/a	20%	17%	14%	13%

## C. Annualized Category 1, Annualized Category 11

Corporate Carbon Footprint (CCF): Annualized Category 1 emissions and Annualized Category 11 emissions					
Year	1	2	3	4	5
Category 1 (tCO <sub>2</sub> e) - annualized	<u>0.20</u>	<u>0.30</u>	<u>0.37</u>	<u>0.42</u>	<u>0.46</u>
Vacuum A	0.20	0.20	0.20	0.20	0.20
Vacuum B		0.10	0.10	0.10	0.10
Vacuum C			0.07	0.07	0.07
Vacuum D				0.05	0.05
Vacuum E					0.04
Category 11 (tCO <sub>2</sub> e) - annualized	<u>0.25</u>	<u>0.50</u>	<u>0.75</u>	<u>1.00</u>	<u>1.25</u>
Vacuum A	0.25	0.25	0.25	0.25	0.25
Vacuum B		0.25	0.25	0.25	0.25
Vacuum C			0.25	0.25	0.25
Vacuum D				0.25	0.25
Vacuum E					0.25
<b>Total (tCO<sub>2</sub>e) - Annualized CCF</b>	<b>0.45</b>	<b>0.80</b>	<b>1.12</b>	<b>1.42</b>	<b>1.71</b>
% yoy	n/a	78%	40%	27%	20%

## Per year of use (functional unit of analysis) for products

- This reflects the annualized emissions per year of use of a vacuum cleaner (the functional unit of analysis)
- This results in annualized emissions of a vacuum to decrease year-over-year as the durability (lifespan) of said product increases while holding constant the annual emissions from use

Proxy PCF Lifecycle ( <b>Annualized</b> )					
Sold product	Vacuum A	Vacuum B	Vacuum C	Vacuum D	Vacuum E
Category 1 (tCO <sub>2</sub> e) - annualized	0.20	0.10	0.07	0.05	0.04
Category 11 (tCO <sub>2</sub> e) - annualized	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>
<b>Total (tCO<sub>2</sub>e) - Annualized PCF</b>	<b>0.45</b>	<b>0.35</b>	<b>0.32</b>	<b>0.30</b>	<b>0.29</b>
% yoy	n/a	-22%	-10%	-5%	-3%

## Comparison\* of CCF and PCF figures on cumulative and annualized basis

Total (tCO <sub>2</sub> e) - Cumulative CCF	2.25	3.50	4.75	6.00	7.25
Total (tCO <sub>2</sub> e) - Partially Annualized CCF	1.25	1.50	1.75	2.00	2.25
Total (tCO <sub>2</sub> e) - Annualized CCF	0.45	0.80	1.12	1.42	1.71
Total (tCO <sub>2</sub> e) - Annualized CCF	n/a	78%	40%	27%	20%
Total (tCO <sub>2</sub> e) - Cumulative CCF	n/a	56%	36%	26%	21%
Total (tCO <sub>2</sub> e) - Partially Annualized CCF	n/a	20%	17%	14%	13%
Total (tCO <sub>2</sub> e) - Cumulative PCF *	2.25	3.50	4.75	6.00	7.25
Total (tCO <sub>2</sub> e) - Annualized PCF	0.45	0.35	0.32	0.30	0.29
Total (tCO <sub>2</sub> e) - Cumulative PCF *	n/a	56%	36%	26%	21%
Total (tCO <sub>2</sub> e) - Annualized PCF	n/a	-22%	-10%	-5%	-3%

\* CCF figures and PCF figures are not quantitatively comparable; the purpose of this slide is to showing the year-over-year comparability within a CCF methodology and PCF methodology 3/30/2026 | 95

(Draft; for discussion)

# Appendix C.

## Category 10 and 11 examples

## D9. Category 10 – Processing of sold **intermediate** products

Rev #	Required	Optional	Notes
D9	<p>“The scope 1 and scope 2 emissions of downstream companies that occur during processing (e.g., from energy use) <b>by all subsequent value chain partners up until the sale of the final product* of which the intermediate product is a component or part or input.</b>” (Table 5.4, p. 36)</p>	n/a	<p>Proposal: Replace the current required (formerly minimum) boundary in Table 5.4 with language specifying that this includes all processing emissions gate-to-final product sale (i.e., intermediate product gate-to-final product gate, i.e., gate<sub>0</sub>-to-gate<sub>n-1</sub>)</p>

