

Scope 3 TWG

GHGP ISO Consolidation Phase

Meeting Minutes

Meeting 1

Date: September 24, 2026

Time: 09:00 – 11:00 AM ET

Location: Virtual

Attendees

Technical Working Group Members

- | | |
|--|---|
| 1. Sahil Aggarwal, Siemens Healthineers | 18. Meghan Kennedy, NetApp |
| 2. Alissa Benchimol, Greenhouse Gas Management Institute | 19. Aysegul Koseoglu, Inter IKEA |
| 3. Zola Berger-Schmitz, Science Based Targets initiative | 20. Marion Kurdej, EcoAct |
| 4. Lindsay Burton, Ernst & Young | 21. Alan Lewis, Smart Freight Centre |
| 5. Guillaume Castelbou, EFRAG | 22. Ryan Maloney, Apple |
| 6. Stephanie Cap, WBCSD | 23. Alejandro Morera Gonzalez, ISO |
| 7. Leo Cheung, The Carbon Trust | 24. Elliot Muller, CIRAIG, Polytechnique Montreal |
| 8. Mathilde Crepy, ECOS | 25. Hetal Patel, Phoenix Group |
| 9. Dario Alessandro de Pinto, Banca d'Italia | 26. Vishvesh Pavnaskar, Indorama Ventures |
| 10. Holly Emerson, Duke University | 27. Colin Powell, PwC |
| 11. Hugo Ernest-Jones, Science Based Targets initiative | 28. Benedicte Robertz, Umicore |
| 12. Ibrahim Eryazici, ISO | 29. James Salo, S&P Global Sustainable1 |
| 13. Maria Fernanda Gonzalez Salazar, ISSO | 30. Fabiola Isabel Schneider, University College Dublin |
| 14. Seth Herron, WSP | 31. Stacy Smedley, Eastern Research Group |
| 15. Atsushi Inaba, ISO | 32. Arundhati Srinivasan, Maersk |
| 16. Kumar Moorthy Iyer, ISO | 33. Talita Sturba, University of Sao Paolo |
| 17. Tom Jackson, Loughborough University | 34. Ulf von Kalckreuth, Deutsche Bundesbank |
| | 35. Luhui Yan, Carbonstop |

Guests

N/A

GHG Protocol Secretariat

1. Hande Baybar
2. Alexander Frantzen
3. Claire Hegemann
4. Luke Jones
5. Alley Leach
6. David Rich

Documents referenced

2. Scope 3 – GHGP ISO Consolidation – Meeting 1 – Presentation – 20260924 (“Presentation”)

Summary

Item	Topic and Summary	Outcomes
1	Housekeeping and process for upcoming meetings The Secretariat outlined the objective and process for the GHGP ISO consolidation phase. An ISO representative introduced ISO’s consensus building process.	N/A
2	General category-specific names, descriptions, and scope The Secretariat presented a comparison of the approaches in GHGP text and ISO 14064-1 WD2 text and an ISO representative presented the options developed by ISO.	N/A
3	Category-specific quantification approaches The Secretariat presented a comparison of the accounting approaches in GHGP text and ISO 14064-1 WD2, and an ISO representative presented the options developed by ISO. A corporate standard representative outlined three considered approaches for categorizing emissions from leased assets.	N/A
4	Next steps The Secretariat presented the next steps.	The Secretariat will circulate post-meeting surveys for the topics discussed.

Discussion and outcomes

1. Housekeeping and process for upcoming meetings

- Refer to Presentation slides 2 – 10.
- The Secretariat presented the meeting agenda, housekeeping rules, and decision-making criteria.
- An ISO representative introduced ISO consensus building process, outlining how standards are typically developed by ISO across proposal, preparatory, committee draft, enquiry, and approval stages, and explained the context more specifically for the development of ISO 14064-1 working draft 2.
- The Secretariat explained how ISO’s consensus building process relates to the ongoing revision process for the GHG Protocol’s corporate suite of standards, explaining that input from ISO WG4 would be considered in the upcoming series of TWG meetings, following the GHG Protocol’s established governance procedures.
- The Secretariat outlined the objective of the next series of TWG meetings, which is to review, discuss and poll on ISO WG4 feedback and draft text alongside corresponding text from either the existing *Scope 3 Standard* or outcomes and draft text from the Scope 3 TWG. The TWG votes on each topic will be used to finalize a revised version of the *Scope 3 Standard*, which will form a part of the consolidated standard, noting that all outcomes from the TWG remain subject to approval by the Independent Standards Board (ISB).

