



Scope 3 Action  
Report on public  
consultation and road test  
for VCMi beta Scope 3 Claim  
Annex C: Focus group summary



Your partner  
in progress

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The Voluntary Carbon Markets Integrity Initiative (VCMI)

## 1 Introduction

This annex contains a summary of discussions at the focus groups, held as part of VCMI's beta Scope 3 Claim public consultation.

Online, one-hour sessions were held with the following stakeholder groups throughout September and October 2024:

1. Corporates, business networks and associations & financial institutions
2. Non-governmental organizations (NGO's), academia and consultancy's
3. Carbon market infrastructure and supply-side organizations
4. Government and policy
5. General - Mixed stakeholder group

The meetings were held under Chatham House rules. Comments in this report have been anonymized and summarized to highlight key points, ensuring transparency about the feedback received whilst upholding anonymity.

## 2 Objectives

The objective of the focus groups was to gather feedback from key stakeholders on the current version of the beta Scope 3 Claim to inform its next iteration.

By engaging with representative experts from specific interest groups, a deeper understanding of perspectives, challenges, and suggestions for improving the claim was sought.

Feedback during these sessions was analysed and used to refine the beta Scope 3 Claim.

### 3 Stakeholder representation

A total of 67 stakeholders participated in the focus groups, with representation across geographies and stakeholder groups, see Figure 1.