\* All value chain partners up until (i.e., excluding) the final customer or end user

- The next slide with Example A shows current standard boundary examples for Category 10 and 11

## Example A. Category 10 and Category 11 (direct/indirect)

T-shirts	<u>Cradle-to-gate</u>	<u>Scope 1/2</u>	<u>Category 10</u>	<u>Category 11</u>	<u>Partial LCA</u>
Cotton farmer	0	40	60*	Optional	100
Cotton spinner	40	20	40	Optional	100
Fabric weaver	60	20	20	Optional	100
Garment cut-and-sew (manuf.)	80	20	0	100	200

\* 60 = 20 (cotton spinner scope 1/2) plus 20 (fabric weaver scope 1/2) plus 20 (Garment cut-and-sew scope 1/2)

Cars	<u>Cradle-to-gate</u>	<u>Scope 1/2</u>	<u>Category 10</u>	<u>Category 11</u>	<u>Partial LCA</u>
Iron ore extractor	0	25	70	Optional	95
Smelter & screw manufacturer	25	5	0	Optional	30
Wholesaler	30	15	50	Optional	95
Engine manufacturer *	45	25	25	20	115
Car assembler	70	25	0	100	195

\* Screw manufacturer does not know final use of screws; therefore it excludes Category 10

\*\* Engine accounts for 20% of car weight

## D10a. Category 11 – Use of sold final products

Rev #	Required	Optional	Notes
D10a-1	"The <b>direct use-phase emissions</b> of sold products over their expected lifetime (i.e., the <b>scope 1 and scope 2 emissions</b> of end users that occur from the use of products that directly consume energy (fuels or electricity) during use; fuels and feedstocks; and GHGs and products that contain or form GHGs that are emitted during use)" (Table 5.4, p. 36)	n/a	<i>No change proposed.</i>
D10a-2	"The indirect use-phase emissions of sold products over their expected lifetime (i.e., <b>the scope 1 and scope 2 emissions of end users that occur</b> * from the use of products that indirectly consume energy (fuels or electricity) during use)"	<del>"The <b>indirect use-phase emissions of sold products over their expected lifetime (i.e., emissions from the use of products that indirectly consume energy (fuels or electricity) during use)</b>" (Table 5.4, p. 36)</del>	Proposal: Require companies to account for and report the expected lifetime <i>indirect</i> use-phase emissions of <u>final</u> sold products.** (see slide ## for <u>intermediate</u> sold products)
D10a-3	"Companies may optionally include emissions associated with maintenance of sold products during use"	<del>"Companies may optionally include emissions associated with maintenance of sold products during use"</del> (Standard, p. 48) (Technical Guidance, p. 113)	Proposal: Require companies to account for and report the expected lifetime indirect emissions associated with maintaining a <u>final</u> sold product (see slide ## for <u>intermediate</u> sold products)

\* Proposed editorialization for clarity.

\*\* Note: The Secretariat has not developed nor proposed developing product category rules (PCRs) that define how to consistently calculate and report an LCA/PCF for a specific product type (e.g., cement, steel, medical devices, etc.) like for EPDs.

## Example B. Category 11 (direct/indirect) and Category 3<sup>^</sup>

<b>Cars</b>	<u>Cradle-to-gate</u>	<u>Scope 1/2</u>	<u>Category 10</u>	<u>Category 11</u>	<u>Partial LCA</u>
Iron ore extractor	0	25	75	Optional	100
Smelter	25	25	50	Optional	100
Engine manufacturer *	50	25	25	20	120
Car assembler	75	25	0	100	200

\* Engine accounts for 20% of car weight

<b>Fuels (Category 3)</b>	<u>Cradle-to-gate</u>	<u>Scope 1/2</u>	<u>Category 3</u>	<u>Category 11</u>	<u>Partial LCA</u>
Fuel extractor	See: Cat. 3	5	0	100	105
Power generator	See: Cat. 3	100	5	0	105
Utility (electricity distributor)	See: Cat. 3	10	95	0	105
End user (electricity purchaser)	See: Cat. 3	90	15	0	105

