GREENHOUSE GAS PROTOCOL

Scope 3 Technical Working Group Meeting

Working draft, do not cite

Full TWG
Phase 3, Meeting 2

October 8, 2026

WORLD RESOURCES INSTITUTE

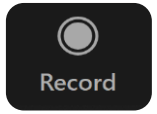
World Business Council for Sustainable Development

Agenda

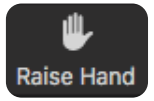
- **Housekeeping**
- **Required boundaries in scope 3**
  - ISO (11): Consider the required and optional boundary delineation for all scope 3 categories
- **Determining which emission sources to include in scope 3 (inventory boundary)**
  - ISO (12a): Consider using self-determined quantitative significance inclusion criteria
  - ISO (12b): Consider using self-determined quantitative exclusion threshold
  - ISO (13): Consider using qualitative criteria explicitly in determining significance
- **Disaggregated reporting of scope 3**
  - ISO (18): Disaggregation of scope 3 emissions by data type
  - ISO (19): Classification schema for scope 3 emissions disaggregation by data type
- **Next steps**

Housekeeping and decision-making criteria

Welcome and Meeting information

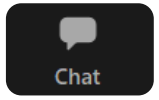


This meeting is recorded.



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*

- Maintain a respectful approach to communicating by:
  - Assuming positive intent; making space for different perspectives; and defaulting to curiosity

* 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.

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.

GHG Protocol Decision-Making Criteria



Ensure scientific integrity and validity, adhere to the best applicable science and evidence … and align with the latest climate science.

Meet the GHG Protocol accounting and reporting principles of **accuracy**, **completeness**, **consistency**, **relevance**, and **transparency**. Additional principles should be considered where relevant: conservativeness (for GHG reductions and removals), permanence (for removals), and comparability (TBD). …

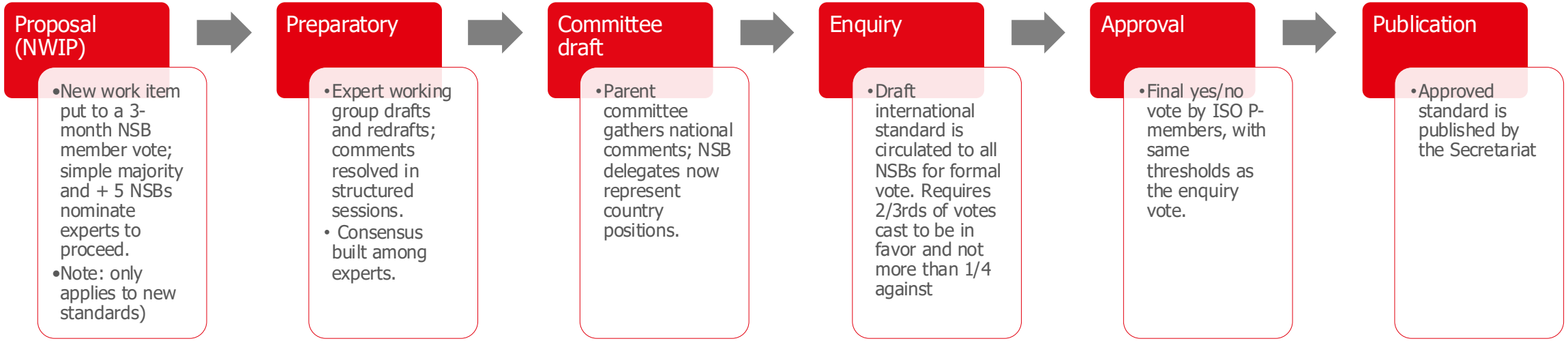
Advance the public interest by informing and supporting decision making that drives ambitious actions by private and public sector actors to reduce GHG emissions and increase removals in line with global climate goals. …

Promote interoperability with key mandatory and voluntary climate disclosure and target setting programs … while ensuring policy neutrality. Approaches should support appropriate uses of the resulting GHG data and associated information by various audiences …

Approaches which meet the above criteria should be feasible to implement, meaning that they are accessible, adoptable, and equitable. … For aspects that are difficult to implement, GHG Protocol should aim to improve feasibility, for example, by providing guidance and tools to support implementation.

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.

How ISO builds consensus



- The process for updating ISO 14064 is currently at **preparatory stage**
- Between March 31 and May 11, ISO WG 4 were provided a copy of existing GHG Protocol standards text that combined existing, published requirements and recommendations, and any requirements or recommendations that had, by that time, been established through GHGP's ongoing revision process.
- After the commenting process was closed, comments were analyzed by the WG4 LT. This amounted to ~3,000 comments across the corporate suite of standards
- Comments were discussed and addressed in comment resolution sessions, where each topic was presented before experts provided live feedback on discussed GHGP text, existing ISO WD-1 text, and any other options developed by the WG4 LT. Polls were conducted as needed.
- Where consensus was achieved the agreed text was finalized in-meeting. Where consensus was not achieved, unresolved options were retained while text for each option was updated based on comments resolution.

ISO-11:
Required and optional boundaries in scope 3

Side-by-side text comparison

GHGP draft text

- Table 5.4 identifies the required boundaries of each scope 3 category in order to standardize the boundaries of each category and help companies understand which activities should be accounted for.
- Companies **shall** account for emissions from each scope 3 category according to the required boundaries provided in table 5.4.
- Companies **should** include optional scope 3 emissions, where relevant [Revision B10d]
- Companies **shall** report required scope 3 emissions separately from optional scope 3 emissions [Revision B7]
- Companies **shall** disclose and justify the exclusion of any required scope 3 emissions. Companies are not required to disclose exclusions for optional scope 3 emissions. [Revision B4]

Proposed ISO text

- The organization **shall** identify and document its data for each GHG source or sink based on the reporting boundary selected.
- The organization **shall** document and apply a process to determine which scope 3 emissions […] to include in its GHG inventory.
- For Statement #1, the organization **shall** quantify its scope 3 emissions […] above the exclusion threshold
- The organization **shall** use the following steps* to define what significant subcategory of scope 3 emissions […] to quantify and report:
  - Step 1: Inclusion based on qualitative criteria […]
  - Step 2: Screening of Scope 3 subcategory and class […]
  - Step 3: Evaluating significance for each Scope 3 subcategory and class […]
  - Step 4: Justifying exclusions
- The organization **shall** justify and disclose the exclusion of any scope 3 emissions […] estimated in Step 1 through 4

* The four-step process is abbreviated here for space reasons. Please refer to later slides for the full four-step process.

ISO-11

Required and optional boundaries

Preliminary outcome

Summary of outcome

- N359 has no required/optional boundary per Scope 3 subcategory. Table 1 (cl. 6.2) lists 16 subcategories, each "Applicable where significant" for Class I and Class II emissions.
- The reporting boundary is the whole value chain: Statement #1 and #2 "shall include … all upstream and downstream activities in the organization's value chain(s)" (cl. 5.5). What is quantified is decided by the 4 step significance process (cl. 6.4.4) with disclosed exclusions.
- Subcategory descriptions (Annex C, informative) describe what each subcategory covers; they do not split activities into required and optional.

