

Corporate Standard Meeting Minutes

Subgroup 3, Meeting #4

Date: 18 February 2025

Time: 09:00 – 11:00 ET / 15:00 – 17:00 CET

Location: Virtual

Attendees

Technical Working Group Members

1. Inês Amorim, World Business Council for Sustainable Development
2. Christa Anderson, WWF
3. Samuel Anuga, University Mohammed VI Polytechnic, Morocco
4. Rebecca Berg, The Climate Registry
5. Rogelio Campos, Ministry of Environment, Peru
6. Jasper Chan, TownGas
7. Gonzalo Chiroboga, Central University of Ecuador
8. Ron-Hendrik Hechelmann, University of Kassel
9. Suresh Krishna Ishwara Palar, Infosys
10. Felipe Martínez Rodríguez, Hydro
11. Alexis McGivern, University of Oxford
12. Brandon McNamara, Northern Arizona University
13. Ann Radil, Watershed
14. Jay Shi, Proctor & Gamble
15. Monika Shrivastava, JSW Cement

Guests

None present

GHG Protocol Secretariat

1. Allison Leach
2. Iain Hunt
3. Hande Baybar
4. Natalia Chebaeva
5. David Rich

Documents referenced

1. Slides for the Corporate Standard Subgroup 3 meeting on 18 February 2025
2. Corporate Standard Discussion Paper 3.2, version 2, on a Scope 3 requirement, Questions #4-6

Item	Topic and Summary	Outcomes
1	<i>Welcome and housekeeping</i> The Secretariat welcomed TWG members and briefly reviewed housekeeping items from previous meetings.	No specific outcomes.
2	<i>Recap from meeting #3</i> The Secretariat summarized the outcomes of meeting 3 on determining which reporter type(s) should be eligible for a differentiated scope 3 reporting requirement and reviewed feedback from the post-meeting survey.	No specific outcomes.
3	<i>How should the differentiated scope 3 reporting requirement be defined?</i> The Secretariat presented relevant background material, including how external programs define differentiated reporting requirements. Proposed options for defining a differentiated scope 3 requirement by reporter type were presented and discussed individually. Indicative polls were conducted to gauge the level of support for the differentiated scope 3 reporting options and to ask whether it should be a temporary or permanent option.	An indicative poll found majority opposition for making scope 3 optional for select reporters. An indicative poll found majority support for defining a differentiated scope 3 reporting requirement using a combined approach with two or more of the following components: Relevant emissions; specific categories; quantitative exclusion threshold; and flexible data quality guidelines. An indicative poll found split opinions on whether a differentiated scope 3 reporting requirement should be a temporary or permanent option.
4	<i>How should the differentiated scope 3 reporting requirement be operationalized?</i> The Secretariat briefly introduced a question about how the differentiated scope 3 reporting requirement should be operationalized. Following a brief discussion, a preliminary indicative poll was conducted. This topic will be covered more fully in the next meeting.	This topic will be covered at the next meeting.
5	<i>Wrap-up and next steps</i> The Secretariat shared a summary of next steps including the schedule for upcoming meetings and the sharing of outcomes memos across subgroups ahead of the full TWG meeting on March 4 th .	Final meeting materials including slides, minutes, and recording to be shared by the Secretariat. A memo summarizing Subgroup 3 preliminary outcomes will be shared first with Subgroup 3 members. Outcomes memos from the other two subgroups will also be shared with the full TWG ahead of the March 4 th meeting. The next full Corporate Standard TWG meeting will be Tuesday, March 4 th , with two time slots: 08:00 ET / 14:00 CET / 21:00 CHN and 16:00 ET / 22:00 CET / 05:00 Wed., March 5 th CHN. The next Subgroup 3 meeting will be Tuesday, April 1 st at 09:00 ET / 15:00 CET / 21:00 CHN.

Summary of discussion and outcomes

1. Welcome and housekeeping

- The Secretariat welcomed TWG members and briefly reviewed housekeeping items from previous meetings (Slides 1-8).