<sup>^</sup> The figures in the Category 3 example match the figures in Table 5.6 (*Scope 3 Standard*, p. 43) and Table 3.2 (*Technical Guidance*, p. 40)

## D10b. Category 11 – Use of sold intermediate products

Rev #	Required	Optional	Notes
D10b-1	<p>“The <b>direct use-phase (i.e., scope 1 and scope 2)</b> emissions of sold intermediate products by the end user (i.e., emissions resulting from the use of sold intermediate products that directly consumer fuel or energy during use, fuels and feedstocks (e.g., chemical), and GHGs or products that contain GHGs that are released during use”</p>	<p>“The <b>direct use-phase</b> emissions of sold intermediate products<sup>9</sup> by the end user (i.e., emissions resulting from the use of sold intermediate products that directly consume fuel or electricity during use, fuels and feedstocks, and GHGs or products that contain GHGs that are released during use).” (Table 5.11, p. 56)</p>	<p><i>No change proposed (only editorial improvements)</i></p>
D10b-2		<p>“Companies may optionally include the <b>indirect use-phase</b> emissions of sold intermediate products (see table 5.8)”</p>	<p><b>For the avoidance of doubt, all other infrastructure (including roads, bridges, tunnels, airports, runways, and ports) is not included in the required or optional boundary.</b></p>

\* Footnote **9** (Scope 3 Standard, p. 57): “In the case of a motor (an intermediate product) that becomes part of an automobile (a final product), the direct use phase emissions of the intermediate product by the end consumer are the emissions resulting from use of the motor, not the emissions resulting from use of the automobile. This estimation involves allocating emissions”

(Draft; for discussion)

# Appendix D:

## System allocation / circularity

## Items for consideration for system allocation / circularity

- Several respondents suggested that the GHGP needs new or updated rules for emissions attributable to activities associated with circular production and consumption.
- The GHGP **currently recommends the recycled content method** (*Technical Standard p78-79*). Feedback suggests that this rule does not sufficiently encourage circularity
- Topics to be discussed in this package of work will include (exact topics to be refined by Secretariat):

Reference	
TBD	Consider whether the existing Scope 3 Standard (and GHGP) should revise its current guidance on system allocation
TBD	Consider whether recommended/required methods should apply to different cases
TBD	Consider which methods to recommend/require including: <ul style="list-style-type: none"> <li>- Recycled content, polluter pays, 50/50, variable proportion, double count, others</li> </ul>
TBD	Consider whether the GHGP should require the methods agreed upon
TBD	Consider additional reporting metrics to require/recommend to further encourage circularity

(Draft; for discussion)

# Appendix E.

## Detailed Survey C Results

## Question 2.3: What name should be used for said emissions?

- Non-attributable emissions... of capital goods used by value chain partners – 0% (0/37)
- **Cradle-to-gate emissions... of capital goods used by value chain partners – 54%** (20/37)
- Embodied emissions... of capital goods used by value chain partners – 32% (12/37)
- Allocated emissions... of capital goods used by value chain partners – 4% (3/37)
- Other – 11% (4/37)
- Abstain – 14% (6/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote) relying on the outcome of this Question 2.3

## Question 3: Prudence requirement (D20.1)

- **Support – 92%** (35/38)
- Oppose – 8% (3/38)
- Abstain – 12% (5/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 4: Exception to disaggregation rule

### Exception to disaggregation rule for required/optional emissions (D20.2)

- **Support – 92%** (35/38)
- Oppose – 8% (3/38)
- Abstain – 12% (5/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 5: Dedicated infrastructure (D20.3)

- **Support – 90%** (26/29)
- Oppose – 10% (3/29)
- Abstain – 33% (14/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 6: Justified exclusion of cradle-to-gate emissions (D20.4)

- **Support – 72%** (26/36)
- Oppose – 28% (10/36)
- Abstain – 16% (7/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 7: Description and CTG minimum boundary for Cat.1

