

Scope 3 TWG

Phase 2

Meeting Minutes

Meeting 6

Date: December 11, 2025

Time: 09:00 – 11:00 AM ET

Location: Virtual

Attendees

Technical Working Group Members

1. Sahil Aggarwal, Siemens Healthineers
2. Nasser Ayoub, EPD International
3. Alissa Benchimol, Greenhouse Gas Management Institute
4. Zola Berger-Schmitz, Science Based Targets initiative
5. Lindsay Burton, Ernst & Young
6. Diane Buzea,
7. Bin Chen,
8. Leo Cheung, The Carbon Trust
9. Karis Choi, HSBC
10. Betty Cremmins,
11. Mathilde Crepy, ECOS
12. Dario Alessandro de Pinto, Banca d'Italia
13. Holly Emerson, Duke University
14. Hugo Ernest-Jones, Science Based Targets initiative
15. Victor Gancel, Danfoss
16. Rene Garrido,
17. Susanne Vedel Hjuler,
18. Tom Jackson,
19. Meghan Kennedy, NetApp
20. Michael King, Cisco Systems, Inc.
21. Aysegul Koseoglu,
22. Marion Kurdej,
23. Tim Letts, WWF
24. Alan Lewis, Smart Freight Centre
25. Ryan Maloney, Apple
26. Shannon McIlhone, Partnership for Carbon Accounting Financials (PCAF)
27. Christoph Meinrenken, Columbia University
28. Nadia Montoto, KPMG
29. Elliot Muller, CIRAI, Polytechnique Montreal
30. Nicola Stefanie Paczkowski, BASF
31. Colin Powell, PwC
32. Verena Radulovic,
33. Benedicte Robertz,
34. James Salo, S&P Global Sustainable1
35. Fabiola Isabel Schneider,
36. Julie Sinistore, WSP
37. Arundhati Srinivasan,
38. Sangwon Suh, Watershed
39. Michael Taptich, Amazon
40. Enric Tarrats,
41. Francesca Testa, CDP
42. Ronald Voglewede, Walmart
43. Ulf von Kalckreuth, Deutsche Bundesbank

Guests

N/A

GHG Protocol Secretariat

1. Alexander Frantzen
2. Claire Hegemann
3. Allison Leach

Documents referenced

2. Scope 3 – Full Group – Meeting 6 - Presentation – 20251211 (“Presentation”)

Summary

Item	Topic and Summary	Outcomes
1	Housekeeping and timeline The Secretariat presented the meeting agenda, housekeeping rules, decision-making criteria, and timeline for phase 2	N/A
2	Disaggregation by data specificity The Secretariat presented the latest version of the disaggregation rules, as iterated with a subgroup of TWG members, as well as options for the titling of the tiers.	The Secretariat will follow up with additional survey questions regarding disaggregation.
3	Distributors of fuel/energy (Category 16.5) The Secretariat presented proposed category-specific and cross-cutting boundary changes.	N/A
4	Cradle-to-gate emissions of fuel/energy The Secretariat presented considerations regarding cradle-to-gate emissions of fuel/energy	N/A
5	Cradle to gate emissions of capital goods used by value chain partners The Secretariat presented proposed language on the topic.	N/A
6	Categories 2, 8, 13 (remaining unamortized emissions) The Secretariat presented considerations regarding remaining unamortized cradle-to-gate emissions, including a few examples of various lifespans.	N/A
7	Category 18 name/title The Secretariat presented a proposal to adjust the title of Category 16	N/A
8	Category 3 (FERA) The Secretariat presented an example of including the cradle-to-gate emissions of capital goods used to extract, refine, and transport fuels and/or facilitates to generate electricity	N/A
9	Categories 4, 9 The Secretariat presented proposed rules for category 4 vs category 9 activity classification	N/A
10	Other boundary language Skipped, no discussion demand	N/A
11	Commodities and undrawn commitments Skipped, no discussion demand	N/A
12	Next steps The Secretariat presented the next steps.	The Secretariat will distribute meeting minutes and adjust the end of year surveys.

