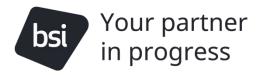
Scope 3 Action

Report on public consultation

and road test for

VCMI beta Scope 3 Claim

Annex A - Public consultation process report





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About BSI:

BSI is appointed by the UK Government as the National Standards Body and represents UK interests at the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC) and the European Standards Organizations (CEN, CENELEC and ETSI).

Our role is to help improve the quality, safety and integrity of products, services, and systems by facilitating the creation and maintenance of consensus-based, market-led standards and encouraging their use.

We publish over 2,700 standards annually using a collaborative approach, engaging with industry experts, government bodies, trade associations, businesses of all sizes and consumers to develop standards that reflect good practice.

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The Voluntary Carbon Markets Integrity Initiative (VCMI)



1 Public consultation overview

The British Standards Institution (BSI) collaborated with the Voluntary Carbon Markets Integrity Initiative (VCMI) to deliver a robust, representative and transparent consultation process for the beta Scope 3 Claim, submitted for public consultation in September 2024.

This annex, produced by BSI, provides a summary of the process undertaken between July and November 2024 to run the public consultation and reach the set of proposed changes.

The key highlights of the public consultation were:

- VCMI engaged BSI to prepare for, manage and analyze feedback from a public consultation open between 02 September and 21 October 2024.
- BSI worked with VCMI to deliver a robust consultation process in line with key BSI good practice principles of transparency, openness, representation and fairness.
- Consultation methods included providing an open consultation platform, public webinars and targeted focus groups with key stakeholder groups. Efforts were made to promote and drive representative engagement in the process across geographies, functions and sectors.
- 311 stakeholders were engaged in the process in total by either registering to the consultation platform or participating in focus groups. Another 350 stakeholders attended at least one of the two BSI-led public webinars and 242 at the VCMI-led webinar in August 2024, ahead of the public consultation.
- 1,018 individual comments were received from the consultation (872 via the consultation platform, 146 via focus groups).
- All comments and focus group insights were reviewed and categorized into key themes and sub-themes. Survey question results, posed via the platform, were analyzed and together presented a consolidated view of feedback informing how the Claim could be developed, with all views considered in a fair manner.
- The most significant topics (i.e. those where a large amount of feedback was received and/or involved particularly polarising perspectives) were taken forward for discussion with VCMI's Expert Advisory Group (EAG). This group is transparently presented via VCMI's website and provided review and expert advice in relation to the consultation results to help inform the options to take forward for road-testing.
- Results of the consultation, either through the EAG or otherwise, have been used to inform a road-testing period led by VCMI, in partnership with World Business Council for Sustainable Development (WBCSD) and Boston Consulting Group (BCG). This has tested and resulted in a final set of changes incorporated into the next iteration of the document.



2 Introduction

In July 2024, the Voluntary Carbon Markets Integrity Initiative (VCMI) announced the public consultation for its beta Scope 3 Claim. In August, they announced a collaboration with the British Standards Institution (BSI) to deliver a robust, representative and transparent consultation process.

This annex, produced by BSI, provides a summary of the process undertaken between July and November 2024 to run the public consultation and reach the set of proposed changes for the Claim to be taken forward into road testing.

It contains an overview of the consultation process and methods conducted to promote openness and help achieve a representative consultation, collect and analyze consultation feedback, and arrive at the proposed set of updates to the Claim, while ensuring transparency and fairness throughout. This includes:

- Representative stakeholder engagement
- Communications and awareness of the consultation
- Developing an open consultation platform
- Global public webinars
- Targeted focus groups
- Consultation extension and close
- Processing of consultation feedback
- Expert Advisory Group (EAG) meetings

2.1 Public consultation principles

Conducting an open public consultation allows any interested party to provide input and offer feedback to inform VCMI's efforts to enhance the claim's effectiveness and robustness. A thorough consultation process with full transparency is essential to provide confidence that the next iteration of the claim reflects a diverse set of perspectives.