### D1.1 No change to the description of category 1 activities nor the cradle-to-gate minimum boundary for category 1

- **Support – 86%** (32/37)
- Oppose –14% (5/37)
- Abstain – 14% (6/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 8: D1.3 Business travel and accommodation

### D1.3 Account for value chain partner business travel and accommodation in cat.1

- **Support (shall in Cat.1) – 46%** (19/41)
- Oppose (shall in Cat.6) – 15% (6/41)
- Oppose (should/may in Cat.6) – 32% (13/41)
- Neither option – 7% (3/41)
- Abstain – 5% (2/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)
- The Secretariat will propose that it be included in Cat.1 (shall), subject to the 5% exclusion threshold

## Question 9: Commuting to reporting company owned worksites

### D1.4a Account for commuting by value chain partner to and from reporting company owned or operated worksites in category 1

- Option 1: shall account in Cat.1 – **24%** (8/34)
- Option 2: may account in Cat.1 – **24%** (8/34)
- Option 3: shall account in Cat.7 – **29%** (10/34)
- Option 4: may account in Cat.7 – **24%** (8/34)
- Abstain – 19% (8/42)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote) relying on the outcome of this Question 9
- **NOTE: Optional ("may") inclusion of emissions associated with value chain partner commuting to and from reporting company owned or operated worksites; let users report in *either* category 1 or category 7**

## Question 10: Commuting to value chain partner owned worksites

### D1.4b Account for commuting by a value chain partner to and from the value chain partner's owned, operated, or leased worksites in category 1

- Option 1: shall account in Cat.1 – 22% (7/32)
- Option 2: may account in Cat.1 – **31%** (10/32)
- Option 3: shall account in Cat.7 – 13% (4/32)
- Option 4: may account in Cat.7 – **34%** (11/32)
- Abstain – 21% (6/28)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote) relying on the outcome of this Question 10
- **NOTE: Optional ("may") inclusion of emissions associated with value chain partner commuting to and from partner owned, operated, or leased worksites; let users report in *either* category 1 or category 7**

## Question 11: D1.5 Account for third-party conferences (if any) in cat.1

- Option 1: shall account in Cat.1 – 19% (6/31)
- **Option 2: may account in Cat.1 – 55%** (17/31)
- Option 3: shall account in Cat.7 – 10% (3/31)
- Option 4: may account in Cat.7 – 16% (5/31)
- Abstain – 26% (11/42)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote) relying on the outcome of this Question 11
- Optional ("may") inclusion of emissions associated with third-party conference (if any) category 1

## Question 12: D1.6 Proposed definition of external stakeholder

- **Support – 94%** (33/35)
- Oppose – 6% (2/35)
- Abstain – 19% (8/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 13: D2.1 Description of capital goods (minor editorialization)

- **Support – 100%** (41/41)
- Oppose – 0% (0/41)
- Abstain – 5% (2/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 14: D2.2 No change to the CTG minimum boundary for cat.2

- **Support – 90%** (36/40)
- Oppose – 10% (4/40)
- Abstain – 7% (3/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 15: Unamortized emissions of purchased capital goods

### D2.4 Unamortized emissions of purchased capital goods (including second-hand capital goods)

- **Support – 91%** (30/33)
- Oppose – 9% (3/33)
- Abstain – 23% (10/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 16: D2.5 Box 5.4 Accounting for emissions from capital goods

- **Support – 85%** (33/39)
- Oppose – 15% (6/39)
- Abstain – 9% (4/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 17: Require lessees to report embodied emissions of leased assets

### D2.6 Connection with the proposed requirement to require lessees to report embodied emissions of leased assets

- **Support – 70%** (26/37)
- Oppose – 30% (11/37)
- Abstain – 14% (6/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 18: D3.1 Edits to description of cat.3 activities, Table 5.4

- **Support – 88%** (30/34)
- Oppose – 12% (4/34)
- Abstain – 14% (9/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 19: D3.2 & D3.3 Description of activities in cat.3 (FERA)

- **Support – 90%** (30/33)
- Oppose – 10% (3/33)
- Abstain – 23% (10/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 20: D4.1 & D4.2 Cat.4 description to include empty trips (proposed)