Relevant text

Cl. 6.1: "The organization may exclude GHG sources or GHG sinks for which the contribution … is not significant. The organization shall identify and explain why …" Table 1, all 3.x rows: "Applicable where significant".

Rationale

- One mechanism (significance + capped, disclosed exclusions) applies to all 16 subcategories, instead of 16 activity-level boundary lists that must be maintained and interpreted.
- Completeness is set by the reporting boundary (cl. 5.5: entire value chain), not by a list; relevance (cl. 4) is served by pre-determined, disclosed criteria tied to the intended use of the inventory.
- Transparency: criteria, screening results, exclusions and the threshold are all required disclosures under Statement #1 (cl. 10.5.1 g) and i) 10)–12)).
- Sector neutrality and feasibility: the same rule works for any sector and reporter capacity; sector-specific guidance (Annex P) is used where it exists (cl. 6.4.4).

Level of support from ISO WG4

Status: AGREED | Consensus, no poll recorded

- N320 Res. 3: ISO subcategorisation accepted for Statement #1 with modifications; N331: GHGP 95 % threshold (Option 1) vs ISO significance test (Option 2) debated; WG4 chose to build a hybrid four-step text "rather than polling between option 1 and option 2".
- N355 item 5: all comments on Annex C resolved. N354 item 11: all comments on Clause 5 resolved.
- Open at ISO: cl. 10.5.3 (recommended) and 10.5.4 (optional information) are CD-stage placeholders pending GHGP TWG outcomes.

Implications and concerns

- Denominator: GHGP B1/B2 use "total required scope 3 emissions"; ISO uses total estimated Scope 3 from Step 2 screening (whole value chain). Removing required boundaries changes what the % threshold is measured against.
- GHGP B7 (report required vs optional separately) and B4 (justify exclusions of required emissions only) have no ISO equivalent; ISO requires justification of every exclusion.
- Mapping: GHGP Table 5.4 required boundaries ↔ ISO Annex C descriptions (informative). GHGP optional activities (e.g. parts of Cat 15, Cat 16) are "applicable where significant" in ISO.
- Concern raised in WG4: comparability of self-determined boundaries; addressed by objectivity, anti-circumvention and disclosure requirements (cl. 6.4.4).

Disaggregating scope 3 emissions by boundary type (required v. optional)

Hybrid option that combines GHGP and ISO text

- Table 5.4 identifies the ***recommended*** boundary for each scope 3 category
- Organizations **should** account for emissions from each scope 3 category according to the recommended boundary. Organizations are not required to report emissions from all activities within the recommended boundary. However, the recommended boundaries **shall** be used for the purposes of determining the reporting boundary [as per the next topic].
- Organizations **may** include optional scope 3 emissions, and **should** do so when relevant.
- The organization **shall** document and apply a process to determine which scope 3 emissions to include in its GHG inventory. As a part of this process **shall** define and explain its own pre-determined criteria for relevance of scope 3 emissions, ensuring the pre-determined criteria considers the intended use of the GHG inventory.
- The pre-determined criteria **shall** be objective, **shall not** be used to systematically exclude substantial quantities of scope 3 emissions, and **shall** be consistent with the reporting company's base year restatement policy.
- "Limited access to data" **shall** not be used as a qualifier when designing the pre-determined criteria. Where direct, activity-based data are not reasonably obtainable for a specific scope 3 activity or category, the organization **shall** use the best available secondary data or an appropriate proxy. The choice of data source and any associated limitations **shall** be documented and disclosed.
- Organizations [**shall/should**] report scope 3 emissions from activities in the recommended boundary separately from optional emissions.
- Organizations **shall** justify and disclose the pre-determined criteria used to determine its reporting boundary, including its exclusion threshold, in its GHG report.
- Organizations **shall** justify and disclose the exclusion of any recommended scope 3 emissions, or any other scope 3 emission sources identified as relevant in its GHG report. A company **may** similarly justify and disclose the exclusion of any other scope 3 emission sources not included in its GHG report.

Disclaimer: *This is a working hybrid option and is meant to support discussion between TWG members as a third possible options. If selected, the TWG and Secretariat may further develop this hybridized option*

ISO-12 + 13: Defining the inventory boundary

Side-by-side text comparison

GHGP draft text

- Companies **shall** account for and report at least 95% of total required scope 3 emissions.
- Companies **shall** quantify total required scope 3 emissions to justify exclusions. Companies **may** quantify total emissions to justify exclusions using any method. Companies **should** use the best available data to quantify total emissions to justify exclusions
- Companies **may** exclude a scope 3 category or activities within a scope 3 category, as long as total exclusions do not exceed the 5% exclusion threshold.
- Companies **may** exclude de minimis emissions as part of the exclusion threshold, provided that total exclusions (de minimis and non-de minimis) is not reasonably expected to exceed 5% of required scope 3 emissions. Companies **should** reasonably expect de minimis emissions to be insignificant or negligible
- Companies **should** include relevant emissions falling within the 5% exclusion threshold.

Proposed ISO text

- The organization **shall** document and apply a process to determine which scope 3 emissions […] to include in its GHG inventory.
- As part of this process, the organization **shall** define and explain its own pre-determined criteria for significance of scope 3 emissions […] considering the intended use of the GHG inventory.
- The pre-determined criteria **shall** be objective and **should** not be designed or applied in a manner that systematically excludes Scope 3 subcategories that are significant in magnitude or impact. […]
- Whatever the intended use is, the criteria **shall** not be used to exclude substantial quantities of scope 3 emissions […] to circumvent the requirements of Steps 1 through 4* above. […]
- The organization **shall** disclose in the GHG report the criteria used to evaluate significance, the screening results, and the justification for any exclusions

* Refer to the four-step process in previous slides of: Step 1: Inclusion based on qualitative criteria; Step 2: Screening of Scope 3 subcategory and class; Step 3: Evaluating significance for each Scope 3 subcategory and class; Step 4: Justifying exclusions

B1 Companies shall account for at least 95% of total required scope 3 emissions (6.1/6.2)

Current Standard (2011)

- "Companies **shall** account for all scope 3 emissions and disclose and justify any exclusions" (p. 59)

Proposed Revised Standard (2025)

- "Companies **shall** account for and report at least 95% of total required scope 3 emissions" (formerly, "minimum" boundary*)
- "Companies **shall not** exclude more than 5% of total required scope 3 emissions ("**5% exclusion threshold**")."
- "Companies **may** exclude a category or activities within a category, as long as total exclusions across all scope 3 categories do not exceed the 5% exclusion threshold."
- "Companies **may** exclude de minimis emissions as part of the 5% exclusion threshold." (6.3)

Notes/rationale

- Given that Group A is recommending disaggregation (pending review by the full scope 3 TWG) and given that companies are permitted to use more accessible, less burdensome calculation methods to quantify scope 3 emissions, therefore:
- Requiring the disclosure of 95% of scope 3 emissions appears feasible without sacrificing scientific integrity or the accounting principles, while improving consistency and transparency

Level of support from Scope 3 TWG

- **87% support** (48% strongly)
- 13% oppose (17% strongly)
- *4% level of Abstention***

* Required scope 3 emissions are the activities and emissions itemized as required in Table 5.4. Optional scope 3 emissions are the activities and emissions itemized as optional in Table 5.4. ** Supporting v. opposing percentage values *excludes* abstentions in the denominator.

