

Scope 3 TWG

Phase 2

Meeting Minutes

Meeting 14

Date: July 9, 2026

Time: 09:00 – 11:00 AM ET

Location: Virtual

Attendees

Technical Working Group Members

- | | |
|--|---|
| 1. Nasser Ayoub, EPD International | 16. Aysegul Koseoglu, Inter IKEA |
| 2. Alissa Benchimol, Greenhouse Gas Management Institute | 17. Marion Kurdej, EcoAct |
| 3. Zola Berger-Schmitz, Science Based Targets initiative | 18. Tim Letts, WWF |
| 4. Lindsay Burton, Ernst & Young | 19. Alan Lewis, Smart Freight Centre |
| 5. Stephanie Cap, WBCSD | 20. Ryan Maloney, Apple |
| 6. Bin Chen, Fudan University | 21. Fredrick Moku, UNFCCC |
| 7. Mathilde Crepy, ECOS | 22. Elliot Muller, CIRAIG, Polytechnique Montreal |
| 8. Dario Alessandro de Pinto, Banca d'Italia | 23. Nicola Stefanie Paczkowski, BASF |
| 9. Hugo Ernest-Jones, Science Based Targets initiative | 24. Colin Powell, PwC |
| 10. Alasdair Hedger, Ellen MacArthur Foundation | 25. Benedicte Robertz, Umicore |
| 11. Seth Herron, WSP | 26. Fabiola Isabel Schneider, University College Dublin |
| 12. Ashwini Hingne, WRI | 27. Arundhati Srinivasan, Maersk |
| 13. Zaour Israfilof, ISO | 28. Talita Sturba, University of Sao Paolo |
| 14. Tom Jackson, Loughborough University | 29. Carl Vadenbo, ecoinvent association |
| 15. Michael King, Cisco Systems, Inc. | 30. Ulf von Kalckreuth, Deutsche Bundesbank |

Guests

N/A

GHG Protocol Secretariat

1. Alexander Frantzen
2. Claire Hegemann
3. Luke Jones

Documents referenced

2. Scope 3 – Full Group – Meeting 14 - Presentation – 20260709 (“Presentation”)

Summary

Item	Topic and Summary	Outcomes
1	Attendance and housekeeping The Secretariat presented the meeting agenda, housekeeping rules, and decision-making criteria.	N/A
2	Circularity taskforces: F1 - Definitions The Secretariat presented the outcomes of the taskforce, namely new and updated definitions related to circularity for use in the Scope 3 Standard	The Secretariat will circulate a survey.
3	Circularity taskforces: F2 – Allocation approach for recycled materials The Secretariat presented the various allocation approaches considered by the taskforce, together with decision-making criteria analysis for each method	The Secretariat will circulate a survey.
4	Circularity taskforces: F3 – Waste-to-energy accounting rules The Secretariat presented previous TWG survey results along with proposed revised text	The Secretariat will circulate a survey.
5	Category 10/11 package ruleset The Secretariat informed members about the draft ruleset and upcoming final survey	The Secretariat will circulate a survey.
6	Next steps The Secretariat presented the next steps	N/A

Discussion and outcomes

1. Housekeeping

- Refer to Presentation slides 2 – 7.
- The Secretariat presented the meeting agenda, housekeeping rules, and decision-making criteria.

Discussion

- N/A

Outcomes

- N/A

2. Circularity Taskforces: F1 - Definitions

- Refer to Presentation slides 8 – 18.
- The Secretariat presented the outcomes of the taskforce, namely new and updated definitions related to circularity for use in the Scope 3 Standard.

Discussion

- A TWG member asked why the proposed definition of waste does not utilize the definition in ISO 59004 or ISO 14021:2026.