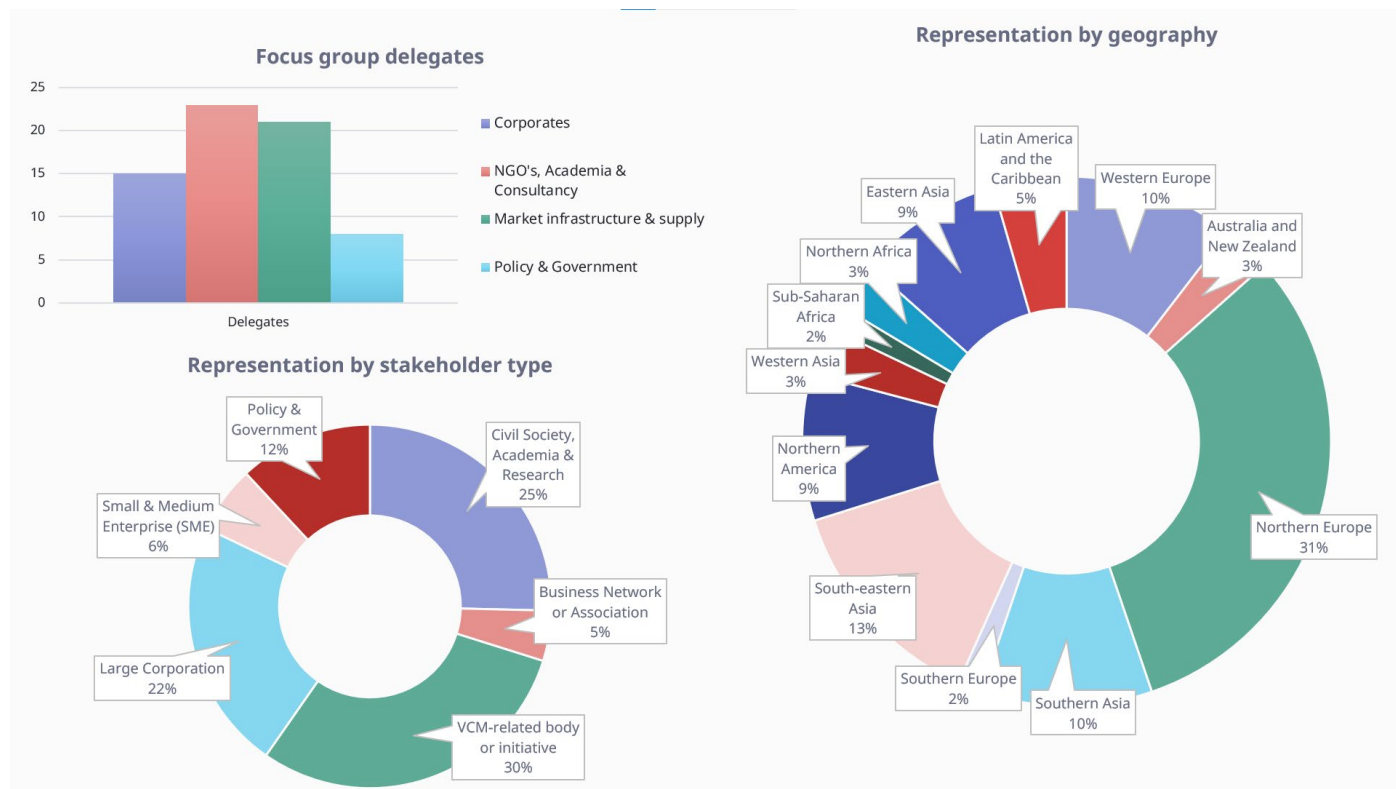


Figure 1 - Focus group representation

## 4 Format

The format consisted of interactive polls and discussion questions posed to the group, listed below.

### Discussion questions:

1. What are your thoughts on the guardrails?
2. What changes to the claim would motivate you/ companies to make a Scope 3 Claim?
3. What barriers and challenges are you facing toward Scope 3 reductions? (focus group 1 only)
4. Would you use the current version of the beta Scope 3 Claim? If not, why not? (focus group 1 only)
5. Do you think that the Scope 3 claim is a useful tool for companies to take action now to address greenhouse gas emission reductions that are aligned with Paris agreement? (focus group 2 and 3 only)
6. What policy lever/ mandate in your country do you see guiding the use of scope 3 claims for companies? (focus group 4 only)
7. Do you think the beta Scope 3 Claim is a useful tool to take action now and enables a consistent mechanism for climate finance mobilization to regions where it is needed the most? (focus group 4 only)
8. Do you believe the Scope 3 Claim can be operationalized in its current form, or do you foresee the need for changes? (focus group 4 only)

### Interactive polls (for focus groups 1, 2 & 3):

1. Do you agree with the 24%?
2. Do you think by 2038 companies will be able to address scope 3 emission reduction barriers?
3. Are you happy to disclose your scope 3 reduction barriers? (focus group 1 only)
4. Would you use the current version of the beta Scope 3 Claim? (focus group 1 only)
5. Do you think that the Scope 3 claim is a useful tool for companies to take action now to address greenhouse gas emission reductions that are aligned with Paris agreement? (focus groups 2 and 3 only)

Focus group comments were combined with comments from the consultation platform and analysed in the same way. This annex summarizes the type of comments received during the focus groups, by theme.

## 5 Focus group outputs by theme

### 5.1 Alignment across standards

Across all focus groups, the primary concern on alignment across standards was how the Claim will align with the Science Based Targets Initiative (SBTi).

Similar views on this theme were observed across the focus groups. One participant expressed concern about the lack of alignment between the SBTi Net Zero standard and the ISO Net Zero standard. Others noted a lack of clarity with how this Claim could align with these standards, as well with jurisdictional regulation.

### 5.2 Barriers/ challenges toward scope 3 reductions

Views on this topic predominantly came from the corporates, business networks and financial institutions focus group. The most predominant issues were:

- Access to reliable data
- Ability to influence suppliers and a lack of direct control on scope 3 emissions
- Emerging challenges around land sector reporting and potential issues with new guidance from the Greenhouse Gas Protocol
- Supply chain complexity, volume, transparency
- Capabilities of scope 3 suppliers to reduce greenhouse gas emissions
- Measurement of scope 3 emissions

### 5.3 Complexity/ understanding

Almost unanimously across all stakeholder groups, with the exception of the market infrastructure & supply-side group, participants noted that the Claim was too complex. Topics raised requiring clarity included:

- which sectors the claim is applicable to
- how this Claim is positioned with the VCMI's Claims Code of Practice
- target boundaries (NGO, academia and consultancy participants expressed concern around how these can divide the world into West and South)

### 5.4 Credit limit

With regard to the credit limit (i.e., requiring companies to retire credits for the full gap or allowing a lower amount than the gap), participants from the market infrastructure & supply-side and NGO, academia and consultancy stakeholder groups voiced that credits should be encouraged to 100% of a company's scope 3 emissions as a minimum, with another participant from the market infrastructure and supply-side noting that companies should also be encouraged to buy credits for their remaining scope 3 emissions.