Full four-step process for determining reporting boundary – see section 6.4.4

- For Statement #1, the organization **shall** quantify its scope 3 emissions […] above the exclusion threshold […]
- The organization **shall** document and apply a process to determine which scope 3 emissions […] to include in its GHG inventory.
- As part of this process, the organization **shall** define and explain its own pre-determined criteria for significance of scope 3 emissions […] considering the intended use of the GHG inventory.
- The pre-determined criteria **shall** be objective and **should** not be designed or applied in a manner that systematically excludes Scope 3 subcategories that are significant in magnitude or impact.
- "Limited access to data" **shall** not be used as a qualifier when designing the criteria for significance testing. Where direct, activity-based data are not reasonably obtainable for a specific Scope 3 subcategory, the organization **shall** use the best available secondary data or an appropriate proxy. The choice of data source and any associated limitations **shall** be documented and disclosed.
- Using those criteria, the organization **shall** identify and evaluate its scope 3 emissions […], to select the significant subcategories and classes.
- The organization **shall** use the following steps to define what significant subcategory of scope 3 emissions […] to quantify and report:
  - **Step 1. Inclusion based on qualitative criteria**: The organization **should consider** including any Scope 3 subcategory and classes in its GHG inventory based on qualitative criteria […] before magnitude criteria described in Step 2-4 below.
  - **Step 2. Screening of Scope 3 subcategory and class**: The organization **shall** conduct a screening of scope 3 emissions […]. During this initial screening phase, the organization **may** use any estimation method, including industry-average data, spend-based proxy data, or environmentally extended input-output (EEIO) data, to estimate GHG emissions and GHG removals in Scope 3. The estimation methods used **should** produce results that are sufficiently representative of the organization's value chain to enable a meaningful assessment of significance. The results of this screening **shall** act as a basis for evaluating significance and to justify any resulting exclusions.
  - **Step 3. Evaluating significance for each Scope 3 subcategory and class**: Following the screening, the organization **shall** apply pre-determined magnitude criteria to determine significance of each Scope 3 subcategory and class. The organization **shall** quantify and report all Scope 3 subcategories and classes identified as significant.
    - EXAMPLE If estimated GHG emissions of a specific subcategory of Scope 3 exceed a specified percentage of scope 1 emission, scope 2 emission or scope 3 emission or combinations of some or all, that subcategory is considered significant.
  - **Step 4. Justifying exclusions**: The organization **may** exclude a Scope 3 subcategory or class, or activities within a subcategory or class, provided that the cumulative total of all exclusions does not exceed an exclusion threshold. The exclusion threshold **should** not exceed pre-determined percentage of total estimated scope 3 emissions as estimated during the screening in Step 2. Organization **shall** justify and disclose its pre-determined percentage of exclusion threshold in its GHG report. Exclusion threshold **shall** be consistent with base year restatement policy.

ISO-12a Self-determined quantitative significance inclusion criteria

Preliminary outcome

Summary of outcome

- Cl. 6.4.4: the organization "shall define and explain its own pre-determined criteria for significance … considering the intended use of the GHG inventory". Criteria "shall be objective and should not be designed or applied in a manner that systematically excludes Scope 3 subcategories that are significant in magnitude or impact".
- Step 2 (shall): screening of all Scope 3 subcategories and classes using any estimation method (industry-average, spend-based, EEIO). Step 3 (shall): apply pre-determined magnitude criteria; all significant subcategories and classes shall be quantified and reported.
- No fixed percentage in normative text. "Limited access to data" shall not be used as a qualifier; best available secondary data or proxy shall be used and disclosed.

Relevant text

Step 3 EXAMPLE: "If estimated GHG emissions of a specific subcategory of Scope 3 exceed a specified percentage of scope 1 emission, scope 2 emission or scope 3 emission or combinations of some or all, that subcategory is considered significant." (Annex A example: 5 %)

Rationale

- Relevance and intended use (cl. 4): the criterion is tied to the purpose of the inventory rather than a single number applied to all sectors and reporter sizes.
- Accuracy and completeness are protected by process requirements: mandatory full screening (Step 2), objectivity, anti-circumvention ("shall not be used to exclude substantial quantities"), and disclosure of criteria and screening results (cl. 6.4.4; 10.5.1).
- Feasibility: screening may use low-burden methods; data gaps cannot justify exclusion, which directs effort to proxies rather than to omission.
- Continuity with ISO 14064-1 (current one) significance approach; the 5 % worked example (Annex A) shows compatibility with the GHGP B1 setting as one admissible choice.

Level of support from ISO WG4

Status: AGREED | Consensus, no poll recorded

- N331: extensive debate on GHGP 95 % quantitative threshold vs ISO significance test; WG4 agreed to develop a hybrid text rather than poll. N331: text "agreed as final for this stage"; consensus that pre-determined criteria shall be objective and that limited access to data shall not be a reason to exclude (N320 Res. 7).
- N354 item 9: Annex K qualitative-criteria list moved into the main text; item 11: all Clause 5 comments resolved. Text issued as N359 cl. 6.4.4.

Implications and concerns

- GHGP B1: fixed ≥ 95 % inclusion of required Scope 3; ISO: self-determined magnitude criteria applied to total estimated Scope 3. Comparability vs flexibility is the core trade-off for TWG.
- Verification: assurance checks application of disclosed criteria rather than a universal number; screening results must be disclosed (cl. 6.4.4).
- Statement #1 vs #2: ISO also allows aggregated GHG sources/sinks for Scope 3 in Statement #2 (cl. 6.2), which GHGP does not have.
- Possible hybrid for TWG consideration: ISO process with a recommended ("should") ceiling such as 5 % — not an ISO WG4 position.

ISO-12b Self-determined quantitative exclusion threshold

Preliminary outcome

Summary of outcome

- Step 4 (cl. 6.4.4): the organization may exclude a subcategory, class or activities "provided that the cumulative total of all exclusions does not exceed an exclusion threshold". The threshold "should not exceed pre-determined percentage of total estimated scope 3 emissions" from Step 2 screening; the percentage shall be justified and disclosed and shall be consistent with the base year restatement policy.
- Qualitative criteria may be applied when setting the threshold and when selecting what is excluded within it. Every exclusion shall be justified and disclosed; notation "NA" (no emissions) vs "X/Excluded" (within threshold).
- No de minimis concept: all exclusions count against the threshold. Threshold percentage is a required disclosure (cl. 10.5.1 g), i) 12)).