Summary of discussion

- The Secretariat reminded TWG members of housekeeping items and provided an overview of general feedback received to date via the Corporate Standard TWG Feedback Form.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Recap from meeting #3

- The Secretariat summarized the outcomes of meeting 3 on determining which reporter type(s) should be eligible for a differentiated scope 3 reporting requirement and reviewed feedback from the post-meeting survey. (Slides 9-15)

Summary of discussion

- The Secretariat summarized the key outcomes from meeting 3, which included majority support for defining differentiated scope 3 reporting requirements for small companies, excluding small companies in high-emitting sectors.
- The Secretariat provided clarification on the [IFRS S2](#) scope 3 reporting requirement and how the [SBTi SME pathway](#) eligibility criteria are defined.
 - A TWG member asked how a company should proceed if they cannot measure all scope 3 emissions. The Secretariat said that IFRS S2 mandatory reporters are expected to follow the full scope 3 reporting requirement, unless they can demonstrate impracticability.
 - A TWG member asked if the [IFRS proportionality](#) concept limits the percent of emissions that can fall under the clause of "Reasonable and supportable information... without undue cost or effort." The Secretariat said they are not aware of any limits.
 - A TWG member asked if SBTi has shared any potential changes under consideration for the eligibility criteria for the SBTi SME pathway. The Secretariat said that they are in communication with SBTi about potential changes to be considered in an upcoming public review.
 - The Secretariat clarified that SBTi based their small company definitions (e.g., headcount, turnover) on definitions in CSRD.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

3. How should the differentiated scope 3 reporting requirement be defined?

- The Secretariat presented relevant background material, including how external programs define differentiated reporting requirements. Proposed options for defining a differentiated scope 3 requirement by reporter type were presented and discussed individually. Indicative polls were conducted to gauge the level of support for the differentiated scope 3 reporting options and to ask whether it should be a temporary or permanent option. (Slides 16-33)

Summary of discussion

- The Secretariat introduced two related questions to the subgroup:
 - If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be defined?
 - Should a differentiated scope 3 reporting pathway be a temporary or permanent option?

- The Secretariat first presented relevant background information, including GHG Protocol current language, relevant research, how external programs differentiate emissions reporting requirements, and pre-meeting asynchronous feedback from the subgroup. Each proposed option was presented, followed by a group discussion.
- **Discussion about defining differentiated scope 3 reporting requirements**, organized by proposed options.
 - **Option 5A: Make scope 3 optional**
 - Several TWG members present said they oppose total optionality for select reporters. One reason given was the magnitude of scope 3 emissions.
 - A TWG member said they thought that all companies should have the ability to quantify some categories of scope 3 emissions.
 - One TWG member said that they would support full scope 3 optionality if it were a temporary option for select reporters.
 - **Option 5B: Require relevant emissions, using a qualitative relevance assessment**
 - A TWG member proposed a simple table that could be used by small companies to qualitatively assess relevance for each of the 15 scope 3 categories. The table would ask high-level qualitative questions to help companies assess the relevance of their emissions sources.
 - A TWG member voiced support for this option in combination with option 5D: Specific categories only. They suggested that small companies could use the relevance assessment to identify their top categories for reporting. They clarified that this should be a temporary option.
 - A TWG member asked whether “inclusion based on significance” is insufficient for this option. The Secretariat clarified that the intent of this option is to avoid a quantitative hotspot analysis through a qualitative relevance assessment, which would consider multiple relevance criteria at a high level.
 - The Secretariat noted that the Scope 3 TWG has shared that assessing relevance is often challenging for organizations. The Secretariat asked if TWG members thought small companies would have the capacity to identify relevant emissions.
 - A TWG member noted that other external programs (e.g., CDP) require the screening of all 15 categories and emphasized that interoperability with external programs must be considered.
 - A TWG member expressed concern about creating additional analysis requirements that might be difficult for small companies to navigate. The Secretariat added that a qualitative relevance assessment could increase uncertainty and make assurance challenging.
 - **Option 5C: Increase the quantitative exclusion threshold (e.g., from 5% to 10%)**
 - A TWG member said they do not support this option because it would not be meaningfully different from the proposed global scope 3 requirement (i.e., all significant emissions are required with “significance” defined with a 5% exclusion threshold).
 - A TWG member noted that because this option would require a hotspot analysis, the burden on companies would be the same as the global scope 3 requirement.
 - A TWG said they thought the IFRS impracticability clause is more fitting as a pathway to exclude emissions.
 - Multiple TWG members said they still prefer option 5C over option 5B regardless of the quantitative threshold.
 - A TWG member said that the numeric value of the quantitative threshold makes a big difference. A higher exclusion threshold could reduce barriers for small companies because their early reporting could use lower quality data, and they could then advance to high-quality supplier-specific data over time.
 - A TWG member said that the exclusion threshold should be used to identify which categories should be reported for a company.
 - A TWG member expressed concern about making the exclusion threshold too high (e.g., 20%) suggesting that this would hinder climate action.