On the other hand, a corporate stakeholder raised that requiring credits to be purchased for 100% of the gap makes participating in the claim cost-prohibitive and so they would focus on direct decarbonization methods instead. Similarly, another stakeholder from the market infrastructure & supply-side raised the concern that requiring credits for part of the gap could be useful for companies but may cause integrity challenges.



## 5.5 Differentiation

Differentiation is referring to a non-standardised approach to the Claim, such as developing sector-specific approaches. All stakeholder groups recommended that differentiation in some form be considered. The majority pointed to providing sector specific approaches. Another suggested type of differentiation included differentiation by types of carbon credit. This was raised in particular by market infrastructure stakeholders, as they noted nature-based credits should always be allowed. The majority of comments focused on providing different limits to the guardrails.

There was one voice from the NGO, academia and consultancy stakeholder group openly against a sector specific approach, noting the need for consistency across approaches.

## 5.6 Foundational Criteria

Limited points were raised on the Foundational Criteria during the focus groups. However, a participant from the market infrastructure and supply-side stakeholder group noted that this criteria may be a barrier for entry and proposed the Claim should have some ability to have phased entry requirements, in an 'on-ramp' style. Similarly, someone from the policy & government stakeholder group raised that these requirements could decrease demand for carbon credits. Another stakeholder raised that they would like to see terms like 'nature positive' within these requirements.

## 5.7 Guardrail – 2038 phaseout

Views around the guardrail that requires the phaseout of carbon credit use by 2038 were raised mostly by the corporates and market-infrastructure and supply stakeholder groups.

In the corporate group, one participant argued that the focus should be on evolving credit use. They emphasized the need to transition the carbon credit market by continuing its growth while shifting from avoidance and reduction credits to those used for net-zero claims, such as permanent carbon removals. This approach, they suggested, would better align the market with long-term sustainability goals rather than adhering to rigid phase-out timelines. Similarly, another participant noted that scope 3 emissions remain a 'black box' and there would need to be a strong narrative to stop credit use by 2038.

On the other hand, a stakeholder from the market-infrastructure and supply-side group noted that 2038 was too late and that companies should deliver beyond value chain mitigation (BVCM) to continue to support nature and a wider net zero transition, and barriers should be removed before then. On a related note, one stakeholder also noted that a 2038 phase-out is problematic for nature markets given these markets are working towards 2050 policy targets.

## 5.8 Guardrail – 24% gap limit

Participants across the focus groups felt that the rationale behind the 24% gap limit was unclear or that further research is needed.

An NGO stakeholder who opposed the Claim overall noted that this adds confusion to the landscape given that SBTi and ISO will set a residual emissions threshold.



Participants broadly agreed with the threshold, with some stakeholders from the market infrastructure and supply-side focus group noting it may be too restrictive as a one-size-fits-all approach.

## **5.9 Other guardrails**

Comments were made around the guardrails more generally, including recommendations for additional criteria to consider. These included:

- A guardrail to prevent a claim being made when emissions gaps are not decreasing
- A guardrail to ensure that companies have developed and implemented a more robust decarbonization strategy

Additionally, there were suggestions for ongoing review of the guardrails themselves.

Comments were made in the market infrastructure and supply-side group that the guardrails are too lenient. Comments indicated that further disincentives are needed to prevent backsliding and exploitation of the flexibility.

## **5.10 High-quality carbon credits**

Several points were raised around high-quality carbon credits in general, primarily from the market-infrastructure and supply-side group. Stakeholders debated the use of energy attribute certificates (EAC) to addressing emissions reduction in an organizations value chain.

Consideration around the durability of carbon storage was also raised – especially when talking about nature credits. Comments were made urging the consideration of nature-based credits and ‘nature-positive’ credits as opposed to exclusively carbon credits.

## **5.11 Incentives**

Many participants in the corporate focus group raised that there are limited incentives for companies to make climate-related claims. It was felt that the Scope 3 Claim may be perceived as an added cost, with limited incentive unless the Claim would be recognised to meet SBTi targets.

Similarly, in the policy and government stakeholder group, points were raised that scope 3 emissions are not a priority for companies and corporates are not ready to take action.

## **5.12 Internal decarbonization**

There were concerns raised by the NGO, academia and consultancy stakeholder group that Claim focuses on offsetting as opposed to emissions reduction and suggested to requiring scope 3 reduction in order to claim and raised how SBTi and the ISO net zero standard gives guidance on this.

