



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# Scope 3 Expert Working Group Meeting Minutes

23 April 2025

11:00 - 13:30 BST [Option A]

17.00 - 19.30 BST [Option B]

Virtual

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## Meeting participants

### Expert Working Group Members present:

*As per clause 6 in the EWG Terms of Reference, members serve on the EWG in their individual capacity as technical experts.*

#### [Option A]

1. Aditya Misra, Proforest Europe
2. Frederic Hans, NewClimate Institute
3. Gibran Vita, Rabobank
4. Leonardo I. Boeri, A.P. Møller-Maersk
5. Lydia Elliott, We Mean Business Coalition
6. Miriam Kugele, Aga Khan University
7. Nicolas Clerget-Etchandy, The Heineken Company
8. Sam Van Den Plas, Carbon Market Watch
9. Sriram Rajagopal, IKEA
10. Svend Hansen, Ørsted

#### [Option B]

1. Krutarth Jhaveri, Apple
2. Laura Hutchinson, Center for Green Market Activation
3. Kaya Axelsson, Oxford Net Zero
4. Eleanor Bastian, Amazon
5. Derik Broekhoff, Stockholm Environment Institute
6. Andres Chang, Greenpeace USA
7. Alissa Benchimol, Greenhouse Gas Management Institute
8. Alan Lewis, Smart Freight Centre
9. Gibran Vita, Rabobank

### SBTi:

#### [Option A]

1. Hugo Ernest-Jones (Value Chain Lead)
2. Giulia Camparsi (SME Value Chain)
3. Eoin White (Research Lead)
4. Emma Watson (Head of Corporate Standards) - Observer
5. Louisa Kolovos (Project Manager) - Observer

#### [Option B]

1. Hugo Ernest-Jones (Value Chain Lead)
2. Giulia Camparsi (SME Value Chain)
3. Eoin White (Research Lead)
4. Alberto Carillo Pineda (Chief Technical Officer) - Observer
5. Emma Watson (Head of Corporate Standards) - Observer
6. Marco Swan (Financial Institutions Engagement Manager) - Observer
7. Paulina Tarrant (Stakeholder Engagement Senior Manager) - Observer

## Technical Council Observers:

### [Option A]

N/A

### [Option B]

1. Doreen Stabinsky
2. Michael Gillenwater
3. Stephanie Roe

**Note on the format of these minutes:** This meeting was held twice to accommodate the time zones of the Expert Working Group (EWG) members. The content presented by the SBTi team was consistent across both sessions, and participants in each meeting engaged with the same interactive exercises. To avoid duplication, these meeting minutes present the shared content (presentations and framing) once, followed by separate summaries of participant discussions from the Option A and Option B meetings.

## Meeting Agenda

1. EWG introductions and scope 3 vision
2. SBTi team presentation: context setting
3. Q&A
4. Discussion topics
  - a. Supplier engagement target
  - b. Combined or separate entity/activity level targets
5. Next steps

## Meeting Objective

The goal for this meeting was to orient the EWG with a shared vision for scope 3 and refine the overall approach to net-zero aligned procurement.

## 1. Welcome & Introductions

The EWG members and SBTi staff introduced themselves.

A mentimeter exercise was used to gather participants' perspectives on the vision for the Scope 3 EWG, highlighting the following themes:

### [Option A]

- Guardrails to ensure credible impact

- Practical action over perfection
- Clear expectations for data and methods
- Alignment with other standards and past lessons
- Flexibility for future solutions, with present clarity

#### [Option B]

- Incorporate equity into design and implementation
- Support supplier engagement without undue burden
- Provide clear, science-based guidance for Scope 3 targets
- Ensure feasibility across complex value chains
- Simplify and position as a practical evolution of CNZS v1.2

## 2. Context setting

The SBTi team presented an overview of the draft Scope 3 criteria for the Corporate Net-Zero Standard v2.0. Key updates included a relevance-based target boundary approach, increased optionality in target-setting methods (introducing an alignment target method), and the introduction of indirect mitigation.

### 1. Target boundary setting following a relevance-based approach

- The updated target boundary approach moves from a fixed percentage boundary to prioritizing significant categories and emissions-intensive activities, using specific thresholds.

### 2. Target-setting options

- Two types of targets are required under the new draft criteria:
  - Supplier engagement targets - aligning emissions-intensive suppliers by 2030 and all other suppliers by 2050.
  - Abatement targets - covering significant categories and emissions-intensive activities. Multiple methods are available for setting abatement targets.
- A new alignment method is introduced to enable greater optionality in target-setting and to address challenges with existing emissions-based methods. This includes:
  - Tracking using procurement spend or revenue generation.
  - Defining alignment, using net-zero emissions intensity benchmarks or other non-emissions-based approaches.
  - Achieving the target, using a linear approach to reach 100% alignment by 2050.