Discussion and outcomes

1. Housekeeping and Timeline

- Refer to Presentation slides 2 – 8.
- The Secretariat presented the meeting agenda, housekeeping rules, decision-making criteria and timeline for phase 2.

Discussion

- N/A

Outcomes

- N/A

2. Disaggregation by data specificity

- Refer to Presentation slides 9 – 21.
- The Secretariat presented the latest version of the disaggregation rules, as iterated with a subgroup of TWG members, as well as options for the titling of the tiers.

Discussion

Tiers

- A TWG member stated that “other” should not be ranked above EEIO, noting that EEIO should be the worst tier.
 - The Secretariat added that in some cases EEIO can be worse.
 - A TWG member stated that having “other” without specifying its meaning implicitly suggests that anything other than EEIO is better.
 - The Secretariat added that another question could be added to the end of year survey on disaggregation: assuming this is the correct set of tiers, what order should they be in?
 - A TWG member stated that it is counterintuitive to have “other” as Tier 2.
 - A TWG member stated that no hierarchy of quality should be implied.
- A representative from the Corporate Standard Secretariat stated that the reasoning for reversing the numbering (3 = measured/specific, 2 = other, 1 = EEIO/spend-based) is that other programs assign the highest number to the most stringent tier.
 - A TWG member stated their support for that.
- A TWG member stated that it may be useful to be explicit that each tier could be the most accurate, depending on the specific situation.
- A TWG member suggested that Tier 3 could be ‘EEIO/spend or other’, and that Tier 2 should be more specifically defined.
- A TWG member stated that “other” needs further qualification and asked how “other” differs from “unclassified.”
 - A TWG member added that “unclassified” can be any of the three tiers, while “other” indicates the method does not qualify as either “specific” or “EEIO/spend-based.”
- A TWG member stated that data disaggregation may not be helpful, as it implies that more specific data is more accurate and raises questions about the value of bottom-up LCA modeling.
 - A TWG member added that breaking out data sources, even without ranking, implies differing quality and increases reporting complexity for unclear benefit.
 - A TWG member added that the guidance acknowledges this point, but the effort required may distract from decarbonization.

- A TWG member stated concern about reopening this topic, noting it has been extensively discussed and voted on previously.
- A TWG member suggested rewording “other” as “other specific measures.”
- A TWG member asked whether examples exist of companies already reporting in a disaggregated way and what tiers they use, suggesting this could help inform the tier decision and avoid unnecessary complexity.
- A TWG member stated that the least disruptive option may be to not include disaggregation in the revision.
- A TWG member stated that numbering the tiers should be avoided because specificity does not inherently indicate data quality.