- **Support – 94%** (32/34)
- Oppose – 6% (2/34)
- Abstain – 21% (9/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 21: D4.6 Rules for Cat.4 vs Cat.9 activity classification

- No change – **34%** (11/32)
- Gate principle – **38%** (12/32)
- Payment principle – **25%** (8/32)
- Other – 3% (1/32)
- Abstain – 26% (11/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)
- **NOTE: Given the non-consensus regarding the options, therefore the Secretariat is proposing a non-revision to the current requirement and boundary guidance.**

## Question 22: D5.0 No change to the current boundary

- **Support – 97%** (33/34)
- Oppose – 3% (1/34)
- Abstain – 21% (9/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 23: D5.1 Include transportation of waste in the required boundary

- **Support – 92%** (36/39)
- Oppose – 8% (3/39)
- Abstain – 9% (4/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 24: D6.1 & D6.2 Requiring accommodation (e.g. hotel stays)

- **Support – 84%** (32/38)
- Oppose – 16% (6/38)
- Abstain – 12% (5/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 25: D6.3 Ch. 5 footnote 7 revision to the definition of an employee

- **Support – 94%** (33/25)
- Oppose – 6% (2/35)
- Abstain – 19% (8/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 26: D6.4 Minimum boundary revision for cat.6

- **Support – 86%** (31/36)
- Oppose – 14% (5/36)
- Abstain – 16% (7/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 27: Description of employee commuting

### D7.1 Description of employee commuting to include remote worksites

- **Support – 89%** (34/38)
- Oppose – 11% (4/38)
- Abstain – 12% (5/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 28: D7.2 Boundary revision to Cat.7

- **Support – 87%** (34/39)
- Oppose – 13% (5/39)
- Abstain – 9% (4/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 29: Edits to footnote 7, employee classification

### D7.5 & D7.6 Edits to footnote 7 regarding employees and paid non-employees classification

- **Support – 88%** (29/33)
- Oppose – 12% (4/33)
- Abstain – 23% (10/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 30: D8.1 Cat.8 Description

- **Support – 100%** (38/38)
- Oppose – 0% (0/38)
- Abstain – 12% (5/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 31: D8.2 Required boundary editorialization

- **Support – 100%** (37/37)
- Oppose – 0% (0/37)
- Abstain – 14% (6/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 32: Unamortized upstream emissions of constructing leased assets

**D8.5 Lessees shall account for unamortized upstream (cradle-to-gate) emissions associated with constructing leased assets**

- **Support – 69%** (25/36)
- Oppose – 31% (11/36)
- Abstain – 16% (7/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 33: D9.1 Empty trips required in Cat.9

- **Support – 94%** (31/33)
- Oppose – 6% (2/33)
- Abstain – 23% (10/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 34: D9.2 Required emissions boundary for Cat.9

- **Support – 89%** (32/37)
- Oppose – 11% (4/37)
- Abstain – 16% (7/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 35: D9.3 Required boundary of CTG emissions of fuel/energy

- **Support – 95%** (33/35)
- Oppose – 5% (2/35)
- Abstain – 19% (8/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 36: D9.4 Optional boundary for Cat.9 maintained

- **Support – 91%** (32/35)
- Oppose – 9% (3/35)
- Abstain – 19% (8/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 37: D4.4 & D4.5 Inclusion of CTG emissions of capital goods

- **Support – 67%** (18/27)
- Oppose – 33% (9/27)
- Abstain – 37% (16/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 38: D12.1 Required boundary revision for Cat.11

- **Support – 97%** (34/35)
- Oppose – 3% (1/36)
- Abstain – 16% (7/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 39: D13.1 Description for Cat.13

- **Support – 100%** (35/35)
- Oppose – 0% (0/35)
- Abstain – 19% (8/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 40: D13.2 No revision to minimum boundary for Cat.13

- **Support – 97%** (32/33)
- Oppose – 3% (1/33)
- Abstain – 23% (10/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 41: D13.4 Required boundary revision to Cat.13

- **Support – 80%** (24/30)
- Oppose – 20% (6/30)
- Abstain – 30% (13/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 42: D13.5 Required boundary revision to Cat.13 (cont'd)