### **5.13 Monitoring, reporting and assurance (MRA)**

The theme of MRA was rarely discussed in the focus groups, however one participant in the NGO, academia and consultancy focus group suggested that VCMII could play a key role in verifying the claim, particularly if the Green Claims Directive requires all claims in Europe to be verified prior to use.

### **5.14 Option box 2 – Emission sources not included within the target boundary**

The discussion around restricting the use of the Claim to emission sources not included within the target boundary was touched on by a couple of participants across the market infrastructure and supply-side participants. Generally, it was felt that this could be offered as an option, however it shouldn't be a requirement.

### **5.15 Option box 3 – Selection of carbon credits related to the sources of scope 3 emissions**

Almost all points raised in the market infrastructure and supply-side group were against the recommendation that carbon credits should be sectorally or geographically related to the sources of the scope 3 emissions. One participant voiced that it could be an option, and noted that it may disadvantage some countries but provide more finance to hard-to-abate sectors.

The corporate stakeholder group were divided in views – with some in favour of recommending this option and others noting that it will reduce finance into the global south.

One participant from the government and policy stakeholder group voiced that companies should be encouraged to buy credits related to their value chain as this may result in long-term partnerships and emissions reduction.

### **5.16 Option box 5 – no limit set on the emissions gap**

There were limited comments made around having no limit set on the emissions gap.

### **5.17 Option box 6 – carbon budget approach**

On the topic of the carbon budget approach, feedback was mixed amongst the market infrastructure & supply-side group. Some participants were against the carbon budget approach, stating that it was too complex and may allow companies too much flexibility. Others were in favour of the budget approach but noted it may create a risk where claimants use the built-in flexibility, and then withdraw from making claims without consequence.

In the NGO, academia and consultancy group, one individual expressed that allowing 40% of the credits to be retired in one year was too high.

### 5.18 Policy regulation

In the policy and government group, stakeholders from different jurisdictions commented that their government doesn't have any guidance or regulation around scope 3 emissions. One participant noted that their government have a voluntary programme for scope 3 inventory reporting. There was a point made that claims being made are dependent on the outstanding legislation in development – the Green Claims Directive. There is a view is that the Claim can be used voluntarily by companies, but they will only get legal security from the Green Claims directive.

In the corporate stakeholder group, comments were made around the need for regulation to build upon the Claim in order to increase uptake.

### 5.19 Reputational

A small number of participants were generally against the claim, and do not see it is a useful tool. They noted that it may delay urgent climate action and add complexity. This was expressed primarily in the NGO stakeholder group.

On the other hand, in the government & policy group, others expressed that the claim strikes the right balance and allows climate leadership that will increase engagement with carbon credits due to guardrails that offer protection from greenwashing accusations.

### 5.20 General

Many more general comments were made by participants in the focus groups. These included alternative proposals, such as the use of energy attribute certificates (EAC) to addressing emissions reduction in an organizations value chain which was debated amongst participants with differing views.

The 'leakage' of emissions from scope 1 & 2 into scope 3 was also discussed, with some stating that more should be done to prevent this.