### 3. Substantiating progress

- Direct mitigation is prioritized where traceability and influence are high, while indirect mitigation (using book and claim certificates) is recognised as an interim measure where traceability is limited. The standard aims to increase traceability over time.

## 3. Initial discussion on the updates

#### [Option A]

- Net-zero benchmarks to define alignment based on the IEA's 2050 net-zero scenarios was referenced as an alternative to the linear alignment approach for consideration and the potential for alternative metrics was discussed.
- A participant sought clarification on the aggregation of activity targets for emission-intensive activities, particularly regarding the level of detail (commodity-specific versus aggregated). The SBTi clarified that while individual commodity targets are initially considered, a minimum threshold for setting individual activity-level targets may be implemented and is being consulted on to help avoid excessive detail.
- A participant raised concerns about distinguishing between low-carbon and net-zero products, highlighting potential lock-in effects from prioritizing low-carbon options in the short term. The SBTi acknowledged this concern, emphasizing the need to consider alternative metrics and the availability of net-zero products in the market. The SBTi further highlighted the need to consider market feasibility, particularly for zero-carbon commodities and services.
- Another participant suggested prioritizing target setting based on supplier impact and influence, focusing on high-impact suppliers first. The SBTi acknowledged this as a valid consideration as part of the forthcoming EWG discussions about prioritisation of suppliers for alignment.
- The SBTi noted the need to explore supplier prioritization, currently focusing on emissions-intensive activities but considering impact proportion as an alternative. They discussed assessing supplier impact, with the participant providing examples of high-spend suppliers with low carbon impact versus high-impact, upstream suppliers. They concluded that further discussion on the criteria for prioritising suppliers for engagement is needed in the next meeting.
- A participant questioned the linear alignment trajectory to 2050, suggesting shorter-term milestones linked to existing interim targets. The SBTi explained the chosen linear approach for consistency despite varying starting points, but acknowledged the potential for a milestone-based approach. They also discussed the lack of more detailed regional differentiation in the current draft beyond the company categorisation criteria, although the possibility of incorporating regional differences (e.g. in terms of the markets where products are being sold) remains open for discussion. Finally, they addressed the flexibility of setting alignment targets and metrics, noting the current prescriptive approach but with future discussions planned.
- A participant questioned the feasibility of identifying emissions-intensive activities, particularly for smaller companies. The SBTi acknowledged this feasibility concern and the challenge of obtaining activity-level data, emphasizing the need for pilot testing to assess the practicality of this requirement.
- A participant raised concerns about the current requirement to align emissions-intensive suppliers by 2030, indicating that many of the agricultural commodities listed as emissions-intensive may come from smaller suppliers (which may be category B) in the global south beyond tier 1, potentially putting particular pressure on smaller “emissions-intensive” suppliers. They also discussed the feasibility of requesting detailed data from smaller

suppliers. The SBTi clarified that the 2030 alignment for emissions-intensive suppliers refers to setting science-based targets, not necessarily full implementation, though noted the point about supplier size and geography as a point for further exploration in the next meeting on prioritisation of suppliers.

- A participant emphasized the need for pragmatism and whether the current approach requires everything that falls within the 5% emissions threshold needs to be prioritised. They gave the example that logistics may be identified as relevant but more expensive than addressing packaging which represents a large proportion of emissions, so would it not make sense to prioritise packaging first. The SBTi confirmed the current approach's simplicity but acknowledged feasibility concerns, and clarified that flexibility exists in focusing actions, even with a 5% rule. The participant further suggested separating targets out into priority actions and medium-term actions to create a roadmap towards 2050, which help companies to prioritise which emissions sources within the target boundary companies focus on at what stage.
- A participant highlighted a potential inconsistency of optional scope 3 targets for category B suppliers with the requirement for tier 1 suppliers to extend alignment requirements to their own suppliers involved in providing emissions-intensive activities.
- The SBTi noted this point and the need to clarify how the criteria apply across A and category B suppliers.