Relevant text

"Whatever the intended use is, the criteria shall not be used to exclude substantial quantities of scope 3 emissions … or to circumvent the requirements of Steps 1 through 4 above." (cl. 6.4.4)

Rationale

- Consistency: the threshold is anchored to the base-year restatement policy (cl. 8), so an organization cannot exclude more than the change it would have to restate for.
- Transparency: the number is chosen by the reporter but is disclosed, justified and verifiable, together with screening results and each exclusion (cl. 6.4.4; 10.5.1).
- Broader denominator: total estimated Scope 3 across the entire value chain (cl. 5.5), not a required subset — a given % excludes less in ISO than the same % in GHGP.
- Worked example (Annex A.4, Table A.7): 5 % threshold = 10 000 t CO2e; exclusions selected by sector guidance (7 000 t), magnitude (400 t) and level of influence (1 800 t); 4.8 % excluded; remaining non-significant subcategories reported.

Level of support from ISO WG4

Status: AGREED | Consensus, no poll recorded

- N331 (2 June 2026): "Significant debate over whether to specify a 5% exclusion threshold or allow predetermined percentages. After extensive discussion, consensus was reached on 'should not exceed predetermined percentage' with requirement that organizations 'shall justify and disclose' their predetermined percentage. The exclusion threshold 'shall be consistent with base year restatement policy'."
- N354 item 10 (21 Aug): significance clause revised to reflect the new Annex A worked example; Annex A remains informative (N344, 6 July).

Implications and concerns

- GHGP B1/B2/B5: fixed 5 % of total required Scope 3, de minimis inside the 5 %, quantification of 100 % of required emissions. ISO: self-set %, whole-value-chain denominator, no de minimis, screening estimate as basis.
- Comparability is the concern raised against a self-set %; ISO relies on disclosure and the restatement-policy link. Verifiers need the disclosed % and screening results.
- Interaction with ISO-11: without required boundaries, the GHGP "required" denominator does not exist; a fixed 5 % would apply to a larger base.
- Possible hybrid: keep the ISO mechanism with a "should not exceed 5 %" recommendation — for TWG consideration only.

Hybrid Option A: Defining the reporting boundary (option #3 – pg. 1/2)

Hybrid option that combines GHGP and ISO text

- The organization **shall** document and apply a process to determine which scope 3 emissions […] to include in its GHG inventory. As part of this process, the organization **shall** define and explain its own pre-determined criteria for relevance of scope 3 emissions, ensuring the pre-determined criteria considers the intended use of the GHG inventory.
- The pre-determined criteria **shall** be objective, **shall not** be used to systematically exclude substantial quantities of scope 3 emissions, and **shall** be consistent with the reporting company's base year restatement policy.
- "Limited access to data" **shall** not be used as a qualifier when designing the pre-determined criteria. Where direct, activity-based data are not reasonably obtainable for a specific scope 3 activity or category, the organization **shall** use the best available secondary data or an appropriate proxy. The choice of data source and any associated limitations **shall** be documented and disclosed.
- The pre-determined criteria **shall** include a quantitative criterion (hereafter "exclusion threshold") that represents the percentage of total estimated scope 3 emissions from activities in the [***required/recommended/<blank>***]* boundary, quantified per step 2 below, that an organization may exclude from its GHG report. The exclusion threshold **should** be less than or equal to 5%.
- Organizations **shall** also apply all other pre-determined qualitative and quantitative relevance criteria**,** as per the steps below. Activities identified through those criteria **shall** be quantified and reported in addition to those included to meet the exclusion threshold.
- The organization **shall** use the following steps to define what scope 3 emissions to quantify and report: (see next slide)

Disclaimer: *This is a working hybrid option and is meant to support discussion between TWG members as a third possible options. If selected, the TWG and Secretariat may further develop this hybridized option*

* Note depending on the outcome of the previous topic, this may be 'required', 'recommended', or left blank if there are no distinct boundaries within scope 3 categories per the ISO approach

Hybrid Option A: Defining the reporting boundary (option #3 – pg. 2/2)

Hybrid option that combines GHGP and ISO text

- **Step 1: Inclusion based on qualitative criteria**
  - The organization **should** consider including any scope 3 category or activity based on qualitative criteria, including any qualitative pre-determined criteria. Organizations **should** refer to the relevance criteria. Organizations **should** account for emissions from each scope 3 category according to their respective [required/recommended/<blank>]* boundaries.
- **Step 2: Screening assessment:**
  - Organizations **shall** conduct a screening assessment to quantify an initial estimate of total scope 3 emissions ("**screening estimate**") from activities within the [required/recommended/<blank>]* boundaries of each scope 3 category
  - Organizations **may** use any method for this screening assessment, **should** use the best available data, and **should** produce results that are sufficiently representative of the organization's value chain to enable a meaningful assessment of relevance. A screening estimate **may** be comprised of primary and/or secondary data. Organizations **may** disclose its screening estimate in its public GHG report, separately from its final scope 3 emissions inventory.
  - [Organizations [**should/may**] undertake a separate quantitative screening assessment for activities within the optional boundaries of the scope 3 categories]*
  - The screening estimate **should** be used as the reference point for evaluating activities to include or exclude using the exclusion criteria in step 3 (including from required/recommended and optional activities).
- **Step 3: Inclusion or exclusion based on quantitative criteria:**
  - The organization **shall** use the screening estimate (step 2) and apply its pre-determined exclusion threshold to determine the relevant scope 3 activities within the [required/recommended/<blank>]* boundary to quantify and report
  - The organization s**hould** apply any remaining quantitative pre-determined criteria to determine any further scope 3 activities or categories to quantify and report, [including activities within the required/recommended and optional boundaries]*
- **Step 4: Justifying exclusions:**
  - Organizations **may** exclude scope 3 activities or categories where they have not been identified as relevant through the application of pre-determined criteria in steps 1 through 3, and where the resulting inventory continues to meet the pre-determined exclusion threshold.

- Organizations **shall** justify and disclose the pre-determined criteria used to determine its reporting boundary, including its exclusion threshold, in its public GHG report
- Organizations **shall** justify and disclose the exclusion of any [required/recommended/<blank>]* scope 3 emissions, or any other scope 3 emissions identified as relevant in its GHG report. A company **may** similarly justify and disclose the exclusion of any other scope 3 emission sources not included in its GHG report.