- A TWG member said that more emissions data would be helpful to understand the implications for setting the quantitative threshold at different levels (e.g., 10%, 15%, 20%). The Secretariat noted that the global 5% exclusion threshold is also tentative and will be finalized at a later stage.
 - **Option 5D: Require specific categories only (e.g., category 1 only, upstream only)**
 - A TWG member said they like this option in theory but are not sure how the specific categories could be defined in a way that captures significant categories. They expressed concerns about using [CDP sectoral data](#) to set category requirements by sector because that data set is limited to voluntary reporters and is incomplete, as indicated by companies self-reporting that they have excluded relevant scope 3 categories.
 - A TWG member referred back to the [CDP data set on scope 3 disclosures](#) that was shared in an earlier meeting. They suggested that if the 5% quantitative exclusion threshold were applied, then companies would be able to exclude roughly 2 to 4 categories, giving them flexibility to focus their resources on significant categories. The TWG member clarified that the category assignment could be by sector.
 - A TWG member said that significant categories will vary by sector, but that categories 1, 3, and 11 are relevant for almost all companies.
 - The Secretariat noted that there are cases where one category can make up most emissions, such as category 15 often being more than 95% of scope 3 for financial institutions.
 - A TWG member proposed combining option 5B, 5C, and 5D. They suggested that relevant categories could be defined by sector, but a company could exclude a category if it fell below the exclusion threshold.
 - A TWG member proposed requiring the top 3 categories by sector. They noted that this approach would promote clarity, completeness, and relevance.
 - The Secretariat asked if it is the role of GHG Protocol to set sector-specific category requirements. One TWG member suggested that GHG Protocol could define an exclusion threshold but leave the sector guidance to sector initiatives, while another member expressed hesitation about implications for alignment.
 - **Option 5E: Make data quality guidelines more flexible, pending outcomes from Scope 3 TWG**
 - The Secretariat shared that the Scope 3 TWG is not currently considering requiring a minimum level of data quality. If this is confirmed, then option 5E (make data quality guidelines more flexible) would not be as relevant.
 - A TWG member said they liked this option. They asked if this option would be less stringent than the qualitative relevance assessment (option 5B). The Secretariat said that as a stand-alone option, this option would be more stringent because it would require companies to report all significant emissions. However, this option can also be combined with any other option.
 - A TWG member voiced support for combining this option with another option to increase feasibility.
 - A TWG member asked what the purview of the Scope 3 TWG is compared to the Corporate Standard TWG in setting data quality guidelines. The Secretariat clarified that the Corporate Standard TWG's role is to define the reporting requirements, whereas the Scope 3 TWG defines the methodology to calculate scope 3 emissions. However, for the differentiated scope 3 reporting requirement, it may be necessary for the Corporate Standard TWG to propose some calculation guidance.
 - A TWG member noted the trade-off between completeness and accuracy of emissions data.
- **Discussion about whether the differentiated scope 3 reporting requirement should be a temporary or permanent option.**
 - A TWG member proposed that reporting should be made less stringent for the first 1 or 2 years of reporting, but not more than 3 years.
 - A TWG member agreed that the differentiated scope 3 pathway should be temporary and defined by a year cut-off.

