

Scope 3 TWG Subgroup B Meeting Minutes

Meeting number 1

Date: 31 October 2024

Time: 10:00 – 12:00 ET

Location: Virtual

Attendees

Technical Working Group Members

1. Lindsay Burton, Ernst & Young
2. Leo Cheung, The Carbon Trust
3. Mathilde Crepy, ECOS
4. Hugo Ernest-Jones, Science Based Targets initiative
5. Victor Gancel, Danfoss
6. Alasdair Hedger, Ellen MacArthur Foundation
7. Tom Jackson, Loughborough University
8. Aysegul Koseoglu, Inter IKEA
9. Tim Letts, WWF
10. Alan Lewis, Smart Freight Centre
11. Ryan Maloney, Apple
12. Nicola Stefanie Paczkowski, BASF
13. Vishwesh Pavnaskar, Indorama Ventures
14. David Quach, Wesfarmers
15. Ellen Riise, Essity Hygiene & Health AB
16. Benedicte Robertz, Umicore

Guests

1. N/A

GHG Protocol Secretariat

1. Pankaj Bhatia
2. Natalia Chebaeva
3. Alexander Frantzen
4. Claire Hegemann
5. Allison Leach
6. David Rich

Documents referenced

1. Draft Standard Development Plan
2. Discussion Paper B.1

Summary

Item	Topic and Summary	Outcomes
1	<i>Housekeeping</i> GHG Protocol Secretariat (the Secretariat) presented the slides on housekeeping rules.	N/A
2	<i>Scope of work</i> The Secretariat presented the slides on the general Scope of Work of subgroup B and the decision-making criteria. The group discussed preparation for the meetings, submission of relevant materials, accessing recording, and providing asynchronous contribution. The group discussed clarifications on the scope of work.	The Secretariat will reshare the link to the form for submission of materials, prepare and distribute a draft list of topics considered by the subgroups in the meetings of phase 1, and create and distribute to the TWG members a template for submission of case studies relating to intermediary parties.
3	<i>Introduction to discussion paper on boundary setting</i> The Secretariat presented the <i>Discussion Paper B.1</i> on Boundary Setting. The group discussed the terminology of “shall”, “should”, “may”, and “can”. The group discussed the link between value chain boundaries and the scope of work, procedures for consideration of options, and the role of sector-specific solutions in the considerations.	The Secretariat will distribute <i>Discussion Paper B.1</i> by November 1, 2024.
4	<i>Time planning</i> The Secretariat presented considerations for the planning of a rotating meeting time, summarized results of the meeting time poll and proposed a fixed meeting time.	The Secretariat will consolidate the final submissions of the time planning poll, provide the final time for the meetings, and update the relevant calendar invitations.
5	<i>Next steps</i> The Secretariat presented the next steps slides.	N/A

Summary of discussion and outcomes

1. Housekeeping

- GHG Protocol Secretariat (the Secretariat) presented the slides on housekeeping rules (see slides 4-5)

Summary of discussion

- n/a

Outcomes (e.g. recommendations, options)

- n/a

2. Scope of work

- The Secretariat presented the slides on the scope of work of subgroup B (see slides 7-20).
- The Secretariat presented the slides on decision-making criteria for revision recommendations (see slide 9).

Summary of discussion

General:

- The Technical Working Group (TWG) members asked whether discussion papers on relevant topics will be drafted and provided before or after the corresponding TWG meeting. The Secretariat clarified that discussion papers will be prepared as input for the work of the TWG and as such provided prior to the relevant meetings. *Discussion Paper B.1* was presented and explained during the meeting, to prime the discussion for the next three meetings.
- The TWG members inquired on the best timing for submission of materials and case studies relevant for consideration of the TWG. The Secretariat clarified the procedure of submitting the materials via a form and specified that submission well ahead of the respective meeting(s) would facilitate inclusion of the considerations in relevant discussion papers. Materials submitted at a later date may be summarized and/or provided for consideration by TWG members separately. If members would like to share materials relevant to the topics discussed in *Discussion Paper B.1* (finalized), the Secretariat may consider and distribute them separately. committed to resharing the link to the submission form to the TWG members.
- The TWG members asked whether a list of all topics under consideration across all subgroups of the scope 3 TWG can be provided. The Secretariat agreed to provide the schedule of meetings and topics under consideration to the TWG members.
- The TWG members inquired about the procedure for accessing meeting recordings and specifically if links to the recordings will always be send out by the same person. The Secretariat confirmed that the links for the recordings of the meetings of phase 1 will always be sent by the same person, however clarifying that the link to the recording of the kick-off meeting on September 30 was sent by another member of the Secretariat.
- The Secretariat asked the TWG members to inform the Secretariat of any planned absences in TWG meetings with as much notice as possible. This would allow the Secretariat to send a form for providing asynchronous contributions via a Quorum form ahead of the meeting, as stipulated by the governance documents, for inclusion in the meeting minutes. Feedback provided after a meeting through a meeting feedback form is not guaranteed to be included in the minutes but will instead be provided in a following meeting.