* Note depending on the outcome of the previous topic, this may be 'required', 'recommended', or left blank if there are no distinct boundaries within scope 3 categories per the ISO approach

Hybrid Option B: Defining the reporting boundary (option #4)

Hybrid option *
Combines GHGP and ISO

Proposed text for scope 1 and scope 2 emissions boundaries:

- *The organization **shall** conduct a screening of its scope [3] emissions. The screening estimation method **should** produce results that are sufficiently representative of scope [3] emissions to enable the screening and a meaningful determination of the organization's scope [3] exclusion threshold. The organization **shall** define its scope [3] exclusion threshold based on its scope [3] emissions screening.*
- *The… exclusion threshold **shall not** be used to exclude substantial quantities of scope [3] emissions.*
- *The organization **should** define a scope 1 exclusion threshold of 1% or less.*
- *The organization **shall** report the following information on its scope [3] emissions:*
  - *Total scope [3] emissions after the exclusion threshold has been applied.*
  - *Scope [3] emissions in [metric] tonnes of CO2 equivalent*
  - *The organization's scope [3] exclusion threshold and a [rationale/justification] for its selection.*
  - *Any emissions sources within the scope [3] exclusion threshold that were excluded, along with a [rationale/justification].*
- *The organization **should** report the following information on its scope [3] emissions:*
  - *[>=95%] of scope [3] emissions*
  - *Any changes to the scope [3] exclusion threshold.*

Key components

Screening assessment

- Madde into a general screening assessment.

De minimis emissions

- De minimis concept removed and replaced with screening assessment (in line with ISO).

Exclusion threshold

- Required, but self-defined by organization
- Added recommendation of [5%] for scope 3
- Threshold must be disclosed and justified

Questions for consideration

- Does the "screening assessment" need to be defined?
- Can the concept of "de minimis emissions" be removed with the adoption of a screening assessment?

Disclaimer: *This is a working hybrid option and is meant to support discussion between TWG members as a third possible options. If selected, the TWG and Secretariat may further develop this hybridized option*

* Draft text developed by CS TWG/workstream, applicable to scope 1 and scope 2 emissions; the same tax could be extended to scope 3 emissions. Orange text is used for emphasis or comparison.

Operational/reporting boundary: General (draft text)

Discussion



Polls



Topic	Options
Which of the following options do you prefer on the topic of **defining the scope 3 boundary?**	**a. GHGP** (paraphrased, refer to previous slides): **Required boundary** • Proposed revisions requiring 95% inclusion and permitting the exclusion of 5% (including de minimis) *required* scope 3 emissions. **b. ISO** (paraphrased, refer to previous slide): **Optional boundary** • The organization shall define and explain its own pre-determined criteria for significance of scope 3 emissions **c. Hybrid A** (paraphrased, refer to previous slide): **Optional boundary** • Recommended boundary (self-defined) + required screening **d. Hybrid B** (paraphrased, refer to previous slide): **Optional boundary** • Recommended (95% 'required' scope 3 emissions boundary) + required screening

Note: Approach to addressing topics from the Land Sector and Removals Standard (e.g., removals) in the consolidated Corporate Standard is pending, with some LSRS topics to be considered in a future meeting

Relevance criteria

Side-by-side text comparison | Relevance criteria

GHGP draft text

Criteria for identifying relevant scope 3 activities [reordered to aid comparison with ISO text, from Revision B10c]:

- **Size** - Activities that are expected to contribute significantly to a company's total anticipated scope 3 emissions, noting the exclusion thresholds for required scope 3 emissions.
- **Influence** - There are potential value chain emissions reductions that could be undertaken or influenced by the company
- **Risk** - They contribute to the company's risk exposure (e.g., climate change related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks)
- **Sector-guidance** - They have been identified as relevant by sector-specific standards or guidance.
- **Outsourcing/in-sourcing** - Activities that are outsourced (i.e., now performed by third-party companies) which previously were performed in-house by the reporting company or that typically are performed in-house by other companies in the reporting company's sector.
- **Stakeholders** - They are deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society)
- **Other** - They meet any additional criteria for determining relevance developed by the company or industry sector

Proposed ISO text

- **Magnitude**: GHG emissions or GHG removals that are quantitatively substantial.
- **Level of influence**: The extent to which the organization has the ability to monitor and reduce GHG emission and GHG removals (e.g., energy efficiency, eco-design, customer engagement, terms of reference).
- **Risk or opportunity**: GHG emissions or GHG removals that contribute to the organization's exposure to risk (e.g. climate-related risks such as financial, regulatory, supply chain, product and customer, litigation, reputational risks) or its opportunity for business (e.g. new market, new business model).
- **Sector-specific guidance**: GHG emissions and GHG removals deemed as significant by the business sector, as provided by sector-specific guidance.
- **Outsourcing**: GHG emissions and GHG removals resulting from outsourced activities that are typically core business activities.
- **Employee engagement**: GHG emissions and GHG removals that could motivate employees to reduce energy use or that build team spirit around climate change mitigation (e.g. energy conservation incentives, carpooling, internal carbon pricing).

ISO-13

Qualitative relevance criteria: definitions

Preliminary outcome

Summary of outcome

- Cl. 6.4.4 lists one quantitative criterion (magnitude) and five qualitative criteria: level of influence, risk or opportunity, sector-specific guidance, outsourcing, employee engagement. Definitions carried from ISO 14064-1:2018 (Annex H) via WD2 Annex K and moved into main text
- Role: Step 1 — organization should consider including subcategories on qualitative criteria before magnitude testing; Step 4: it may apply same criteria when setting exclusion threshold and selecting exclusions within it.
- Not in the ISO list: GHGP "stakeholders" and "other". Expressly barred as a qualifier: "limited access to data".

Relevant text

"Level of influence: The extent to which the organization has the ability to monitor and reduce GHG emission and GHG removals (e.g., energy efficiency, eco-design, customer engagement, terms of reference)." (cl. 6.4.4)

Rationale

- Definitions are near-identical to GHGP Table 6.1 (size v magnitude, influence, risk, sector guidance, outsourcing); the difference is where the criteria operate, not what they mean.
- Qualitative criteria are process criteria: the organization defines, applies and discloses them (cl. 6.4.4; 10.5.1), with the objectivity and anti-circumvention requirements as guardrails.
- Barring the data-access qualifier separates "hard to measure" from "not significant" and keeps influence/risk as relevance concepts.
- Sector-specific guidance, where it exists, should be used to select significant S3 emissions.

Level of support from ISO WG4

Status: AGREED | Consensus, no poll recorded

- N331: four-step process agreed; Step 1 "should consider including" on qualitative criteria. N331: research on historical use of influence for inclusion and exclusion presented – papers produced.
- N354 item 9: "WG4 agreed to keep only from Annex K the bullet list describing qualitative criteria, and to move this list to the main text." N359 Step 4 and Annex A (Table A.7: 3.5 excluded "based on level of influence") apply the criteria in both directions.

Implications and concerns

- GHGP: relevance criteria (Table 6.1, B10b) guide inclusion of optional emissions (B10d) and cannot reduce the required boundary. ISO: one criteria set for all subcategories, used for inclusion (Step 1) and for selecting exclusions inside a magnitude-capped threshold (Step 4).
- Harmonization of definitions is straightforward; harmonization of function depends on ISO-11/12 outcomes.
- GHGP B10c list of influence actions has no ISO counterpart beyond the examples in parentheses; could be guidance in either text.
- Concern: subjectivity of qualitative judgements — mitigated in ISO by objectivity requirement, disclosure and the cap on exclusions.