Principle	Description						
Transparency	The consultation activity is made fully visible. The process undertaken, feedback received and how this is addressed are published publicly.						
Openness	Anyone who wants to is able to contribute to the consultation. The process has been promoted broadly and indiscriminately. The consultation is accessible to all, and efforts are made to allow multiple forms of input allowing for a variety of needs.						
Representation	Efforts are made to involve and encourage feedback from a variety of relevant stakeholder groups, functions and across geographical regions.						
Fairness	Equal consideration is given to feedback. All feedback is reviewed, and the arguments presented indiscriminately, while noting the scale of feedback.						

Throughout the consultation, we aimed to adhere to the following principles:



Subsequent sections in this annex provide detail on how each of these principles have been factored into the consultation process.

3 Representative stakeholder engagement

We worked with the VCMI Secretariat to plan stakeholder engagement activities across the process, with the objective of capturing a diverse and representative set of views and inputs. Relevant stakeholders were identified and reviewed to understand where there might have been gaps in representation, from geographical, sectoral and market function perspectives, which informed more targeted engagement needs.

Engagement activity aimed to combine openness with targeted outreach to gather focused feedback from key stakeholder groups, both providing VCMI with direct feedback on key areas of the Claim. Regular and ongoing communications were planned to promote the consultation platform, public webinars and focus groups – further details can be found on each of these in the subsequent sections.

In total, 311 stakeholders were engaged in the public consultation through various means, with a level of representation across geographies and functions (see Figure 2). 350 stakeholders also joined our public webinars held at two different times to accommodate a global audience (242 attendees also attended the VCMI-led webinar ahead of the consultation). Details on each activity are provided in the relevant sections below.

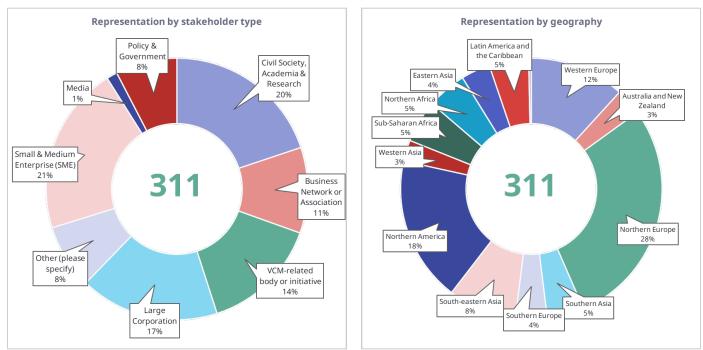


Figure 1- Consultation engagement overview



4 Awareness of the consultation

Efforts to raise general awareness of the public consultation was important to make the process open and transparent. Early outreach and clear communication engaged a broad range of participants across voluntary carbon markets and other relevant stakeholders, ensuring that a range of voices had the opportunity to get involved.

The consultation was announced by VCMI via their website and social media channels in July 2024, followed by further communications including announcing the involvement of BSI and a public webinar providing information ahead of the consultation, led by VCMI. This webinar, held on 29 August, provided stakeholders with an overview of the beta Scope 3 Claim and provided an introduction to BSI and the public consultation. This was supported by an announcement of the public consultation launch on 2 September via BSI and VCMI's social media channels, promoting openness, awareness and encouraging participation.

Throughout the consultation period, BSI and VCMI posted regular communications via social media and sent emails including via BSI's broad stakeholder network (total reach 212,613). Regular communications to share updates and consultation information were also sent to those who registered on the consultation platform.

5 Consultation platform

To facilitate a comprehensive and accessible public consultation process, we designed and built an open consultation platform to collect feedback. Its primary purpose was as a mechanism for structured feedback on the beta Scope 3 Claim document, which was hosted directly on the platform. The document was divided into sections, with each section accompanied by prompts for respondents to comment and propose specific changes to the text, providing section-by-section commenting. Specific questions corresponding to each section of the document were also integrated within each section. This structure allowed respondents to engage with specific parts of the document and provide targeted feedback.