#### **[Option B]**

- In Session B, a discussion ensued regarding the rationale behind the linear approach for alignment targets, the definition of net-zero aligned benchmarks, and determining the level of traceability for indirect mitigation. Concerns were raised about the use of cost-based metrics and the thresholds for emission-intensive activities. A recommendation was made to consider the GLEC framework's decision to avoid cost-based intensity estimates due to volatility in prices.
- The SBTi explained the challenges in obtaining activity level data to test the 1% threshold for emissions-intensive activities. They acknowledged the need for further testing during the pilot phase to determine its effectiveness and appropriateness. A participant suggested considering different methodologies, noting that spend-based and activity-based data can yield significantly different results.
- The SBTi welcomed suggestions for testing the proposed significance thresholds. A participant highlighted the importance of aligning with the Greenhouse Gas Protocol Scope 3 Working Group, which favors a cumulative 5% threshold for exclusions and resists activity-level detail for reasons including preserving the potential for modal shift in transportation. The SBTi will work with Greenhouse Gas Protocol to discuss alignment on the thresholds for significance with their Scope 3 Technical Working Group.
- A participant raised questions about the traceability requirement for indirect mitigation, its relationship with persistent barriers, and the need for clarity for companies to rationalize investments. The SBTi emphasized the need to

refine the justifications for using indirect mitigation and to specify evidence requirements. These topics will be explored later within the EWG.

- A participant inquired about the deviation from the GHG Protocol's minimum boundary requirements, noting that the draft standard prevents exclusions deemed irrelevant or de minimis. The SBTi explained the decision to require 100% emission inclusion, citing concerns about excluding relevant sources and past misuse of percentage-based exclusions. They noted ongoing discussions with the GHG Protocol for alignment. Another participant added that the GHG Protocol's discussions are moving in a similar direction.
- A participant raised concerns about maintaining aligned targets over time given changing supplier bases due to factors like trade and tariffs. The SBTi acknowledged this as a consideration, noting a preference for engaging with existing suppliers to set science-based targets rather than simply shifting spend. The SBTi cited the use of similar concepts in social compliance due diligence frameworks as inspiration, which try to maintain a level of stability in practices in the value chain regardless of the composition of the value chain.
- A participant raised a point about the terminology used for "emission-intensive activities" versus "high climate impact activities". The SBTi explained the rationale behind choosing "emission-intensive activities," acknowledging potential confusion and the need for clear definitions in the glossary. They agreed that further clarification may be needed to prevent misinterpretations, especially within sectors like freight.

### 3. Discussion questions

Participants were asked two key questions related to the session's objective of refining the framework and metrics for net-zero aligned procurement.

#### 1. How should the SBTi define and assess net-zero aligned procurement?

The SBTi introduced the discussion on formulating a net-zero aligned procurement approach. They presented the options for combining supplier-level and activity-level alignment targets. The current standard allows for separate requirements, requiring suppliers to set science-based targets and offering options for addressing emissions-intensive activities. A proposed integrated model would require both supplier science-based targets and aligned emissions-intensive activities.

#### [Option A]

- **Mandatory vs. optional supplier engagement targets**
  - The group discussed whether supplier engagement targets should be mandatory. Those in favor highlighted the potential to drive action and catalyze ambition in supply chains.
  - Concerns included the feasibility of the 100% alignment goal, potential equity issues, and unintended consequences, along with significant administrative efforts to include potentially large numbers of suppliers.
  - Those who preferred optional targets emphasized the need for flexibility and pragmatic approaches considering varying preconditions and data availability.

- Concerns about potential unintended consequences like market distortion and equity issues were also raised.
- The participants discussed the purpose and effectiveness of supplier engagement targets within the framework of science-based targets.
- There was considerable debate regarding whether these targets should focus on supplier ambition or performance, with some arguing that focusing solely on ambition, while enabling, does not guarantee emissions reductions.
- Others suggested a stronger emphasis on measuring actual emission reductions over time, similar to existing SBT standards.
- **Integrated vs. separate supplier and activity-level alignment targets**
  - A poll question showed preference for keeping alignment targets separate but a considerable portion of respondents favored the integrated approach. The group agreed further discussion was needed to determine how best to integrate or separate the targets. The SBTi agreed to come back to this topic within the EWG.
  - The need for clarity on what constitutes "alignment" for suppliers was raised, with differing interpretations of science-based targets (SBTs).
  - Several participants raised concerns about the complexity of current supplier engagement targets and suggested a simplified, more pragmatic approach based on prioritisation of suppliers.
  - They argued that focusing on reducing overall emissions, particularly upstream scope 3 emissions, remains the ultimate goal.
  - The discussion explored alternative metrics, such as alignment targets focused on procuring low-emission materials (e.g., low-carbon steel), which are intended to be easier to measure and track progress against.
  - Some also highlighted the time lag associated with measuring scope 3 emission reductions, advocating for the continued use of alignment targets as a more immediate measure of progress.
  - Various companies shared their approaches to supplier engagement. Some prioritize engagement based on emission intensity, focusing on a smaller number of high-impact suppliers. They utilize different prioritization strategies and frameworks, such as categorizing suppliers based on their potential for emission reductions and the feasibility of implementing mitigation measures.
  - Others noted the challenges of influencing suppliers through distributors or in regions with limited regulatory frameworks. The common thread was the recognition of supplier engagement as a valuable tool to facilitate emissions reductions, although there was debate about whether it should be the sole or primary metric.
  - The discussion concluded with a leaning toward maintaining separate activity-level and supplier-level targets, acknowledging that they measure different aspects of emission reduction efforts. The group will continue this discussion at a future meeting, focusing on prioritization and exploring alternative alignment metrics.