## 6 Poll results

### 6.1 Corporates, business networks and financial institutions focus groups

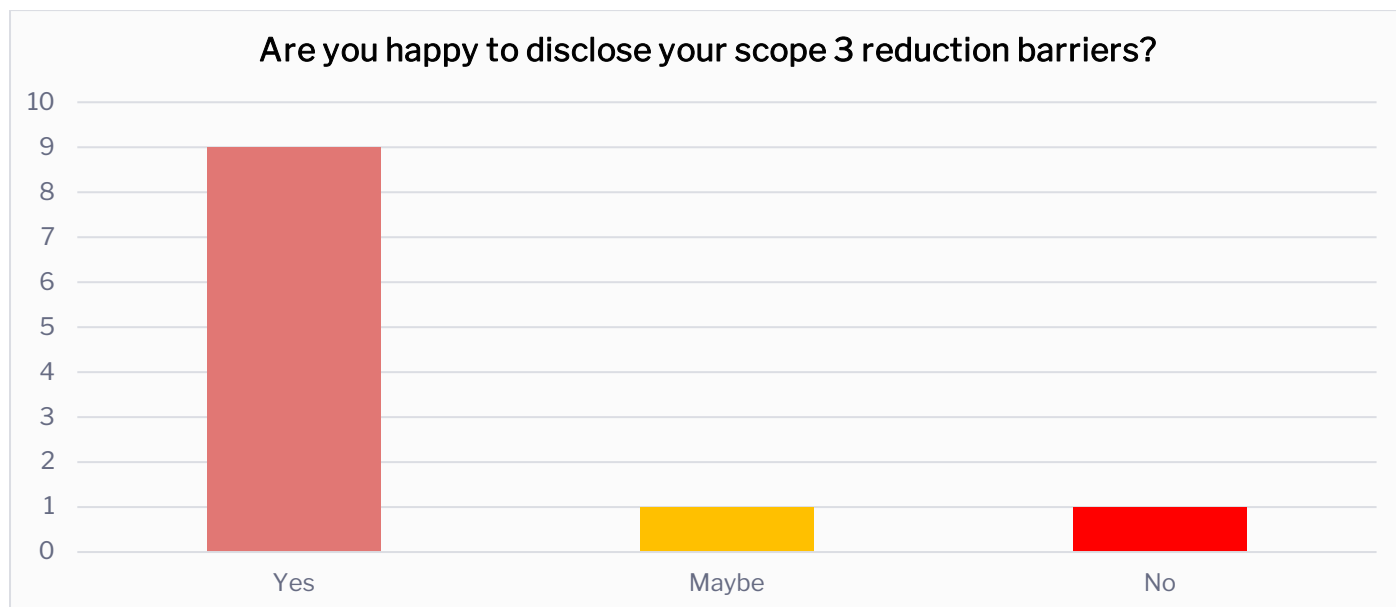


Figure 2 – Poll responses: 'are you happy to disclose your scope 3 reduction barriers?' N=11

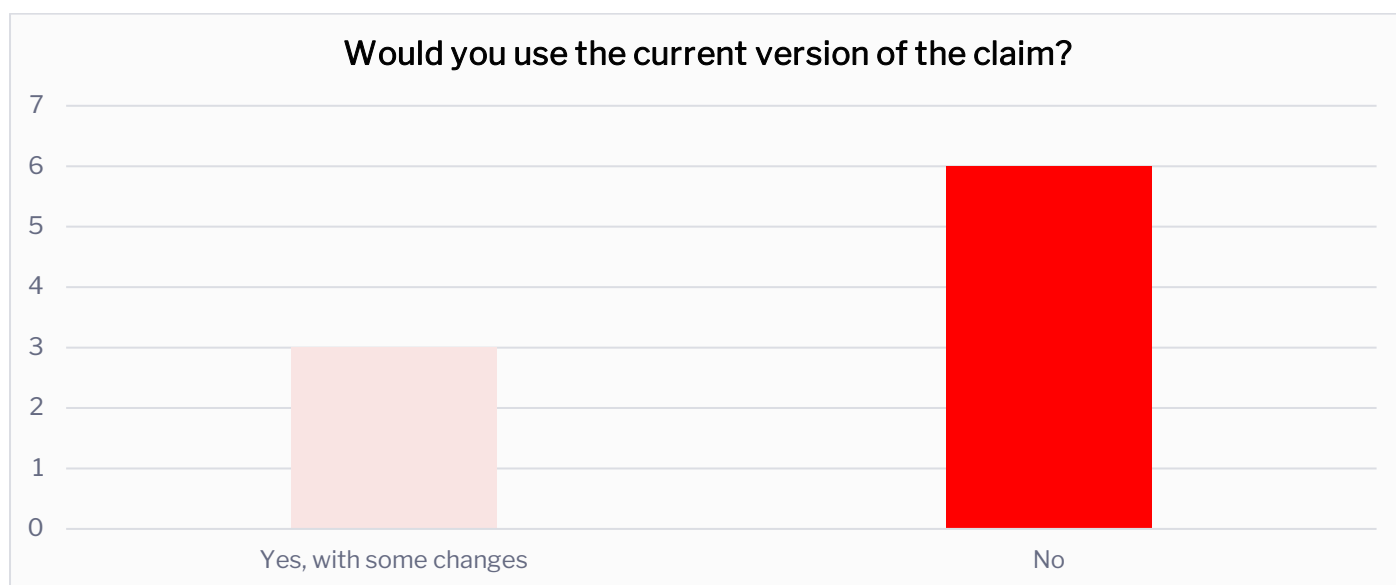


Figure 3 – Poll responses: 'Would you use the current version of the beta Scope 3 Claim?' N=9