Discussion

- A TWG member asked which decision-making criteria were used to come up with the different options
- A TWG member asked who was involved in the 'consensus' decisions that are displayed on the ISO slides
 - An ISO representative responded that the consensus decisions were made by nominated experts from national standard bodies and liaison organizations
 - The TWG member asked if those came only from ISO or also from the GHG Protocol side
 - An ISO representative clarified that this referred to ISO only
 - The Secretariat responded that the GHG Protocol is not in a position to disclose the names or affiliations of individuals comprising ISO GH4. The GHG Protocol did not develop ISO's positions. The red slides in the deck reflect ISO WG4's position on the Scope 3 TWG's proposed revisions to the Scope 3 Standard.
 - The Secretariat pointed the member towards the governance process, as explained in the [Standard Development Plan](#) (section 8 and onwards).
- A TWG member asked if it would be possible to receive a written document detailing ISO's process, as just described by the ISO representative
- A TWG member stated that the ISO and GHG Protocol processes seem to be going on independent of each other, and what the process is that will lead to a joint standard within this setup.
 - The Secretariat clarified that it is a sequential process. In this current step ISO outcomes are shared with the Scope 3 TWG, for the TWG to then make a recommendation to the ISB for decision. GHG Protocol will hold a public consultation, and ISO will go through a committee draft review, after which the text will come back to the GHG Protocol for its decision-making process. Ultimately, the aim is for both bodies to adopt the text.
- A TWG member asked if there is a risk that at the end of the process, we still end up with two different standards.
 - The Secretariat stated that all efforts are being made with the aim of creating a single consolidated standard in an effort to mitigate this potential risk.
- A TWG member asked whether the current text from ISO is a working draft or a committee draft.
 - An ISO representative responded that what has just been provided to the TWG is a working draft. The text drafted by the TWG will be brought back to ISO as a committee draft next year. Then it will return to GHG Protocol as a working draft, for another round of comment resolution. The final text will go through the governance bodies of both organizations.
- A TWG member asked what the final standard will be, whether it will be an ISO/WD 14064 document rather than a GHG Protocol Standard
 - The Secretariat replied that the goal of the GHG Protocol and ISO partnership is to co-publish a single consolidated corporate-level standard (CS, S2, S3, and AMI).
 - A TWG member asked if the document provided to the TWG is representative of the final standard, i.e. will it be within the ISO universe or is the nature of the final consolidated standard still being debated?
 - The Secretariat clarified that the ISO draft shared with the TWG is a working document for discussion, an input for the GHG Protocol's process
- A TWG member asked what the final product will look like, as the formal structure and language is very different between the GHG Protocol and ISO, with ISO's language being much more legalistic.
 - The Secretariat replied that drafting is under development, and that the plan is to primarily focus on shall/should/may statements in the new consolidated standard, with separate guidance documents with further detail afterwards.

Outcomes

- N/A

2. General category-specific names, descriptions, and scope

- Refer to Presentation slides 11 – 26.

