

Beta Scope 3 Claim

PUBLIC CONSULTATION OPEN WEBINAR

29 August 2024

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VCMI & Beta Scope 3 Claim Introduction

VCMI is a global non-profit empowering governments, companies and other non-state actors to make a real impact on climate action

CLAIMS CODE OF PRACTICE

To incentivize climate leadership and provide guidance to companies on how to use high-quality carbon credits.

ACCESS STRATEGIES PROGRAM

To deliver holistic technical assistance that complements Paris Agreement frameworks.



Companies are not reducing emissions fast enough and need tools to make progress on ambitious climate targets

- Companies are not reducing emissions fast enough and need tools to **accelerate their climate ambition and action**, as a complement to delivering Scope 3 decarbonization goals.
- The final version of VCMI's Scope 3 Claim will enable companies to **take action now and go further, faster**.
- Guardrails will ensure carbon credits are used in addition – and not to delay – decarbonization.



Beta Scope 3 Claim's evolution

- Bronze claim released with Provisional Claims Code in 2022
- First Beta version launched end of 2023
- Over 150 stakeholders engaged in early consultation process
- Public Consultation to lead to final publication in 2025



Why a Public Consultation?

Strengthening the Claim:

- With proposed methodological changes, VCMi aims to consider a wide range of stakeholder perspectives which is crucial to strengthening existing requirements and guardrails for the Claim.

Transparency:

- All responses received from the consultation will be published on VCMi's website as part of a synthesis report and an explanation of how we've responded to comments in drafting the final version of the claim.





Beta Scope 3 Claim Methodology

Beta Scope 3 Claim

The Scope 3 Claim requires the retirement of high-quality carbon credits in an amount equal to or greater than 100% of a company's scope 3 emissions gap, within laid-out guardrails.

For this:



Companies must comply with VCMF Foundational Criteria, make progress towards scope 1 and scope 2, disclose scope 3 emissions gap, barriers faced and plan to overcome them.



Emissions gap must not exceed 24% of scope 3 trajectory emissions included in target boundary in most recent reporting year



Emissions gap must decline over time and phaseout by 2038 or earlier

Claim Methodology – Emissions Gap

DEFINITION

BEFORE

Emissions gap =
Scope 3 GHG inventory
emissions - Scope 3
GHG emissions
trajectory

NOW

Emissions gap =
Most recently reported Scope 3 emissions
included in the target boundary –
Scope 3 trajectory emissions included in
the target boundary for the same year

Claim Methodology – Emissions Gap

TRAJECTORY

BEFORE

Pathway adopted by the SBTi or credible alternative pathways if they are derived from an equivalent, robust, emissions reduction trajectory.

NOW

If companies do not provide their own science aligned emissions trajectory for the claim year, a **linear trajectory** can be assumed and provided by them. Information on existing guidance is also provided for companies that prefer to use **non-linear** trajectory.

How many credits companies will need to retire to make a Scope 3 Claim?

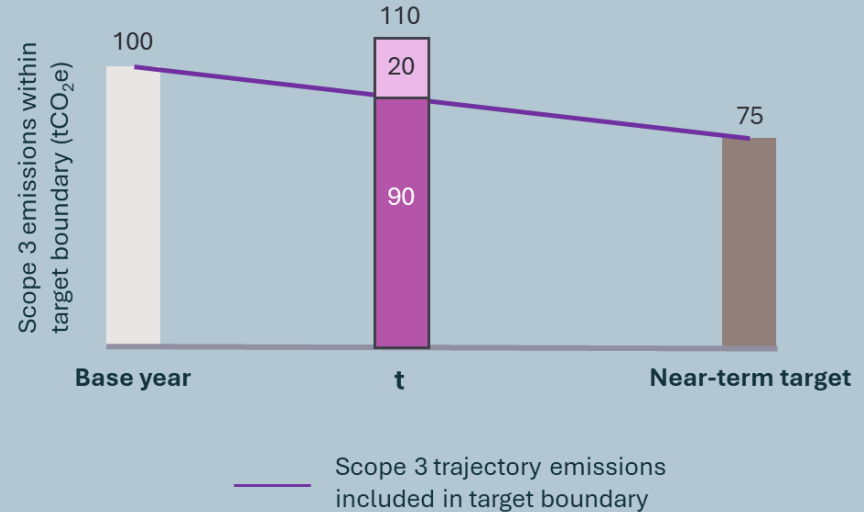
Example: Company A

Reported scope 3 emissions included in target boundary (t) = **110** tCO₂e

Scope 3 trajectory emissions (t) = **90** tCO₂e

Emissions gap (t) = 110 – 90 = **20** tCO₂e

How many credits the company needs to retire to make a Scope 3 Claim \geq **20** tCO₂e



Claim Methodology – Requirements

24% OF SCOPE 3 TRAJECTORY EMISSIONS

BEFORE

The number of carbon credits used must not exceed **50%** of a company's GHG **inventory** scope 3 emissions

NOW

The scope 3 emissions gap must not exceed **24%** of a company's scope 3 **trajectory emissions** included in the target boundary

Claim Methodology – Requirements

EMISSIONS GAP PHASEOUT BY 2038 OR EARLIER

BEFORE

Credits used to make a Scope 3 Claim will decline over time (25% in 2030), leading to their complete phase-out no later than 10 years after the first claim is made, or by 2035, whichever is the earliest.

NOW

The scope 3 emissions gap must decline over time, leading to its complete phaseout **by 2038**.

Claim Methodology – Additional requirements

PUBLICLY DISCLOSE BARRIERS, ACTIONS & PLAN TO OVERCOME

BEFORE

Additional requirements to make a Scope 3 Claim, on top of the Foundational Criteria, were based only on reported scope 3 emissions (gap limit and phaseout).

NOW

Companies are required to publicly disclose barriers on scope 3 emission reduction, actions taken to remove them and provide a plan to overcome remaining barriers. Indicators from climate transition plans to monitor progress should be provided.

The beta Scope 3 Claim
Public Consultation will
ensure the
requirements and
recommendations are
clear, effective and
further strengthen
transparency.





Public Consultation Process & How to Engage

VCMI is proud to collaborate with BSI to manage the public consultation process of the beta Scope 3 Claim.



Public Consultation Process



Open September 2nd – October 7th



Submit feedback via the Public Consultation Platform



**Participate in upcoming webinars:
September 17th and 19th**

Platform goes live

**September 2nd,
2 pm CET**

The Consultation Platform



Comments on the main Scope 3 section



Provide evidence whenever possible



Detailed instructions & FAQs



Registration options

BSI-led webinars



2 x open webinars



Update on the consultation process



Engage and participate



Live Q & A with experts

**September
17th
5 pm CET**

**September
19th
10 am CET**

For further questions, contact us at

vcmiscope3claim@bsigroup.com

How the feedback will be used to update the Scope 3 Claim

- Strengthen existing requirements and guardrails
- Maintain high standards of integrity while also being practical to potential corporate adopters



Beta Scope 3 Claim Roadmap

2024

2025



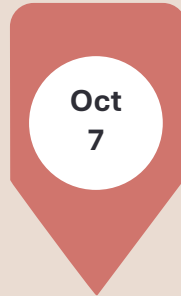
Public Consultation Announced



Public Consultation Opens

Further engagements:

- Webinars on Sept 17 and Sept 19



Public Consultation Closes



Publication of Results
Road Testing with companies
Brand and name development



Scope 3 Claim Published



Have a
question?

Learn more

VCMI Newsletter



Scope 3 Claim



Thank You

For further questions on the public consultation, please contact
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