- The TWG members inquired how members are expected to prepare for meetings. The Secretariat clarified that all relevant materials for meetings will be distributed 5 working days prior to meetings.
- Discussion papers, specifically, are shared prior to meetings to inform discussions. The Secretariat will include questions or prompts in the slides and/or meeting agendas to facilitate discussions.

On the scope of work for intermediary parties:

- TWG members asked if the list of cases concerning intermediary parties provided on slide 13 of the meeting presentation is final. The Secretariat clarified that this list was not final and encouraged the TWG members to submit relevant cases for consideration.
- The TWG members inquired about the process for submission of case studies for consideration. The Secretariat clarified that case studies and other relevant materials are to be submitted through a dedicated form and asked if a template for submission would be helpful for members. The TWG members approved this approach.

On the scope of work for target setting and performance metrics:

- The TWG members asked what role the Secretariat envisions for GHG Protocol regarding target setting. The Secretariat acknowledged the rapid development of the field of climate target setting in recent years and pointed to multiple programs addressing this issue. The Secretariat highlighted the current guidance on target setting in the *Scope 3 Standard* and acknowledged the need to update this guidance. The Secretariat further emphasized the need to keep a diverse audience in mind, including potential users in geographies and sectors that are not participating in specific programs, for various reasons.
- The TWG members asked if the term “product-specific” includes services. The Secretariat confirmed that the term “product” is defined in the *Scope 3 Standard* as: “Any good or service” (p. 144)..

On the scope of work for leased assets

- The TWG members asked for clarification of the definition of an “asset” and provided an example where classification is unclear. The Secretariat provided the current definition of a leased asset from the *Scope 3 Standard* (i.e., “Any asset that is leased (e.g., facilities, vehicles, etc.).”, p. 139), and clarified that the Scope 3 TWG will be considering updates to this terminology during the update process.

Outcomes (e.g. recommendations, options)

- The Secretariat will re-share the link to the form for submission of materials by November 1, 2024.
- The Secretariat will prepare and distribute the draft list of topics considered by subgroups in the meetings of phase 1 by November 1, 2024.
- The Secretariat will create a template for submission of case studies relating to intermediary parties and distribute it to the TWG members (timeline TBD).

3. Introduction to discussion paper on boundary setting

- The Secretariat presented *Discussion Paper B.1 – Boundary setting*, highlighting the following points:
 - The paper will be shared with TWG members following the meeting.
 - The paper (like all discussion papers) is intended to serve as a starting point for discussion.
 - Chapter 1 in the paper provides background information for the paper.
 - Chapter 2 in the paper summarizes feedback received via the stakeholder survey conducted by the GHG Protocol in 2022-2023.
 - Chapter 3 in the paper lists the current GHG Protocol requirements and guidance relevant to the considered topics.
 - Chapter 4 in the paper considers relevant requirements and guidance in main external frameworks.
 - Chapter 5 in the paper provides some relevant research and considerations, including on exclusions and underreporting, justification of exclusions, materiality, and de minimis.
 - Chapter 6 in the paper lists the main questions up for consideration by the TWG members in the upcoming meetings and provides options for consideration. A description of the options is provided, as well as example(s) of the *Scope 3 Standard* text for revision, and preliminary analysis of the options based on the decision-making criteria of the GHG Protocol.
 - The questions considered are inter-connected, and some of the options identified may not be compatible.
 - The Scope 3 TWG will focus its work on the consideration of inventory completeness, while compliance will be considered in the Corporate Standard TWG.