ISO (ID: 1-8): Category names

- The Secretariat presented a comparison of the category names as per the GHG Protocol text and the ISO proposed text, in particular for category 1 (Purchased goods and services or Purchased products),

category 5 (Waste generated in operations or Disposal of waste), category 12 (End-of-life treatment of sold products or End-of-life of sold products) and category 16 (Other value chain activities or Other sources)

- An ISO representative presented the options developed by ISO, including supporting rationale and level of support from within ISO WG4

Discussion

- A TWG member stated that renaming Category 5 to “disposal of waste” creates a direct conflict with ESRS E5 terminology, where ‘disposal’ is the narrow complement to ‘diversion’: waste directed to disposal (landfill, incineration) versus waste diverted from disposal (recycling, recovery) — so the new label implicitly excludes recycling from the category’s scope, which is the opposite of its intent.
- A TWG member commented on category 16, stating that labelling a residual category “Other sources” undermines the very principle of a justified exclusion, because an open-ended catch-all makes it procedurally indefensible to scope out any emission source. If “other” exists, an assurance provider can always argue that an omitted source belongs there.
 - A TWG member stated that renaming category 16 into “other sources” is a bad idea, and that it will be impossible for companies to have a compliant report.
 - A TWG member agreed, stating that the previous category name works better
- A TWG member stated their overall disappointment in the approach taken, noting that the TWG’s proposed revisions had been modified to fit with ISO, when the member had expected that it would be the other way around. Changing terminology will cause chaos. The member would have liked to see ISO adopt what the TWG has done, instead of trying to change what the TWG has proposed. This kind of terminology shakeup will take away from the credibility that GHG Protocol has. The member encouraged everyone to consider more flexibility, stating that GHG Protocol terminology is what should be aimed towards.
 - A TWG member agreed with the previous speaker, stating that these are significant changes.
 - A TWG member agreed with a previous point made on terminology, that standardization of terminology should go in the direction of what the market already overwhelmingly uses.
 - A TWG member agreed that changing terminology is not a simple topic, also stating that standardizing so that there is no divergence between the standards is a valid solution, if no major changes are made to decisions the TWG took many months to arrive at.
- A TWG member asked what the process for conflict resolution is, in case of an impasse between GHG Protocol and ISO, and who’s decision will be the final one.
 - The Secretariat replied that the TWG will decide what recommendations are made to the ISB, who will ultimately decide.
- A TWG member stated that deleting “services” from category 1 purchased goods and services may lead to considering only the impacts of purchased goods in this category, and forgetting about purchased services.
- A TWG member stated that we need to focus on decarbonizing, and decarbonizing where we have the most influence, not on trying to report everything with the highest accuracy possible.
- A TWG member stated that it’s important to keep in mind that this is a naming change, not a boundary change
 - The Secretariat agreed, stating that these are naming convention considerations, not boundary considerations.
- A TWG member stated that the GHG Protocol definition of products already includes services, which is frustrating as transport activities are generally services, so the renaming of category 1 is a small part of a bigger issue
 - The Secretariat stated that this is not unique to categories 4 or 9, for example waste handling, commuting, and accommodation are all services as well.
- A TWG member echoed the previous comments about the risks associated with renaming categories as well as the risks associated with labeling category 16 as other. Experience within SBTi has been that auditors are not always consistent in their approach, particularly in terms of treating emissions as optional vs. mandatory even in cases where it should be clear under the current protocol. Adding further layers of ambiguity is likely to complicate the assurance process further, and a label like “other” is not something that is easily operationalized by standard setters either. Labelling category 16 as other also risks making that category a catch all bucket.

- The Secretariat replied that several stakeholders believe that some activities currently itemized in category 16 should be included in categories 1-15. And, in this light, category 16 is designed to provide space for the optional inclusion of emissions from activities that some (not all) stakeholders believe is relevant for a company to consider, account for, and/or report. But they remain optional because inclusion is not widely agreed upon.

ISO (9): Classification of processing and use of sold product emissions

- The Secretariat presented a comparison of the approaches in GHGP text and ISO 14064-1 WD2 text for the categorization of processing and use of sold product emissions. In the existing *Scope 3 Standard*, unchanged in series E revisions, processing of sold product emissions and use of sold product emissions are classified in distinct categories. In ISO 14064-1 WD2, these are combined as one category. There are no rules within the ISO 14064-1 WD2 text that preclude organizations from using subcategorization within this category if it is relevant for them.
- An ISO representative presented the text developed by ISO WG4, including supporting rationale and level of support from within ISO WG4. Rationale included relevance and feasibility, where sellers frequently cannot know whether a sold product is further processed or used as it is.