We captured respondent demographics such as stakeholder group, involvement in carbon markets and geography upon registration, allowing an assessment of representation.

To support inclusivity, we offered detailed guidance on navigating the platform and how to submit feedback. For those with accessibility needs, we provided alternative options such as support via email and offline submission methods.

We sent reminder emails to registered platform users (who opted in for updates), prompting them to submit feedback. We also collaborated with VCMI to create a summary of the Scope 3 Claim, which was distributed to registered users. This summary aimed to foster inclusivity by providing a clear explanation, encouraging broader participation and feedback.

In total, 237 stakeholders registered to the platform (69 providing written feedback), with a further 7 respondents via email. There was representation by stakeholder type and geography, see Figure 2.

Annex D and E of the main report, respectively, contain a full list of feedback received through the consultation platform and the integrated survey results.



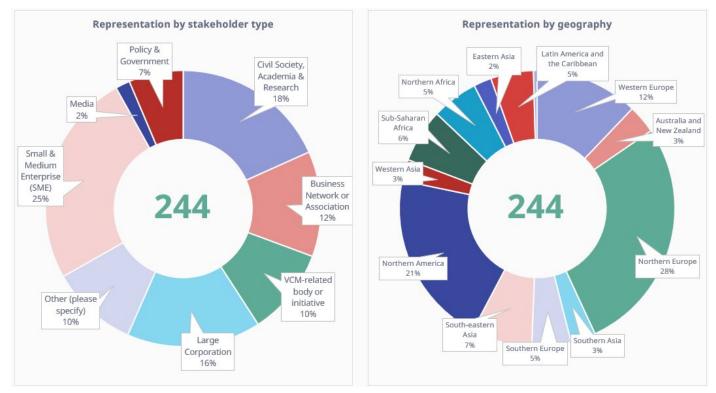


Figure 2 – Engagement via the platform and email

6 Public webinars during the consultation

To engage a global audience, we hosted two public webinars on 17 (PM - BST) and 19 September (AM - BST), each having the same agenda but scheduled to cover different time zones. These sessions aimed to raise awareness of the beta Scope 3 Claim and the public consultation, inform participants on ways to get involved, and address questions about the Claim and the consultation process. The webinar speakers and agenda were discussed and agreed with VCMI.

We promoted the webinars widely through BSI and VCMI social media accounts, mailing lists, and internal channels. Registration was simple and completed via an online form.

Each webinar was chaired by BSI with speakers from VCMI, BSI and expert guests offering different perspectives. The webinars began with an introduction from the VCMI Secretariat on VCMI and the beta Scope 3 Claim. BSI provided an overview of the consultation process and how to get involved. The remaining time was dedicated to open discussion and a live Q&A with guest experts Rueban Manokara (World Wide Fund for Nature, WWF), Chris Leeds (Standard Chartered), and Pedro Barata (Environmental Defence Fund, EDF), offering attendees diverse perspectives on the Scope 3 Claim.

Participants were asked to submit questions upon registration, in addition to having the opportunity to ask them live during the session. All 173 questions, including those not answered during the webinars, were posted with responses on the <u>consultation platform</u>, with an email notification sent to attendees.

To gather immediate feedback, we conducted live polls, allowing participants to share their initial thoughts on addressing scope 3 emissions and the beta Scope 3 Claim.



Both sessions attracted a total of 350 attendees, with representation from across the globe, Figure 3. A full report on the webinars, including the feedback received can be found in Annex B of the main report.