Disaggregation rules

- A TWG member stated that section 3.4 does not align with regulatory reporting and has been adjusted in IFRS S2.
- A TWG member stated that the core issue here is transparency and whether companies should disclose how they arrive at their estimates, expressing strong support for doing so.
 - A TWG member stated that qualitative disclosure could also accomplish this.
 - A TWG member agreed with the previous speaker and noted that this has already been agreed upon by the TWG.
 - A TWG member added that this is relevant in the context of receiving assurance.
 - A TWG member stated that audit requirements for determining whether something is specific can be extremely challenging.
 - A TWG member added that the tiers and disclosure of calculation methods are qualitative.
 - A TWG member stated that Group A had already agreed on this approach.
 - A TWG member added that it was handled in Group A, then discussed in the full group, and subsequently voted upon by all.
- A TWG member stated that disaggregation will not be new for companies, noting that SBTi submission forms require disaggregation into primary supplier-specific, primary product-specific, secondary spend-based, and secondary industry-average data, and that CSRD requires primary/secondary distinctions for scope 3.
 - A TWG member stated that disaggregation up for discussion here relates to emission factors, not activity data.
 - A TWG member asked whether this SBTi categorization appears in the CNZS.
 - A TWG member stated that specificity varies per emission source and that stronger GHG Protocol guidance is needed, giving fuel-specific emission factors as an example.
 - A TWG member stated that Group A had discussed both emission factor and activity-data classifications and had developed a structured decision tree.
 - A TWG member added that the SBTi categorization was part of submission templates historically.
 - A TWG member asked why the SBTi categorization cannot simply be used, noting that multiple classification requirements create unnecessary burden.
 - A TWG member added that a proposal to use SBTi’s categorization had been raised previously but did not align cleanly across categories, leading to attempts to simplify and group categories into 3–4 main classifications.
- A TWG member stated concern about using disaggregation definitions that do not match other frameworks.
- A TWG member stated uncertainty about whether the intention of the new proposal is consistent with previous iterations, including supplier-specific emission factors, referencing the May 29 TWG meeting.
- A TWG member stated concern regarding the terms “representative” and “non-representative,” noting that “non-representative” in clause 4.2 implies inappropriate or poor-quality data, and that “appropriate” versus “non-appropriate” may be more suitable terminology.
- A TWG member stated that if multiple data sources are mixed, the classification would default to the least-common denominator, meaning nearly every complex product would fall under “other” or “EEIO,” given typical supply chain complexity.
 - A TWG member asked how one would then explain the added value.
 - A TWG member stated that there would be no added value.

- A TWG member stated that such an approach could incentivize the wrong behavior and undermine the intended outcomes of the GHG Protocol.
- A TWG member stated that disaggregation was a Group A topic and had gone through various voting processes and asked whether an additional question could be added to the end of year survey to assess whether the group still views disaggregation as worthwhile.

Outcomes

- The Secretariat will follow up with additional survey questions regarding disaggregation.

3. Distributors of fuel/energy (Category 16.5)

- Refer to Presentation slides 21 – 28.
- The Secretariat presented proposed category-specific and cross-cutting boundary changes.

Discussion

- A TWG member stated that the question is not about the emissions from transporting the oil, but the emissions that result from the combustion of the distributed oil.
- A TWG member emphasized that this is a shall requirement for the fossil fuel industry transporting and delivering a distinguishable product, noting that it is different from FedEx/UPS type companies.
- A TWG member noted a target-setting perspective concern for institutions with significant revenue from this activity. They gave the example of a shipping company setting a specific target on distribution of fossil fuels, even if it is not a large part of their business, due to revenue from oil trading activities.
 - The Secretariat referenced a stipulation in chapters 5/6 stating that a company should include such emissions.
- A TWG member clarified that SBTi's approach is separate from GHGP.
- A TWG member reiterated that the shall applies to fossil fuel distribution, distinguishing it from other transport companies.
 - A TWG member expressed difficulty with making this a "should" instead of a "shall".
 - A TWG member emphasized that fossil fuel companies should be held accountable regardless of whether they are common carriers.
- A TWG member stated that if transport/distribution of fossil fuels is involved, it should be a shall because that business supports a carbon-intensive economy. Estimating these emissions is relatively straightforward compared to other services.
- A TWG member noted that under current SBTi criteria, companies report combustion emissions from third-party distributed fuels under category 11, exceeding what is required by GHGP.
- A TWG member clarified that dedicated infrastructure is currently carved out as a may.
- A TWG member reiterated that this should be a shall for fossil fuel distributors because O&G is different from other transport companies, and the language should clearly identify the product being transported.
- A TWG member noted that requiring this for general transportation could create inconsistency between products and risk disengagement from some sectors, like the maritime sector.
- A TWG member stated that it is acceptable to set a requirement if it is very well delineated.
- A TWG member highlighted the importance of tying renewable generation into existing infrastructure to incentivize decarbonization, suggesting that language should specify permanent or dedicated infrastructure.
- A TWG member suggested that independent grid operators and pipeline operators should also be included to incentivize renewable or lower-carbon energy sources.
- A TWG member asked whether the language could be sector-agnostic and not single out oil and gas; energy distributors would include the power and utility sector.
- A TWG member proposed using SBTi rules/thresholds in the GHG Protocol to decide when companies shall account for downstream emissions from combustion of transported oil.
- A TWG member noted that for oil and gas, transportation is a relevant emissions source and is typically easy to quantify.
- A TWG member asked about transporting biofuels with relatively high WTW carbon intensity.
 - A TWG member responded that companies would estimate and report these emissions.