Discussion

- A TWG member stated that they preferred the original classification, as processing and use are different spheres that make sense to separate.
- A TWG member asked if this change for categories 10 and 11 could lead to companies changing the scope of downstream emissions reporting
 - An ISO representative responded that the intent is not to hide anything, but that it gives reporters that don't have the information about processing and use phase opportunity to report in a more practical way. Both are downstream, and reporters who want to separate them within the same category can still do that. But disaggregating processing and use is a high burden for reporters who do not have the data.
- A TWG member asked whether given that ISO's 'product' includes services, the group is comfortable that the guidance will make it sufficiently clear that purchased cloud, SaaS, AI and data-center services fall within the relevant purchased product boundary
- A TWG member stated that corporate accounting should be aligned with product LCAs. In this case EPD has a separate installation module (A5), adding this to use phase would reduce transparency.
- A TWG member stated that they do not understand how combining them because disaggregation is hard is helpful. That seems like burying the information. The member asked for more clarification on that logic.
 - An ISO representative stated that under ISO's significance criteria, combining them does not make a difference.
 - The member stated that it does make a difference, and expressed concern that category 10 will go away.
 - The ISO representative stated that it could also be the other way around, because combining processing and use phase could lead to the combined emissions superseding the 5% threshold, which they separately wouldn't have.
- A TWG member stated that they do not want to debate the specifics of category 10 and 11, but in a wider sense this combination would be very challenging for target setting, for companies that want to set a target for category 10. There are different levers for decarbonization of category 10 and 11 emissions. many sectors know the final application of their products, and are expected to report category 9, 10, 11, and 12. Separation is quite important and allows companies to utilize the respective decarbonization levers.
- A TWG member stated that processing and use phase follow different quantification logics. For example, use phase relies on assumptions about lifetime, scenario-dependent, a dimension that is absent from processing. The member also noted that currently ISO and GHG Protocol's category numbering match because categories 10 and 11 merge while category 9 splits, and accepting one change but not the other would change the category count or the numbering.
- A TWG member stated that combining these categories would lead to issues for reporters who have already set targets for these categories for several years.

ISO (10): Classification of client and visitor transport emissions

- The Secretariat presented a comparison of the approaches in GHGP text and ISO 14064-1 WD2 text for the categorization of client and visitor transport activities. In the existing Scope 3 Standard, unchanged in series D revisions, client and visitor transport activities are classified within category 9 (Downstream transportation and distribution). In ISO 14064-1 WD2, these are separated from downstream freight transportation and reported as a separate category.
- An ISO representative presented the text developed by ISO WG4, including supporting rationale and level of support from within ISO WG4. Rationale included the fact that freight and passenger transport frequently uses different activity data and methods, and ISO 14083 distinguishes between freight and passenger transport, and so categorizing separately would support accuracy and consistency.

Discussion

- A TWG member stated that the same logic that applies to separating client and visitor transport also applies to keeping categories 10 and 11 separate
- A TWG member stated that we should decide whether we want to underline the importance of processing versus the importance of client and visitor transport, which one deserves a separate category. The member would prefer leaving processing as a separate category, as in the current *Scope 3 Standard*.
- A TWG member stated that they do not have any objections to this proposal, as there is already a split between categories 4 and 6, so splitting out the freight and passenger downstream makes sense. If they are split, the decision becomes whether the new category is mandatory or optional.

ISO (23): Inclusion of gaseous waste in cat 5

- The Secretariat presented a comparison of the category description in GHGP text and ISO 14064-1 WD2 text for category 5, currently termed 'Waste generated in operations'. In the existing *Scope 3 Standard*, unchanged in series D revisions, the description includes text which states that "this category includes emissions from disposal of both solid waste and wastewater". In ISO 14064-1 WD2 the list of types of waste is removed, implicitly allowing gaseous waste to be reported in category 5 and thereby potentially causing a change in the scope of category 5, depending on how readers interpret the term "including" in this context.
- An ISO representative stated that ISO's interpretation of the term "including" is normative and that, in the GHG Protocol description, only solid waste and wastewater are included in category 5. Therefore, the text in ISO 14064-1 WD2 avoids an enumerated list that could omit waste streams and so supports the completeness principle. The discussions in WG4 were not about including gaseous wastes, but were more targeted at ensuring completeness of a GHG inventory.