Relevance criteria – combined approach (option #3)

Hybrid option that combines GHGP and ISO text

Criteria for identifying relevant scope 3 activities: *redlined changes against the GHGP's revised version as per Revision B10c*

- ~~**Size Magnitude**~~ – Activities that ~~are expected to~~ contribute substantially~~significantly~~ to a company's total anticipated scope 3 emissions and removals~~, noting the exclusion thresholds for required scope 3 emissions.~~
- **Influence** – ~~There are~~ Activities which the company has the potential to monitor, influence, or undertake action to reduce GHG ~~value chain~~ emissions and removals. ~~emissions reductions that could be undertaken or influenced by the company~~
- **Outsourcing/Insourcing** – Activities that are outsourced (i.e., now performed by third-party companies) which previously were performed in-house by the reporting company or that typically are performed in-house by other companies in the reporting company's sector.
- **Risk or opportunity** – ~~They~~ GHG emissions or removals that contribute the company's risk exposure (e.g., climate change related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks) or its opportunity for business (e.g., new market, new business model)
- **Stakeholders** – ~~They~~ GHG emissions or removals that are deemed critical by key stakeholders (e.g., customers, suppliers, investors, employees, or civil society)
- **Sector-guidance** - ~~They~~ GHG emissions or removals that have been identified as relevant by sector-specific standards or guidance.
- **Other** – ~~They~~ GHG emissions or removals that meet any additional criteria for determining relevance developed by the company or industry sector

- **Mandated by regulation –** business or value chain activities and associated GHG emissions or removals which a reporting company must disclose in accordance with a government, regulator, mandatory disclosure framework (e.g., IFRS S1/S2, CSRD/ESRS E1, SB 253, etc.), which are capped (EU ETS), and/or which are taxed (e.g., CBAM).

Disclaimer: *This is a working hybrid option and is meant to support discussion between TWG members as a third possible options. If selected, the TWG and Secretariat may further develop this hybridized option*

ISO-18: Disaggregation of scope 3 emissions

Side-by-side text comparison

GHGP draft text

- Companies **shall** disaggregate required scope 3 emissions using the classification rules in accordance with the accounting and reporting requirements in this section*.
- A reporting company **shall** ensure that scope 3 emissions are classified using the disaggregation tiers with no double counting of scope 3 emissions across said tiers.
- A reporting company **may** report some or all of its required scope 3 emissions as Unclassified.
- A reporting company **should** disaggregate its optional scope 3 emissions in the same manner.
- Disaggregated emissions **shall** be reported as greenhouse gas emissions after global warming potentials for relevant gases are applied ((e.g., tonne CO2e). A reporting company **may** supplement said figures with percentage (%) figures.

** The specific classification rules will be presented in the next section under ISO-19: Classification rules. For now, we are considering only the requirement/recommendation of disaggregation of scope 3 data.*

Proposed ISO text

Annex F

- The organization **should** disaggregate and report its scope 3 emissions, for each subcategory, based on the combination of data type and GHG quantification model(s) used to quantify scope 3 emissions.
- If the organization is unable to disaggregate spend-based data from other GHG quantification model(s), then it **should** specify those scope 3 emissions as 'unclassified' […]
- When scope 3 emissions data includes both primary and secondary data but cannot be disaggregated into its primary and secondary components, the emissions data **should** be classified as secondary data.
- Disaggregated emissions **should** be reported in mass units of CO_2e (e.g., tonne CO2e) rather than percentages of scope 3 emission. The organization **can** provide disaggregation results in percentages as additional information.
- The organization **should** ensure that scope 3 emissions are classified using the disaggregation classifications in Table F.1 without double counting of scope 3 emissions across data classifications.
- The organization **may** be unable to or choose to *not* disaggregate some or all of its scope 3 emissions inventory. In either case, the scope 3 emissions which are *not* disaggregated **should** be reported as 'unclassified'.
- The organization **should** avoid classifying emissions as 'unclassified' where possible.
- For the avoidance of doubt, 'unclassified' scope 3 emissions **may** include GHG emissions of any GHG quantification model and of any data type.

ISO-18

Optionality of disaggregation of scope 3 emissions by data type/specificity

Preliminary outcome

Summary of outcome

- Cl. 10.5.2: the organization "should disaggregate and report its scope 1 emission and scope 3 emission by data type" in Statement #1 or #2. Recommendation, not requirement, for all Scope 3 (no required/optional split).
- Cl. 10.5.2.2 classes: calculated using primary data; calculated using secondary data; spend-based estimates; unclassified. Annex F (informative) gives the rules: report in t CO2e (percentages as additional information); no double counting; mixed primary/secondary → secondary; spend-based not separable → unclassified; avoid "unclassified" where possible.
- Classification is descriptive: classes "may not imply anything specific about the quality, representativeness, accuracy or suitability of the underlying data" (Annex F).

Relevant text

"The organization may be unable to or choose to not disaggregate some or all of its scope 3 emissions inventory. In either case, the scope 3 emissions which are not disaggregated should be reported as 'unclassified'." (Annex F.2)

Rationale

- Feasibility across reporters: disaggregation depends on supplier data systems; a recommendation lets organizations report it where it is meaningful without creating a conformity failure where it is not.
- Placement in reporting (cl. 10.5.2) and informative guidance (Annex F) keeps the quantification requirements (cl. 6) independent of how data are classified.
- The "unclassified" class preserves transparency: what is not disaggregated is visible rather than silently mixed.
- Scope 1 treated symmetrically (primary/secondary only, cl. 10.5.2.1).

Level of support from ISO WG4

Status: AGREED | Consensus, no poll recorded

- N344 - "Clause 9-3-2 – Disaggregation by Data Type": "The overarching requirement to disaggregate and report Scope 1 and Scope 3 emissions by data type was changed from shall to should for both scope 1 and scope 3." Scope 3: Option 2A selected (primary, secondary, spend-based, unclassified).
- Annex F: "Given the shift from shall to should, the group agreed to change Annex F from normative to informative. All shall requirements within Annex F to be converted to should." Clause renumbered 10.5.2 in N359.

Implications and concerns

- GHGP A1: "shall disaggregate required scope 3 emissions" by tier; optional emissions "should". ISO: "should" for all Scope 3. Direct shall/should divergence.
- GHGP A6 data-specificity goals and metrics build on mandatory tiers; with an ISO "should", those metrics become voluntary.
- Because ISO has no required/optional boundary (ISO-11), a GHGP rule limited to "required" emissions has no ISO denominator.
- Concern raised on the GHGP side: optionality reduces transparency for users; on the ISO side: burden and classification of mixed data (addressed in Annex F rules).