- A TWG member suggested that “dedicated” is a better adjective than “permanent” infrastructure.
- A TWG member stated that common carriers is a term that is commonly used.
- A TWG member noted that companies transporting biofuel blends can estimate the same way companies estimate scope 1 for blended fuels, and account for the different upstream pathways in scope 3.
- A TWG member highlighted that resources for estimation, such as the GREET model from Argonne National Laboratory, are accessible and free.
- A TWG member noted that WTW emission factors of some biofuels are not necessarily much lower than fossil fuels.
- A TWG member agreed that biofuel blends should be included.
- A TWG member added that all transported/distributed products, fossil and non-fossil, should be included.
- A TWG member clarified they have no issue with pipelines as dedicated infrastructure, but cautioned against extending the language to general transport.
- A TWG member emphasized benefits of requiring third-party distribution emissions, including incentivizing innovation/R&D and ensuring actors with dedicated infrastructure can work with regulators.
- A TWG member explained that SBTi has a threshold for companies with minimal fossil fuel distribution (less than 1% of total scope 3 emissions and under 100,000 tCO_{2e}) to avoid requiring a separate category 11 target, helping focus on companies where fossil fuel distribution is material.

Outcomes

- N/A

4. C2G emissions of fuel/energy

- Refer to Presentation slides 21 – 28.

Discussion

- A TWG member stated that everything that is part of the production process should duly be taken into account, including grid operators and pipeline operators. They emphasized that making exceptions would be hard to justify and stay consistent, and asked why the scope should be cradle to grave and not cradle to gate.
 - The Secretariat added that fuel and energy, once combusted and used, is effectively cradle to grave, clarifying that “well to wheel” is meant, not “tank to wheel.”
- A TWG member suggested using “well to wheel” as the common terminology.
- A TWG member stated they have difficulties with this when it gets to category 2 because they do not know how to obtain this level of detailed data. They added that category 5 is also an issue but less so than category 2, and noted that they typically apply a spend-based approach for category 2.
 - The Secretariat asked why this is not an issue for category 1 if it is an issue for category 2.
 - A TWG member responded that for category 1 they list all the products being used, which makes it less of a problem.
- A TWG member asked if the group is confusing topics.
- A TWG member asked whether this could incentivize people to avoid using supplier-specific data and instead use a less precise data source, and stated that they would oppose such an outcome.
 - The Secretariat replied that it could, they suppose.
 - A TWG member stated that they would not want to create incentives to use less specific data, and explained that this is more a question of phrasing in the requirement so that data can be accurately updated to include well-to-wheel in emission factor databases, and how long companies would need to integrate this change.
- A TWG member stated that except with EEIO data, no action can be taken to reduce emissions except spending less money.
 - A TWG member agreed with this point.
 - A TWG member added that spending less is not a bad way to reduce emissions.
 - A TWG member added that emissions could also be reduced by spending wisely elsewhere.
- A TWG member stated that, as mentioned in the chat previously, this well-to-wheel data is readily available.

Outcomes

- N/A

5. Cradle to gate emissions of capital goods used by value chain partners

- Refer to Presentation slides 29 – 30.
- The Secretariat presented proposed language on the topic.

Discussion

- A TWG member noted that in metals associations, capital goods are typically excluded from analyses and databases. They highlighted that due to the long lifetime of capital goods used to produce the materials, the emissions are negligible. Data availability could be an issue for mainstream databases.
 - The Secretariat responded that if the metals industry has determined this is de minimis, the de minimis clause could be applied. A company could exclude it on that basis.
 - The TWG member noted that applying the de minimis clause is acceptable if it does not require quantification.
 - The Secretariat confirmed that using the de minimis clause does not require quantification, but noted that the 5% exclusion threshold would require quantification, though a hotspot approach could be used.
- A TWG member asked whether there are cases where emissions due to capital goods are reported in category 13 rather than 2.