Discussion

- A TWG member asked if this is a strict boundary question, or if it is the summary of the definition.
 - The Secretariat replied that it is a boundary question, whether gaseous waste should be included in category 5. Currently it reads like it is not included there.
- A TWG member said that an example of a gaseous waste which isn't already a scope 1 emission could be carbon monoxide from a steel plant that is going into treatment, or another gas that is not a GHG but will undergo treatment.
- A TWG member stated that the side by side definition makes the actual smaller here seem smaller than it is, as the problem is how to reconcile the required boundaries.
- A TWG member asked if gaseous waste is not intrinsically linked to emissions. They do not see the need to make it explicit, as the entire standard is related to atmospheric gas emissions.
 - A TWG member replied that they disagree, stating that other gases like SO_x, NO_x, VOCs would be reported separately under ESRS E3 and not in the climate change chapter and are not really GHGs.
 - The TWG member replied that the new IPCC guidelines will take into account NO_x, CO, NMVOC, SO₂, NH₃, BC, H₂ and mineral dust.

ISO (20): Capital goods description change

- The Secretariat presented a comparison of the category description in GHGP text and ISO 14064-1 WD2 text for category 2 (Capital goods). The GHG Protocol text, after series D revisions have been considered, provides a description which allows a company to establish its own procedures for determining what

goods are considered capital goods versus purchased goods. There is a recommendation that states that a company “should follow their own financial accounting procedures to determine whether to account for a purchased product as a capital good” or not. The ISO 14064-1 WD2 text uses a description which is more aligned with financial bookkeeping, stating that capital goods are those that are “purchased and amortized”, essentially changing the GHGP’s recommended approach into a normative requirement.

- An ISO representative presented the text developed by ISO WG4, including supporting rationale and level of support from within ISO WG4. Rationale included providing continuity with ISO 14064-1:2018 text where the capital good vs purchased good ambiguity is resolved with reference to the organization’s financial accounting procedures.
- An ISO representative stated the definition of capital goods in ISO’s WD2, “goods that an organization (3.7.2.) uses to manufacture product (3.8.1) provide services, or sell, store, and deliver merchandise”, e.g. machinery, buildings, vehicles.

Outcomes

- The Secretariat will circulate a survey to vote on the options to the TWG.

3. Category-specific quantification approaches

- Refer to Presentation slides 27 – 43.

ISO (21): Capital goods amortization approach

- The Secretariat presented a comparison of the accounting approaches in GHGP text and ISO 14064-1 WD2 text for category 2 (Capital goods). The GHG Protocol text, after series D revisions have been considered, requires that emissions are reported using a unamortized approach (i.e., emissions are reported in full in the year of purchase of a capital good), with scaling applicable to goods that are purchased second-hand. ISO 14064-1 WD2 text provides optionality for organizations to use either an amortized or an unamortized approach for category 2.
- An ISO representative presented the text developed by ISO WG4, including supporting rationale and level of support from within ISO WG4, including that amortized profiles smooth year-on-year variations whereas acquisition-year reporting creates spikes.