## [Option B]

- **Mandatory vs. optional supplier engagement targets**

- The SBTi presented the results of the same poll question indicating a roughly even split of opinion on whether supplier engagement targets should be mandatory.
- A participant supported mandatory supplier engagement, emphasizing its importance for scaling climate action and acknowledging the need to prioritize high-impact suppliers.
- Another participant also favored mandatory targets but expressed concern about the 100% alignment requirement's potential for year-over-year fluctuation.
- A participant supported the goal of improved supplier engagement but raised concerns about feasibility, especially for smaller suppliers and the 2030 timeline.
- The SBTi followed up, inquiring about the desired coverage level. The participant responded that the percentage varies significantly depending on the framing, e.g. how many suppliers are covered. Another participant suggested 95% coverage.
- A participant suggested a phased approach and alternative mechanisms for assessing alignment in the near term, particularly for emissions-intensive activities.
- A participant emphasized the need to consider the feasibility of achieving 100% coverage when it includes large numbers of smaller suppliers, particularly in sectors like food and agriculture.
- **Integrated vs. separate supplier and activity-level alignment targets**
  - A participant favored a single, integrated target for simplicity.
  - Another participant, while also generally favoring fewer targets, suggested that the separate target approach might be more workable given the potential for differing influence within supply chains.
  - A participant questioned the need for a binary choice between separate or integrated targets.
  - A participant suggested a flexible approach, acknowledging that a simplified approach with fewer targets might be preferable but not always feasible.
  - The SBTi raised the question of whether amplifying demand through the supply chain or focusing on direct company action is more effective. A respondent suggested that while more targets might lead to target proliferation, tracking would be more effective.
  - Another participant preferred keeping the targets separate, allowing flexibility for suppliers who can directly procure lower-emission materials.
  - A participant expressed a potential risk that lax requirements around environmental attribute certificates might incentivize companies to buy certificates instead of engaging with their value chain.
  - The group agreed that a tier one mandatory target might act as a safeguard, though further case studies were suggested.
  - The participants largely favored keeping the two target types separate, with some flexibility in metrics used for alignment. This approach, they felt, allows for more effective reporting and supplier engagement, while acknowledging that the effectiveness will vary based on the individual circumstances of each company and their supply chains.

## 4. Next Steps

The SBTi team clarified the next steps:

- Slides and official minutes will be shared by next week.
- Pre-reads for the next session will be sent five working days in advance.
- Future session to continue discussions on:
  - Prioritization of suppliers
  - Expanding alignment metrics
- SBTi to discuss CNZSv2.0 approach to exclusions and significance thresholds within GHGP Scope 3 Technical Working Groups to enable alignment

### Topics requiring further clarification and refinement by the SBTi

The following topics related to the framework for addressing upstream emissions were identified during the meeting as areas that may require further clarification or refinement, including through subsequent expert working group meetings. These topics will also be taken for consideration by the SBTi during the revision process of the draft Standard, together with the feedback received from the public consultation:

1. **Feasibility of requiring activity-level data for all emissions-intensive activities:** particularly among smaller companies providing emissions-intensive commodities (e.g. food and agri)
2. **Effective prioritization of suppliers:** opportunity to refine how suppliers are prioritized for alignment—balancing emissions impact and supplier characteristics (e.g., size, geography)—along with the 2030 alignment expectation.
3. **Integrated vs. separate alignment targets (supplier vs. activity-level):** further exploration needed on whether to integrate supplier and activity-level alignment targets into a single requirement or keep them separate, once the approach to prioritizing suppliers and potential alignment metrics have been further elaborated.
4. **Guardrails for use of indirect mitigation:** guidance on when and how indirect mitigation can be used, including traceability and justification requirements, will be further explored in forthcoming EWG meetings.