Outcomes

- N/A

6. Categories 2, 8, 13 (remaining unamortized emissions)

- Refer to Presentation slides 31 – 37.
- The Secretariat presented considerations regarding remaining unamortized cradle-to-gate emissions, including a few examples of various lifespans.

Discussion

- A TWG member noted a potential inconsistency in accounting for emissions from leased vs. purchased buildings (slide 36 example 1). They highlighted that the emissions to construct the building are the same, but accounting differs, contributing to the “clunkiness” of category 2 reporting.
- A TWG member suggested simplifying amortization methods to allow companies to focus on more material emissions.
- A TWG member asked about the value of requiring this, suggesting it could feel like an accounting exercise
- A TWG member referenced SBTi conclusions, noting that requiring emissions beyond the first owner in the minimum boundary leads to complex accounting without consistency. They highlighted two methods: reporting annually in category 1 (e.g., construction materials) or at time of completion in category 2, and suggested flexibility helps eliminate unnecessary accounting burdens.
- A TWG member emphasized that it is necessary to annualize emissions from machinery production, regardless of ownership, comparing it to cost accounting.
- A TWG member noted that annualized emissions better reflect durable goods, avoiding overstatement of first-year embodied carbon and properly accounting for product lifespan.

- A TWG member emphasized that moving to annualized emissions should be consistent across other categories, including category 11.

Outcomes

- N/A

7. Category 16 name/title

- Refer to Presentation slides 38 – 39.
- The Secretariat presented a proposal to adjust the title of Category 16.

Discussion

- A TWG member stated their support for the proposal, saying that this way category 16 includes facilitated emissions as well as all other emissions, as a sort of catch all category
- A second TWG member voiced their support for the combined title.

Outcomes

- N/A

8. Category 3 (FERA)

- Refer to Presentation slides 40 – 41.
- The Secretariat presented an example of including the cradle-to-gate emissions of capital goods used to extract, refine and transport fuels and/or facilitates to generate electricity.

Discussion

- A TWG member emphasized that if cradle-to-gate emissions are included, they should be annualized and applied consistently across all relevant categories.
- A TWG member noted that the IEA published a beta report in the past 18 months. While it uses default data, it provides useful context and indicates a potential move in this direction.
- A TWG member highlighted that as the energy system electrifies, it becomes increasingly important to account for the full impact associated with the zero operational emissions.
- A TWG member noted that this consideration mirrors the pressure to include vehicle production emissions alongside well-to-wheel emissions, particularly as the shift from gasoline/diesel vehicles to electric or low-emission vehicles occurs.

Outcomes

- N/A

9. Categories 4, 9

- Refer to Presentation slides 42 – 43.
- The Secretariat presented proposed rules for category 4 vs category 9 activity classification.

Discussion

- A TWG member stated that either the gate principle or the payment principle would be preferable to the current status. No change is the least desirable option.

Outcomes

- N/A

10. Other boundary language

- Refer to Presentation slides 44 – 50.
- Skipped, no discussion demand.

Discussion

- N/A

Outcomes

- N/A

11. Commodities and undrawn commitments

- Refer to Presentation slides 51 – 56.
- Skipped, no discussion demand.

Discussion

- N/A

Outcomes

- N/A

12. Next Steps

- Refer to presentation slides 57 – 59.
- The Secretariat presented the next steps.

Discussion

- A TWG member stated that more guidance on the treatment of 'should' vs 'shall language' would be helpful, for discussions on the next group of topics in the new year.

Outcomes

- The Secretariat will distribute meeting minutes and update the end of year surveys based on the feedback received during the meeting.

Summary of written submissions received prior to meeting

N/A