Disaggregated reporting – combined approach (option #3)

Hybrid option that combines GHGP and ISO text

- Organizations **shall** disaggregate and report [required/recommended/<blank>]* scope 3 emissions using a classification system that distinguishes emissions based on data type, data specificity, and/or the quantification methods used.
- Organizations **should** use the classification system provided in this section. [see next topic for determining classification system (ISO-19)] Organizations **may** use an alternative classification system.
- Regardless of the classification system used, users of the public GHG report should be able to distinguish between:
  - Scope 3 emissions calculated using spend-based methods; and
  - Scope 3 emissions calculated using [primary activity data and representative emission factors / specific data]**
- The classification system used **may** include an "Unclassified" category. Where an organization is unable or unwilling to further disaggregate some or all required scope 3 emissions, those emissions **should** be reported as Unclassified.
- An organization **shall** ensure that there is no double counting of [required/recommended/<blank>]* scope 3 emissions across classification tiers.
- Disaggregated emissions **shall** be reported in mass units of CO^2e (e.g., tonne CO2e). The organization **may** provide disaggregation results in percentages as additional information
- [Companies **should** disaggregate its optional scope 3 emissions using the same manner as its recommended/required scope 3 emissions]*

Disclaimer: *This is a working hybrid option and is meant to support discussion between TWG members as a third possible options. If selected, the TWG and Secretariat may further develop this hybridized option*

* Note depending on the outcome of the ISO-11 topic, this may be 'required', 'recommended', or left blank if there are no distinct boundaries within scope 3 categories per the ISO approach. Note that the survey will ask, in the case that recommended boundary is opted for whether disaggregation should apply to the recommended boundary, or all emissions (i.e., recommended + optional).

** Note that the text here will also depend on the outcomes of the following topic ISO-19

Draft for TWG discussion

ISO-19: Classification rules for disaggregation of scope 3 emissions

GREENHOUSE GAS PROTOCOL

* - a full version of the rules and descriptions of tiers for option 1 and option 2 is provided in the pre-read for this meeting. It will not be presented in full in the TWG meeting. The Secretariat requests that TWG refamiliarize themselves with these rules ahead of the meeting.

Side-by-side text comparison

GHGP draft text

- Companies **shall** disaggregate scope 3 emissions using the classification rules in accordance with the accounting and reporting requirements in this section*.

Option 1*	Option 2*
Measured or specific: Measured scope 3 emissions are emissions quantified using direct emissions monitoring/measurement and/or other physical measurements of activities or processes (e.g., mass-balance method, stoichiometry method). Specific scope 3 emissions are emissions quantified using both specific activity data and specific emission factor(s)	**Calculated using primary data**: Scope 3 emissions quantified using estimation methods based on primary activity data and [representative] emission factor(s), expressed in physical or functional units
Other: Other scope 3 emissions are emissions quantified using activity data and/or emission factor(s) that do not meet the requirements for either Measured or Specific or Spend-based emissions.	**Calculated using secondary data**: Scope 3 emissions quantified using estimation methods based on either (i) secondary activity data (irrespective of the type of emission factor(s)) or (ii) emission factor(s) that are not [representative] (irrespective of the type of activity data), and where both activity data and emission factor(s) are expressed in physical or functional (i.e., non-monetary) units. This tier excludes spend-based calculations (see next tier).
Spend-based: Spend-based scope 3 emissions are emissions that are quantified using environmentally extended input-output (EEIO), spend-based, and/or any other proxy emission factor(s) expressed as emissions per monetary unit	**Spend-based estimates**: Scope 3 emissions quantified using spend-based emission factor(s), including environmentally-extended input-output models (EEIO) and other proxy emission factors, when expressed in emissions per monetary unit.
Unclassified: Unclassified may include Measured or Specific, Other, and/or Spend-based emissions if a company is unable or unwilling to disaggregate	**Unclassified**: Unclassified may include emissions from the above tiers if a company is unable or unwilling to disaggregate

Proposed ISO text

Section 10.5.2.2

The organization **should** disaggregate and report scope 3 emissions by data type and calculation method, using the following classification:

— *Calculated using primary data:* Scope 3 emission in this class are directly measured (primary data) or quantified using GHG quantification model(s) based on primary data for GHG activity data and GHG emission factors expressed in physical units.

— *Calculated using secondary data:* Scope 3 emissions in this class are quantified using GHG quantification model(s) based on either GHG activity data (irrespective of the type of GHG emission factor(s) used) that is secondary data or GHG emission factor(s) that are not (irrespective of the type of GHG activity data), and where both GHG activity data and GHG emission factor(s) are expressed in physical or functional units, excluding any estimates based on spend-based data.

— *Spend-based estimates:* Scope 3 emissions in this class are quantified using spend-based GHG emission factor(s), including environmentally-extended input-output (EEIO) models and other proxy GHG emission factors expressed in GHG emissions per monetary unit.

— *Unclassified scope 3 emissions:* Unclassified scope 3 emissions **may** include scope 3 emissions if the organization is unable or unwilling to disaggregate its scope 3 emissions.

ISO-19

Classification schema for scope 3 emissions disaggregation by data type

Preliminary outcome

Summary of outcome

- ISO schema = data type × quantification method matrix (Table F.1; cl. 10.5.2.2): primary data + calculation → "calculated using primary data"; secondary data + calculation → "calculated using secondary data"; spend-based → "spend-based estimates" (all spend-based data are secondary); residual → "unclassified".
- Built on existing defined terms: primary data (ISO 14064-1 / ISO 14067 definition retained), secondary data ("data obtained from sources other than primary data"), plus a new "spend-based data" definition (financial metrics; EEIO factors; high uncertainty noted) (N344, 7 July).
- Classes, not tiers; no "measured/specific" dass and no representativeness tests (GHGP Option 1 rules deleted).

Relevant text

"Data type refers to whether the underlying GHG activity data or GHG emission factors are primary data or secondary data in nature." (Annex F.2)

Rationale

- Uses terms already defined and verified in ISO 14064-1:2018 and ISO 14067 (primary/secondary), so the classification is auditable without a new rule set.
- Option 1 (data-specificity tiers) required temporal/technological/geographical representativeness tests, supplier-data validation and category-specific rules — a quantification rule set placed inside a reporting classification; WG4 retained the simpler descriptive matrix.
- Spend-based estimates isolated as a class because EEIO uncertainty is high (note to the spend-based data definition).
- Same schema for Scope 1 (primary/secondary), giving one vocabulary across scopes.

Level of support from ISO WG4

Status: AGREED | Consensus, no poll recorded

- N344 (7 July 2026): Scope 3 disaggregation "Option 2A selected – disaggregation by primary data, secondary data, spend-based estimates, and unclassified"; Annex F: "Option 1 (tier-based disaggregation) will be deleted; Option 2 retained."
- N344 (7 July), cl. 6-6-1 definitions: primary data retained per ISO 14050/ISO 14067 (no "at the original source"); secondary data unchanged; site-specific / organization-specific split; spend-based data definition and use text agreed.

Implications and concerns

- GHGP is choosing between Option 1 (Measured/Specific, Other, Spend-based, Undassified) and Option 2 (primary/secondary/spend/unclassified). ISO text = Option 2 without the "[representative]" qualifier, with "should".
- Option 1 would classify the same inventory differently (specificity vs data type); under Option 2 the residual differences are shall/should (ISO-18) and the undefined "representative" term.
- Corporate Standard TWG "measured" tier: in ISO, direct measurement sits inside "calculated using primary data".
- Hybrid for TWG consideration: Option 2 schema with ISO definitions; the shall/should question stays with ISO-18.