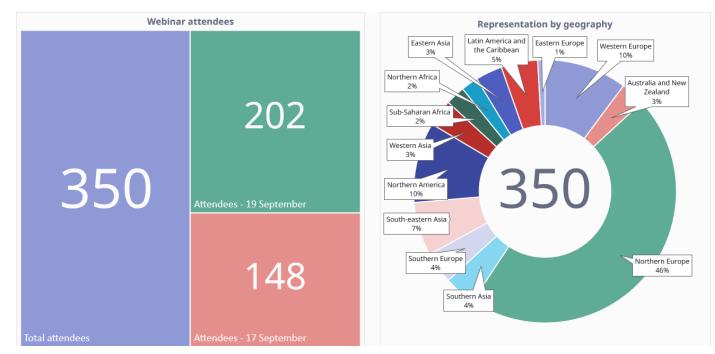


Figure 3 - Webinar attendee's overview

7 Focus groups

In addition to formal feedback from the consultation platform, we conducted five focus groups to gather targeted insights from key stakeholder groups.

We held online sessions with a priority set of groups, throughout September and October 2024. Each session lasted one hour and was conducted under The Chatham House rule.

- 1. Corporates, Business networks and associations & Financial institutions
- 2. Non-governmental organizations (NGO's), Academia and Consultancies
- 3. Carbon market infrastructure and Supply-side organizations
- 4. Government and policy
- 5. Mixed group

We collaborated with the VCMI Secretariat to identify and prioritize key stakeholder groups and attendees from across both of our networks. A key consideration was to ensure broad representation across voluntary carbon markets functions, geographies and sectors. This approach allowed us to capture a wide range of perspectives.

A total of 67 stakeholders participated in the focus groups and there was representation across geographies and stakeholder groups.



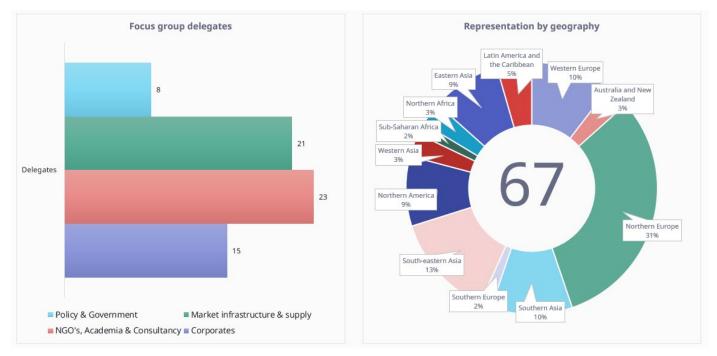


Figure 4 – Focus groups overview

The sessions followed pre-arranged open discussion topics which were agreed with the VCMI Secretariat. These topics were supported by pre-read material that was sent out to participants in advance, and, at times, a live poll question to kick-start the conversation and gain initial perspectives. We addressed broad topics such as whether participants would use the document and saw it as a useful tool to reduce emissions in line with the Paris Agreement. We also explored specific issues, including participants' views on the existing guardrails to maintain integrity, and discussed what specific changes they felt would motivate use of the Claim.

See Annex C of the main report for a full list of poll topics and discussion questions and a summary of the feedback received through the focus groups.

For analysis, we combined feedback obtained through these focus groups with that received through the consultation platform. Further explanation of this process is detailed in Section 9.

8 Consultation extension and close

The public consultation was due to close on Monday 7 October 2024, after having been open for five weeks. However, following strong interest and feedback, we extended the deadline until 21 October 2024. This offered an additional opportunity for stakeholders to provide feedback and supported openness and representation.

We announced the extension via email to those registered on the consultation platform and through BSI's and VCMI's communication channels, such as mailing lists, newsletters and social media.

On 21 October 2024 at 5pm (BST), the public consultation closed.