- **Support – 71%** (20/28)
- Oppose – 29% (8/28)
- Abstain – 35% (15/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 43: D13.6 Optional boundary revision to Cat.13

- **Support – 87%** (10/23)
- Oppose – 13% (3/23)
- **Abstain – 47%** (20/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 44: D14.1 Description for Cat.14

- **Support – 100%** (34/34)
- Oppose – 0% (0/34)
- Abstain – 21% (9/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 45: D14.2 & D14.3 Required boundary revision

- **Support – 90%** (27/30)
- Oppose – 10% (3/30)
- Abstain – 30% (13/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 46: D14.5 & D14.6

- **Support – 92%** (22/24)
- Oppose – 8% (2/24)
- Abstain – 44% (19/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 47: Guidance for exclusive franchise agreements

### D14.8 & D14.9 Quantification guidance for exclusive franchise agreements

- **Support – 95%** (19/20)
- Oppose – 5% (1/20)
- **Abstain – 54%** (23/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 48: D15.20 New sub-category added to cat.15

- **Support – 100%** (32/32)
- Oppose – 0% (0/32)
- Abstain – 26% (11/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 49: D15.21 New glossary definition

- **Support – 100%** (21/21)
- Oppose – 0% (0/21)
- **Abstain – 51%** (22/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 51: Purchased made using compensation payments

### D15.2 Requiring products/services purchased using compensation payments

- **Support – 83%** (20/24)
- Oppose – 17% (4/24)
- **Abstain – 44%** (19/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)
- **NOTE: The Secretariat itemized this in Category 16 for the sake of consistency with retirement account investments and other compensation payments made by a reporting company towards investments (which is optional in category 16).**

## Question 52: Categorization of compensation payments language

Should the language from Question 51 be added to guidance in Category 1, purchased goods and services, (as either shall, should, or may, depending on your answer to [D15.2]) rather than be buried in Category 16?

- **Support – 81%** (17/21)
- Oppose – 19% (4/21)
- **Abstain – 51%** (22/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)
- **NOTE:** The Secretariat itemized this in Category 16 for the sake of consistency with retirement account investments and other compensation payments made by a reporting company towards investments (which is optional in category 16).

## Question 53: D16.20 Do you support language for 16.4 Licensing?

- **Support – 95%** (18/19)
- Oppose – 5% (1/19)
- **Abstain – 56%** (24/43)

### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

## Question 54: 16.5 Distributors for fuel and/or energy

### D16.21 Do you support language for 16.5 distributors for fuel and/or energy?

- **Support – 91%** (20/22)
- Oppose – 9% (2/22)
- **Abstain – 49%** (21/43)

#### **NO Follow-up:**

- The Secretariat will distribute a survey to approve the 'category-specific boundary package' (single vote)

(Draft; for discussion)

# Survey B Results

## Survey B (category 15 and category 16)

### Question 1: Commodities (select) moved to Category 16

- **Support:** **89%** (32/36 votes)
- Oppose: 11% (4/36 votes)
- Abstain 27% (13/49 votes)

### Question 2: Undrawn commitments (lender perspective) moved to Category 16

- **Support:** **91%** (29/32 votes)
- Oppose: 9% (3/32 votes)
- Abstain 35% (17/49 votes)

### Question 3: Do you agree with the draft revised category 15 text (as editorialized)?

- **Support:** **84%** (27/32 votes)
- Oppose: 16% (5/32 votes)
- Abstain 35% (17/49 votes)

## Survey B (category 15 and category 16)

### Question 4: Shall or May distributors of fuel and/or energy include upstream and contained carbon (downstream combustion)?

- **Require inclusion (shall):** **57%** (24/42 votes)
- Optional inclusion (may): 43% (18/42 votes)
- Abstain 14% (7/49 votes)

### Question 5: Should category 16 be called "Other value chain activities"

- Retain "Facilitated activities" 30% (13/44 votes)
- **Change to "Other value chain activities":** **64%** (28/44 votes)
- Other 7% (3/44 votes)
  - Suggestions under "Other" are to combine to "facilitated / other value chain activities"
- Abstain 10% (5/49 votes)