Summary of discussion

- The TWG members inquired if the intent is to edit the language of the current *Scope 3 Standard*, or to create additional guidance. The Secretariat clarified that both options may be considered.
- The TWG members addressed the use of terms “shall”, “should” and “may” in the *Scope 3 Standard* and the discussion paper; and raised the potential benefits of aligning with ISO14064-1:2018 on term definitions, including for the term “can”. The Secretariat confirmed that the *Scope 3 Standard* is aligned with ISO with respect to term definitions for “shall”, “should”, and “may” (p. 19-20). The TWG members mentioned the potential formal addition of the term “can” to the *Scope 3 Standard* terminology.
- The TWG members highlighted that relevance is connected to the objectives of the standard and asked if any changes to the presented materials are expected based on the discussion of the *Scope 3 Standard’s* objectives in the first Scope 3 TWG meeting (on October 17, 2024). The Secretariat clarified that relevance, as one of the principles of GHG accounting and reporting, is included in the decision-making criteria for the consideration of all issues and potential revisions. Relevance in the context of boundary setting and the *Scope 3 Standard’s* objectives are considered as separate issues. The Secretariat further explained that the considered updates of the objectives, based on the written feedback from the Scope 3 TWG members, will be directed to the Corporate Standard workstream, for consideration in their phase 1.
- The TWG members acknowledged a diversity of viewpoints on what a value chain is, including defining the boundary or boundaries of value chains, as well the consequent vague and diverse interpretation of the roles of parties in value chain GHG accounting. The TWG members inquired if the Secretariat has considered defining the value chain as a starting point for this discussion. The Secretariat acknowledged that a reconsideration of the definition of “value chain” (which is currently defined in the Glossary of the *Scope 3 Standard*, p. 145) has not been directly considered, but that reassessing minimum boundaries and considering activity and emissions inclusion boundaries for intermediate parties (e.g., that facilitate transactions), is part of the scope of work of subgroup B of the Scope 3 TWG. The TWG members that raised the question, agreed to this reasoning.
- The TWG members asked if discussions will be limited to the options listed in the discussion paper, or if additional options may be proposed. The Secretariat clarified that additional options or edits to the listed options are welcome.
- The TWG highlighted the interdependency of certain topics considered in this subgroup B with topics considered in other subgroups of phase 2, and asked how alignment between the issue

considerations will be addressed. The Secretariat clarified that discussions in phase 1 will address overarching questions and approaches (across all categories), while phase 2 will be focused on category-specific issues and aspects. The Secretariat will ensure alignment of considerations across the subgroups.

- The TWG members inquired if sector-specific solutions can be considered in the discussions, for example, defining the influence criteria specific to sectors. The Secretariat clarified that the current focus is on sector-agnostic, general solutions. Options suggesting sector-specific requirements or guidance may be considered, but the Secretariat emphasized that there is a limit to the GHG Protocol's ability to provide such solutions. Sector-specific guidance development would be left to third parties. Some TWG members expressed an opinion that the GHG Protocol should be sector agnostic and provide a common framework for sectors and industries, and welcomed the idea of giving industry associations the mandate to develop more specific industry guidelines. The Secretariat highlighted the role of the GHG Protocol Support Services in the coordination of work with sectors and industry associations.
- Some TWG members specified that it would be helpful to state the hierarchy of standards and guidance in GHG accounting, given potential conflicts between the documents. An example of web-based use phase emissions accounting was raised, comparing the ICT sector guidance, which is endorsed by GHG Protocol, and the *Scope 3 Standard*. The Secretariat clarified that the ICT sector guidance was developed in alignment with the *Product Standard*, rather than the *Scope 3 Standard*, and acknowledged a general need for alignment of all GHG Protocol standards and guidance, including the *Product Standard*. The Secretariat highlighted the role of the GHG Protocol Support Services in this matter and mentioned the currently ongoing update to the strategy for support services.

Outcomes (e.g. recommendations, options)

- The Secretariat will distribute *Discussion Paper B.1* after the meeting (by November 1, 2024).

4. Time planning

- The Secretariat presented the considerations for planning of the rotating-time meetings (see slides 25-27).

Summary of discussion

- The Secretariat highlighted the drive to achieve equity in the standards update process and ensuing need to consider a rotating time for some meetings.
- Based on the conducted poll of the subgroup B members, the Secretariat proposed a fixed time of 3-5pm CET for all subgroup B meetings, as all respondents indicated that that time was suitable for them.

Outcomes (e.g. recommendations, options)

- The Secretariat will consolidate the final submissions of the time planning form, provide the final time for the meetings, and update the relevant calendar invitations.

5. Next steps

- The Secretariat presented the next steps (see slide 29).

Summary of discussion

- The Secretariat highlighted that although the slide specifies that the discussion paper is to be sent by November 21st, it will be distributed just after the current meeting.

Outcomes (e.g. recommendations, options)

- N/A

Summary of written submissions received prior to meeting

No input received