Discussion

- A TWG member stated that they would not leave optionality about amortization to ensure comparability of inventories.
- A TWG member stated that the optionality dismantles the comparability principle the TWG had aimed toward.
- A TWG member stated that we do not know how long a company is really going to use the product, stating that this enables gaming in order to report a reduced number. It also erodes comparability. GHG Protocol allows that type of reporting as a supplementary metric, which is the right approach.
- A TWG member asked if in ISO the options are alternatives, and if in GHG Protocol the options would be cumulative, with the default being unamortized.
 - The Secretariat stated that ISO’s proposal is either total or annualized. GHG Protocol requires total and lets companies optionally disclose the annualized figures as a supplementary metric.
- A TWG member asked if this was the draft text that the TWG had discussed and agreed upon. Is it that only when the asset is bought the unamortized amount of emissions are booked, and in the next year the remaining unamortized amount is not booked? That they just get booked once.
 - The Secretariat stated that every buyer reports unamortized emissions in the first year of reporting, and that any party can optionally report annualized unamortized emissions separately.
 - The member asked for more clarification on the ISO proposal
 - An ISO representative acknowledged the concern and will provide more clarity.
- A TWG member stated that they could agree with the reporting of a pro rata share of unamortized emissions. That is the counterpart to what financial and cost accounting does, and it would go well with product level reporting. But companies should not be given the choice to do one or the other, as that would make statements entirely incomparable.

- A TWG member asked if the inclusion of removals across the different ISO categories raises a consistency issue with the GHG Protocol's approach to reporting gross emissions without netting.
- A TWG member stated that for consistency purposes reporting the total figure with the option to report the annualized figure is ideal for category 2. If we allow annualized without any totals this will have major implications for target setting, especially as it will mean category 2 may drop below the significance threshold that requires inclusion in the target boundary under some standard frameworks like SBTi.
 - A TWG member replied that they understand the need for consistency and the risk for some companies to understate their category 2 depending on the hypothesis used for amortization. But if category 2 drops below the significance threshold once annualized, it means capital purchases are largely one-off. Reporting the total in the year of acquisition then creates a spike that distorts trends against the base year and skews reduction priorities toward a non-recurring source. The total figure is only really representative when capital purchases are regular enough to be an actionable lever, and in that case category 2 would stay above the threshold anyway.

Leased assets, options to consolidate (CS TWG presentation)

- Refer to Presentation slides 32 – 37.
- The Secretariat presented slides outlining three considered approaches for categorizing emissions from leased assets being discussed within the Corporate Standard TWG, outlining the background to the revision and a request for Scope 3 TWG input to help provide more information for the Corporate Standard TWG to finalize their decision on this topic. Options include standardizing an approach so that leased assets emissions from use are the scope 1 and scope 2 of parties that recognize the asset on their balance sheet reports; standardizing an approach so that parties with the right-of-use of the leased asset is reports emissions from use as scope 1 and 2; and an approach that changes in interpretation based on whether a financial or operational control approach is used.
- A TWG member asked how option C would be reconciled with the proposal that the financial control approach is the preferred way to define the organizational boundary? Would that not make this category optional for some reporters?
- A TWG member stated that they do not fully understand the difference between options A and B. If there is the right to use, and the lessee pays for it, then the lessee has it on their balance sheet. In which case balance sheet recognition can be used. If the lessee does not own the object, how can it's full value be on his balance sheet?
 - A member from the Corporate Standard Secretariat stated that lease liability obligation is the determining factor, the asset does not necessarily end up on the balance sheet when the right of use exists.
 - The member asked for clarification of the conditions.
 - The member from the Corporate Standard Secretariat stated that it depends on the contractual agreement and the involved parties preferences, and on what is being leased.
- A TWG member stated that option A seems to disruptive given current approaches, and that it will influence corporate decarbonization targets a lot. In most cases companies do not have any control over leased assets, so what is the added value to including them in scope 1 and 2?
- A TWG member stated that option C seems sensible, but there is a need to resolve potential double or no accounting in scope 1 and 2 under option A, as well as what happens with equity share approach.

ISO (24): Quantification approaches for leased assets

- N/A – skipped due to time constraints

ISO (25): Quantification approaches for franchises

- N/A – skipped due to time constraints

Outcomes

- The Secretariat will circulate a survey to vote on the options to the TWG.

6. Next Steps

- Refer to presentation slides 44 – 46.
- The Secretariat presented the next steps.

Discussion

- N/A

Outcomes

- The Secretariat will circulate the post-meeting surveys.

Summary of written submissions received prior to meeting

N/A