## 6.2 NGO, academia and consultancy and market infrastructure and supply-side focus group

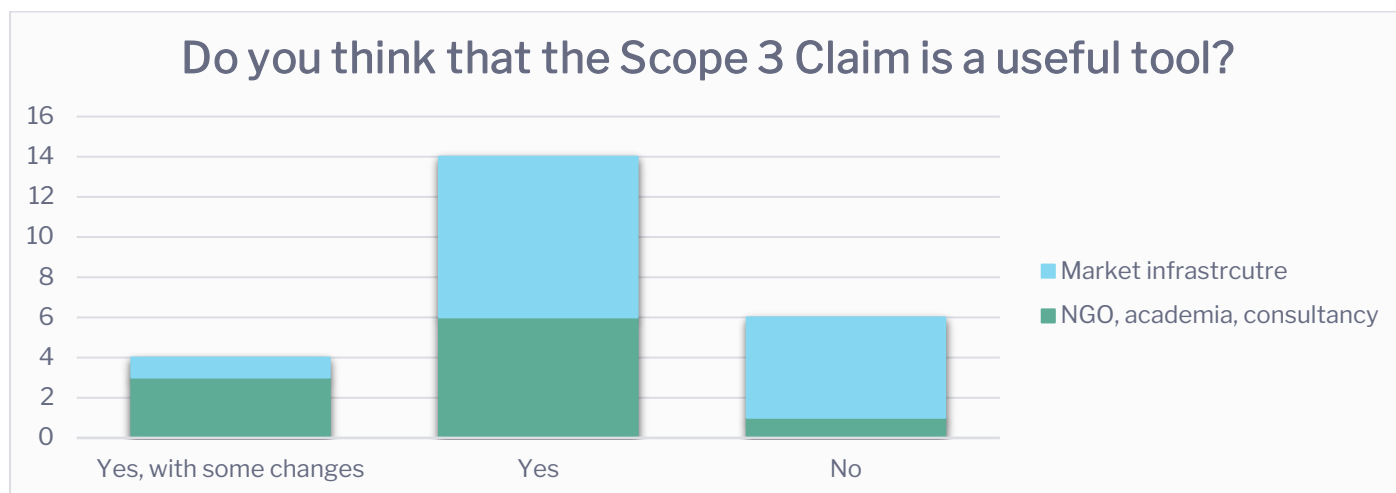


Figure 4 - Poll responses: 'Do you think that the Scope 3 Claim is a useful tool?' N=24