- **Open discussion** on defining the differentiated scope 3 reporting requirement and whether it should be a temporary or permanent option
 - The Secretariat noted the following themes in TWG member feedback so far: A combination of options should be discussed; the role of GHG Protocol should be considered; and defining sector-specific guidance may be outside the scope of the revisions.
 - A TWG member said they do not have a preferred option yet. They think defining specific categories (5D) makes sense but defining which categories is challenging. They are also in favor of more flexible data quality guidelines. They expressed a preference for the differentiated scope 3 reporting pathway being a permanent option.
 - A TWG member said they think the goal of the differentiated scope 3 reporting pathway should be to incentivize small companies to start their reporting journey so that they can eventually achieve the proposed global scope 3 reporting requirement (i.e., “all significant emissions”). They proposed combining the relevance assessment (5B) and quantitative exclusion threshold (5C).
 - A TWG member stated a preference for combining the exclusion threshold (5C) and specific categories (5D) options.
 - A TWG member said that the differentiated scope 3 pathway should be a temporary option. They stated a preference for combining a relevance assessment (5B), a quantitative exclusion threshold (5C), specific categories (5D), and flexible data quality guidelines (5E).
 - A TWG member asked what GHG Protocol’s role is for providing sector-specific requirements and/or guidance. The Secretariat responded that sectoral guidance is outside the scope of this revision.
 - A TWG member asked how any differences between the differentiated scope 3 reporting pathway (especially for the temporal aspect) and mandatory disclosure rules can be resolved. The Secretariat replied that one option would be to state in the guidance that companies should first follow any mandatory disclosure rules, and if none are applicable, then they could follow the GHG Protocol guidance. This topic will be addressed in more detail at a future meeting.
 - A TWG member proposed a phased approach with a gradual increase in reporting requirements over three years for small companies.
 - A TWG member suggested a phased approach in which the relevance assessment (5B) could be available for a temporary reporting period (e.g., 1 to 3 years). Then reporters could progress to the quantitative exclusion threshold (5C). The specific categories option could be a back-up if 5B or 5C is not possible for a company.
- **An indicative poll** was conducted asking: If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be defined?
 - All options listed above were included in the poll, and TWG members indicated the level to which they supported the option (e.g., “No – strongly oppose” to “Yes – strongly support”).
 - The poll responses are organized in the table below, from the highest level of support to the lowest level of support.

Option	Indicative poll responses
5C: Increase quantitative exclusion threshold	Majority support , with 4 of 12 members indicating strong support; 6 somewhat supportive; 1 neutral; and 1 somewhat opposed.
5B: Require relevant emissions	Majority support , with 5 of 12 members indicating strong support; 3 somewhat supportive; 2 neutral; 1 somewhat opposed; and 1 strongly opposed.
5D: Require specific categories only	Majority support , with 2 of 12 members indicating strong support; 8 somewhat supportive; and 2 somewhat opposed.
5E: Make data quality guidelines more flexible	Majority support with 3 of 12 members indicating strong support; 4 somewhat supportive; 2 neutral; 1

	somewhat opposed; 1 strongly opposed; and 1 abstained.
5A: Make scope 3 optional	Majority opposed , with 2 of 12 members indicating strong support; 1 somewhat supportive; and 9 strongly opposed.