Disaggregated reporting classification system – combined approach (option #3)

Hybrid option that combines GHGP and ISO text

- **Calculated (using primary data)**:
  - Scope 3 emissions in this class are directly measured (primary data*) or quantified by GHG model(s) using:
    i. primary activity data; and
    ii. representative GHG emission factors** expressed in physical units
- **Calculated (using secondary data):**
  - Scope 3 emissions are quantified using model(s) based that include either:
    i. secondary activity data; or
    ii. emission factor(s) that are not representative and are expressed in physical or functional units (i.e., non-monetary units)
- **Spend-based estimates:**
  - Scope 3 emissions quantified using spend-based emission factor(s), including environmentally-extended input-output models (EEIO) and other proxy emission factors, when expressed in emissions per monetary unit
- **Unclassified:**
  - Emissions from the above tiers that an organization is unable or unwilling to disaggregate.

Disclaimer: *This is a working hybrid option and is meant to support discussion between TWG members as a third possible options. If selected, the TWG and Secretariat may further develop this hybridized option*

* Primary data (ISO definition): a quantified value of a process or an activity obtained from a direct measurement or a calculation based on direct measurements.

** Representative GHG emission factors are emission factors that: [based on GHGP text developed for specificity-led approach to disaggregation]

- Demonstrate temporal, technological, and geographical representativeness for the activity, process, product, service, fuel, or waste stream to which it is applied.
- Reflect the actual characteristics of the activity data used in the calculation;
- Use the latest IPCC GWP values no later than 36 months after publication
- Are sufficiently representative that the reporting company can reasonably conclude that the resulting emissions estimate reflects the emissions associated with the activity being reported. *See next slides for additional guidance based on GHGP text for specificity-led approach*

Note that polling for ISO-19 will separate out for each classification system. Namely, option #1 (specificity-led) and option #2 (data type-led) of GHGP text, ISO text, and this hybrid option (including guidance on 'representative' emission factors on the following slides).

Disaggregated reporting classification system – combined approach (option #3)

Hybrid option that combines GHGP and ISO text

Interpretation and application guidance:

- **Temporal representativeness:**
  - An emission factor is temporally representative when it reflects the emissions associated with the reporting period, production period, batch, or activity being quantified. Emission factors from earlier periods may still be temporally representative where the reporting company, the value chain partner, or another qualified party has validated that no material changes to the underlying emissions profile have not occurred. For the avoidance of doubt, validation is not verification nor assurance.
  - Sub-annual emission factors are only considered representative when the corresponding activity data has similar temporal resolution and seasonal variations are appropriately represented.
  - Note that there are specific cases for location-based electricity emission factors and emission factors for some downstream activities (see the table on the next slide). Location-based electricity emission factors are considered sufficiently temporally representative if they are based on data not more than 36 months older than the period of electricity generation, as the delay in publication of location-based electricity emission factors often precludes the use of more recent emission factors.
  - For forward-looking estimates and certain downstream emission categories, temporal representativeness of the reporting period may not be possible. Temporal representativeness is not required for emissions factors used to estimate forward-year emission factors to be considered representative.
- **Technological representativeness:**
  - An emission factor is technologically representative when it reflects the actual product, process, technology, fuel, service, activity, or waste treatment pathway associated with the activity being quantified.
- **Geographical representativeness:**
  - An emission factor is geographically representative when it reflects the geographic location in which the activity occurs, where geographic variation materially influences emissions. For manufactured products, geographical representativeness may be demonstrated through facility-, site- or plant-level emissions data. For fuels, chemicals, and other products where geographic variation has a limited influence on emissions, broader geographic averages may still be geographically representative. Geographical representativeness may be particularly relevant where emission intensities vary materially due to differences in resource quality, production practices, fuel blends, energy systems, or waste management infrastructure.

Note that polling for ISO-19 will separate out for each classification system. Namely, option #1 (specificity-led) and option #2 (data type-led) of GHGP text, ISO text, and this hybrid option (including this guidance on 'representative' emission factors).

Disaggregated reporting classification system – combined approach (option #3)

Hybrid option that combines GHGP and ISO text

Interpretation and application guidance:

Supplier-specific emission factors	Supplier-specific emission factors, including product carbon footprint (PCF) data, are generally representative where they: • are obtained directly from the supplier or manufacturer; • correspond to the product or service being transacted; • demonstrate temporal, technological, and geographical representativeness; and • are a complete representation of [recommended/required/<blank>]* emissions; A value chain partner's scope 3 emissions data is representative only if the emissions correspond directly to the specific goods or services transacted with the organization, and reflect, in substance and proportion, the actual activities, quantities, and conditions associated with the transacted goods or services. It is the responsibility of the organization to determine whether a value chain partner's scope 3 inventory is representative.
Fuel emission factors	Fuel emission factors are generally representative when they reflect the fuel's unique carbon content, identified at the level of chemical registration. A fuel emission factor tied to average, mixed, or generic fuel profiles is not specific.
Process and fugitive emission factors	Process and fugitive emission factors are generally representative when they are substance-specific and, where relevant, are identified at the level of chemical registration.
Location-based electricity emission factors	Location-based emission factors are generally representative when they are regionally representative (at the grid level or site-specific, if possible), reflect the consumption mix, and are based on data not more than 36 months older than the period of electricity generation.
Waste treatment emission factors	Waste treatment emission factors are generally representative if they (i) rely on waste handler-specific scope 1 and scope 2 emissions or (ii) are specific to the waste type and the country in which the treatment activity occurs.
Transportation emission factors	Transportation emission factors are generally representative if they are collected or directly obtained for the actual transport chain element associated with the activity being quantified, and are expressed as: (i) energy- or physical-based emission factors (e.g., kg CO2e / MJ fuel or kg CO2e / litre), or (ii) as emissions intensities (e.g., kg CO2e / t-km, kg CO2e / t stored).

Next Steps

Next steps

- GHG Protocol Secretariat:
  - Distribute surveys to poll on the topics covered in today's session. All polls for the consolidation process with ISO will remain open until **mid-November** and you will be able to return to save and return to them at a later date
    - We recommend you do the polls sooner rather than later, as there will be many topics across the next few sessions that will be polled.
  - Minutes, meeting slides, and recordings will be shared.
  - Topics not covered in today's session will be covered at the next session as well as:
    - References to sector-specific standards
    - References to PCAF in categories 15 and 16
    - No explicit mention of using equity + debt in denominator in proportional investment calculations

GREENHOUSE GAS PROTOCOL

Thank you!

Alexander Frantzen
Scope 3 Manager, WRI
alexander.frantzen@wri.org

Luke Jones
Scope 3 Manager, WBCSD
jones@wbcsd.org

Claire Hegemann
Scope 3 Associate, WRI
claire.hegemann@wri.org