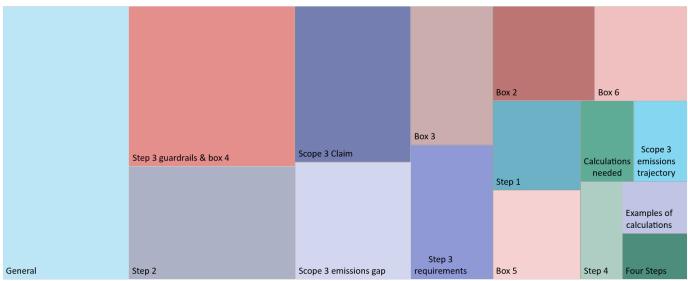


9 Analysis and categorization of public consultation feedback

Feedback items gathered through the consultation platform, email responses and focus group comments were combined for analysis. Lengthy feedback items containing multiple points were split out into individual comments, with each comment representing a specific point. In total, there were:

- 1,018 individual comments
 - **872** from the consultation platform
 - **146** from the focus groups

We then categorized comments by theme and sub-theme, organising feedback around a topic. Some lengthy items were divided across multiple themes. Each comment was analyzed for viewpoint or position (i.e. support or opposition to an option).



COMMENTS BY SECTION OF THE CLAIM

COMMENTS BY THEME AND SUB-THEME

		Guardrail - 24%	Credit limit	Option box 5 - No limit set on on scope 3 emissions gap	Flexibility			il - 2038 eout
Other general	Barriers/ challenges toward scope 3 reductions			Guardrails	Complexity / understanding		Monitoring, reporting and assurance	
		Calculations	Foundational criteria	generally	Reputational	Editoria langua		Scope 1 and 2 targets
Option box 3 - Selection of carbon credits related to the sources of scope 3 emissions	Option box 6 - Carbon budget approach	High quality carbon credits	Option box 2 - Emissions sources not included within the target boundary	Establish a scope 3 Emissions Trajectory	Incentive	Alignm across standar	Internal decarb	

Figure 5 – Categorization of comments



Comments have been reviewed by the VCMI Secretariat who made the decision on whether to accept and incorporate the comments into the next version of the document following the road-testing period. A full list of the comments received can be found in Annex D of the main report.

10 The VCMI Expert Advisory Group (EAG)

The Expert Advisory Group (EAG) is an existing, representative group established by VCMI. The EAG serves as the primary means of channelling technical advice from a diverse array of subject matter experts to the VCMI Steering Committee (SteerCo), which serves as the high-level decision-making body of VCMI. Their work includes, but is not limited to, reviewing feedback and other inputs from stakeholders; reviewing VCMI documents as requested and providing advice to the SteerCo with either a consensus view on key issues or options with explanation of the underlying logic and implications.

Members of this group can be found on the VCMI website¹.

During the public consultation, this group played a key role discussing and advising on the proposed changes to take forward to road testing. Their role was to review feedback received through the public consultation and recommend and agree proposed changes to the document.

A set of key topics (or-sub themes) were selected for discussion with the EAG based on:

- The scale of feedback received
- The potential level of impact
- VCMI Secretariat view of topics requiring EAG review

The EAG reviewed key topics that emerged during the public consultation during three online meetings held on Microsoft Teams during the end of October and early November 2024.

The EAG meetings were designed to review consultation feedback, discuss key emerging topics, and provide recommendations on how to address the feedback received. They also aimed to assess where a level of consensus on potential next steps for road testing or any recommendations to go to VCMI Steerco could be taken forward.

BSI played a role as an independent facilitator, ensuring all perspectives, including minority views, were fully considered and that feedback was reviewed equitably, focusing on practical paths forward.

Recommendations and agreement shared during the meeting were reviewed by the VCMI Secretariat and processed as proposed changes to take forward to road testing.

11 The VCMI Steering Committee

The VCMI Steering Committee (SteerCo), as the high-level decision-making body of VCMI, made the final decisions on the changes to be made to the document.

After the public consultation and a road-testing period ran by VCMI (facilitated by Boston Consulting Group (BCG) and the World Business Council for Sustainable Development (WBCSD), SteerCo approved the proposed changes made by the EAG via the BSI run process.

¹ https://vcmintegrity.org/people/



12 Conclusion

Through the robust, extensive consultation process described in this annex, the VCMI Secretariat have produced the next iteration of the Scope 3 Action Code of Practice.