## 6.3 Across multiple groups

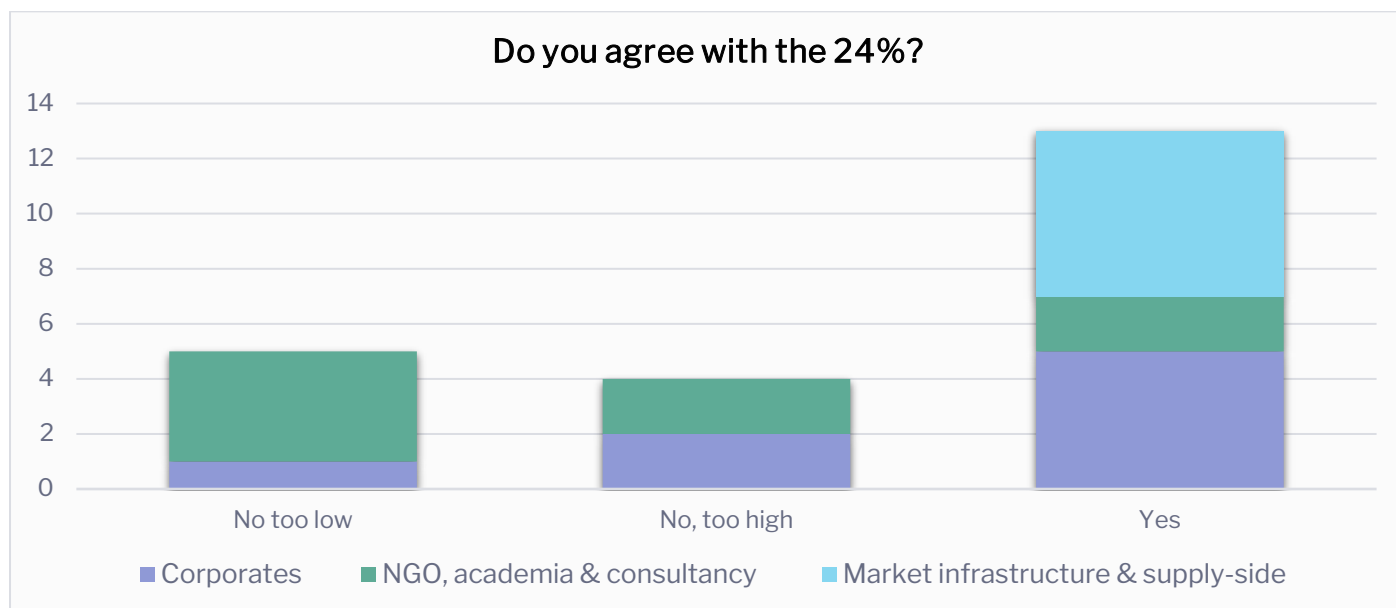


Figure 5 - Poll responses: 'Do you agree with the 24%' N=22

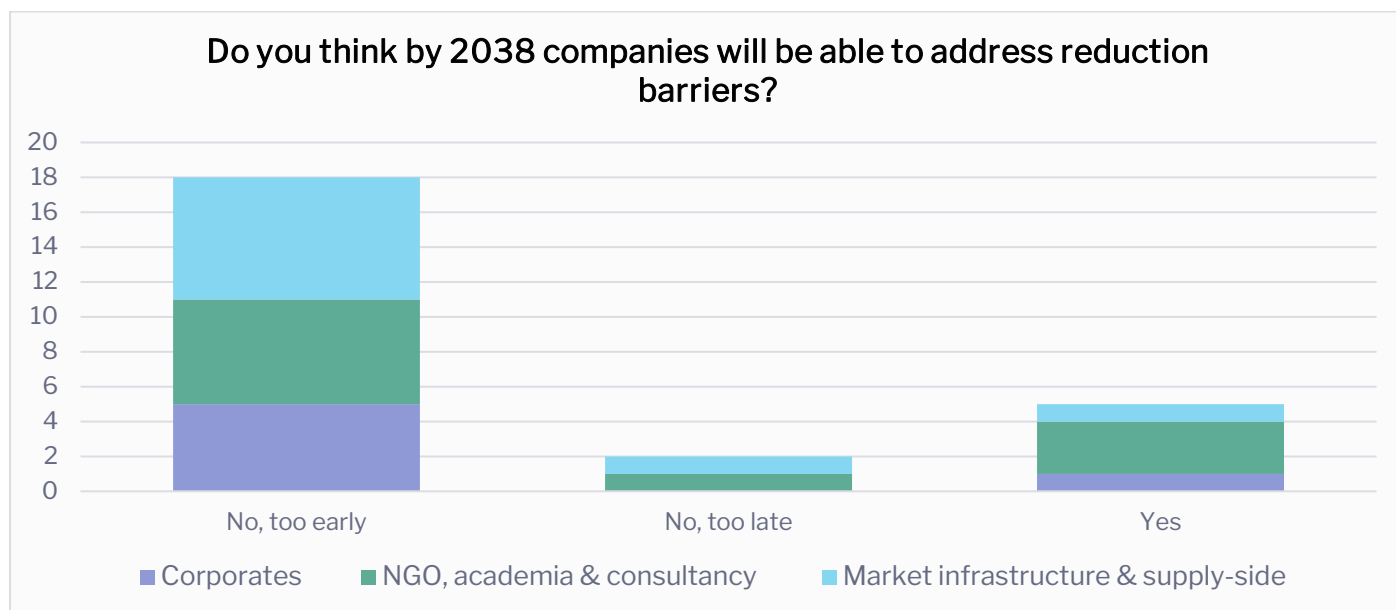


Figure 6 - Poll responses: 'Do you think by 2038 companies will be able to address scope 3 emission reduction barriers?' N=27