- **A follow-up indicative poll** was held asking: Which of the following options would be your preferred choice? The options were 5B, 5C, 5D, or a combination.
 - **A strong majority** (10 of 12 TWG members) indicated preference for a combined approach for defining the differentiated scope 3 reporting requirement.
 - 1 TWG member preferred option 5C, and 1 TWG member preferred option 5D.
- **An indicative poll** was held asking: Should a differentiated scope 3 reporting pathway be a temporary or permanent option?
 - **Opinions were split**, and the topic will be taken up at a future TWG meeting.
 - 5 of 10 TWG members selected permanent option for eligible reporters
 - 4 of 10 TWG members selected temporary ramp-up to complete reporting
 - 1 of 10 TWG members abstained

Outcomes (e.g., recommendations, options)

- An indicative poll found majority opposition for making scope 3 optional for select reporters.
- An indicative poll found majority support for defining a differentiated scope 3 reporting requirement using a combined approach with the two or more of the following components: Relevant emissions; specific categories; quantitative exclusion threshold; and flexible data quality guidelines.
- An indicative poll found split opinions on whether a differentiated scope 3 reporting requirement should be a temporary or permanent option.

4. How should the differentiated scope 3 reporting requirement be operationalized?

- The Secretariat briefly introduced a question about how a differentiated scope 3 reporting requirement should be operationalized. Following a brief discussion, a preliminary indicative poll was conducted. This topic will be covered more fully in the next meeting. (Slides 38-41)

Summary of discussion

- The Secretariat provided a very brief introduction on the following question and associated options: If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be operationalized?
- A TWG member said they support the "opt out" option (6B) with clearly defined criteria. They stated that transparency is essential.
- A TWG member suggested that it be required for companies to state if they are opting out of aspects of scope 3 reporting using the differentiated scope 3 reporting pathway.
- **An indicative poll** was held asking: If requirements are differentiated for small companies, how should the different scope 3 reporting requirement be operationalized?
 - **Opinions were split** across the two options.
 - 5 of 11 TWG members prefer conformance levels, defined by reporter type.
 - 5 of 11 TWG members prefer opt out provisions, defined by reporter type.
 - 1 TWG member abstained.

Outcomes (e.g., recommendations, options)

- This topic will be covered at the next meeting.

5. Wrap-up and next steps

- The Secretariat shared a summary of next steps including the schedule for upcoming meetings and the sharing of outcomes memos across subgroups ahead of the full TWG meeting on March 4th. (Slides 42-45)

Summary of discussion

- A TWG member asked how often the ISB will review or be informed about updates from the Corporate Standard TWG. The Secretariat said that the Corporate Standard workstream will provide the next update to the ISB with preliminary outcomes to date in late April. The Corporate Standard workstream will provide updates to the ISB every 2-3 months, as needed.

Outcomes (e.g., recommendations, options)

- Final meeting materials including slides, minutes, and recording to be shared by the Secretariat.
- A memo summarizing Subgroup 3 preliminary outcomes will be shared first with Subgroup 3 members. Outcomes memos from the other two subgroups will also be shared with the full TWG ahead of the March 4th meeting.
- The next full Corporate Standard TWG meeting will be Tuesday, March 4th, with two time slots: 08:00 ET / 14:00 CET / 21:00 CHN and 16:00 ET / 22:00 CET / 05:00 Wed., March 5th CHN.
- The next Subgroup 3 meeting will be Tuesday, April 1st at 09:00 ET / 15:00 CET / 21:00 CHN

Summary of written submissions received prior to meeting

- TWG members were invited to respond to an asynchronous feedback survey prior to the meeting, with 8 responses received. Topics covered included:
 - Whether TWG members had any questions or concerns about the following preliminary outcomes of the third Subgroup 3 meeting:
 - Scope 3 reporting should be differentiated in some way, and it is the role of GHG Protocol to define differentiated requirements.
 - Scope 3 reporting should be differentiated for small companies.
 - High-emitting sectors should be excluded from a differentiated scope 3 reporting requirement.
 - Scope 3 reporting should NOT be differentiated in the following ways: Open to all reporter types; requirements defined by sector; requirements for new reporters; requirements defined by geography.
 - Early feedback on and whether any additional options should be considered for the question: "How should the differentiated scope 3 reporting requirement be defined?"
- Results of the feedback survey were used to inform the proposed options and analysis for the February 18th meeting, with relevant results summarized in the meeting slides.