- A TWG member stated that the currently proposed definition is aligned with ISO 15270.
 - A TWG member added that the proposed definition is not far from the ISO 59004 definition, just different wording: “resource that is no longer considered to be an asset as it, at the time, provides insufficient value to the holder.” The TWG member added that the ISO 15270 definition is clearer.
 - A TWG member asked whether a note could clarify that “disposal to a material recovery operation can include recovery that is performed within the organizational boundary,” because both definitions may be interpreted to exclude material that a company recycles in-house.
- A TWG member stated that the graph showing the F1 illustrative summary of outputs helps to show the core issue clearly and simply. The TWG member stated that they were trying to grapple with sequencing but did not think it matters because there are four products emissions can be allocated.
 - The Secretariat stated that this concept would be tightened up further when the outputs of the fourth taskforce are available as this will enable illustration of how allocation works for inner loop activities like refurbishment or remanufacturing.
- A TWG member stated that, in life cycle assessment, the end-of-waste stage first needs to be identified, and in each stage there should be an end-of-life assessment. In Environmental Product Declarations, end-of-waste status is where the waste is ready for the next life.
 - The Secretariat stated that it had considered adding a definition borrowing from the European Union directive on end-of-waste, has a draft available, and can share it with the TWG for consideration.
- A TWG member asked what is meant by product in the illustration summary of outputs, whether it means final product, or whether the definition includes intermediate products.
 - The Secretariat stated that it is better suited to final products, but the logic would also apply for intermediate products.
- A TWG member stated that the purpose here is to illustrate what a value chain might look like for a circular product, not what the cutoffs might look like. The TWG member added that the chosen cutoff approach changes things.
- A TWG member stated that they would like to understand how embedded carbon in used cooking oil would be treated when using the proposed revision to the waste definition. They asked whether for scope 3 category 1 emissions for the aggregator of used cooking oil bears any burden of the virgin manufacture of the original cooking oil as the carbon load is already borne by the service provided by the restaurant, or whether emissions from the oil, including processing and waste, have to be allocated.
 - The Secretariat stated that, under the current definitions, the aggregator would have no burden associated with the virgin production of the used cooking oil.
 - A TWG member stated that this is an allocation problem and that a decision has to be made.
- A TWG member asked whether there is any financial exchange in the example.
 - The Secretariat stated that for the used cooking oil example there was no financial exchange between the restaurant and the aggregator.
- A TWG member stated that they do not have an issue with the used cooking oil example, that it is a safe example because it is a waste, that the cutoff rules will be discussed, and that it is limited to the aggregator and has zero embedded carbon. For the dairy farm example, the distinction between co-product / by-product or waste appears to hinge on whether there is financial value, and that this is not correct. The TWG member stated that there should be a hinge on insufficient financial value to drive the activity.
- A TWG member stated that, in existing European Commission regulation, used cooking oil is treated as waste with zero burden. The only reason a second use contains value is because the material is waste and comes with zero burden. This is a consequential argument but a logical way of looking at it, and that changing it would cause problems as this would not be taken up in common emission factor databases and thus would not get end use.
- A TWG member stated that a non-zero value is not a good tool for classifying something as a co-product. The question is whether the value of the material is sufficient to incentivize additional activity. In the dairy farm example, if methane collection drives sufficient value to help the dairy farm grow, then it is a co-product. This is the same argument as bovine leather as a co-product of meat production, because it is a significant value of cattle production. The TWG member contrasted this with fly ash from coal burning, which can be used in cement and has value, but is less than 1% of the value of the coal and would not

cause more coal to be burned. The TWG member stated that value and transfer of funds should not be used as the boundary between waste and co-product.

- The Secretariat stated that this could be rephrased.
- A TWG member stated that one definition of waste used in the slide is very similar to the definition used in European Union laws. The TWG member stated that they would stick to the European Union definition, which defines waste as any substance or object which the holder discards or intends or is required to discard. They would not add the final part “for material recovery, energy recovery, or final disposal.” From a legal perspective, this addition may be problematic because it might limit the concept of waste to materials destined for material recovery, energy recovery, or final disposal. Under European Union legislation, a material is considered waste regardless of its subsequent destination. For example, when waste is simply stored temporarily, this does not affect its legal classification as waste.
- A TWG member stated that what they like about funds transfer is that it is a clear line for differentiation. The TWG member added that if the group moves away from that, it needs to define another clear line.
 - The Secretariat asked whether, if the line is a percentage in terms of economic value of the co-products and by-products of a process, is there particular percentage that would be appropriate.
- A TWG member asked, for the methane example, whether what is forcing the collection to happen makes a difference. The TWG member stated that environmental regulations are supposed to stop a dairy farm from releasing methane to the atmosphere, so the farm becomes forced to collect it, and then what they do with it is up to them. The farm may use the methane for power and heat, or it could sell it on. The TWG member asked to what extent all of that needs to be taken into account, and whether a farm could end up having two different burdens depending on whether it uses the gas itself or passes it on.
 - The Secretariat stated that it will come up with related examples for further discussion.
- A TWG member stated that there is a definition in the Waste Framework Directive and that the group should be careful not to build a whole new definition.
- A TWG member stated that the definition as written is clear, but asked whether it includes or excludes material that a company recycles within its own boundary. It should count as recycling because recycled material does not require doorways or financial ownership.
 - The Secretariat stated that this is the intended meaning.
- A TWG member asked whether a by-product definition needs to be added to address this.
- A TWG member stated agreement that adding a by-product definition needs to be considered.
- A TWG member asked whether recycling should include pre-consumer and post-consumer waste.
 - A TWG member stated that it should, but that their point was that the “discard” language might be interpreted as implying that if a company chooses to recycle its own waste material itself, it does not count, which is not correct. If the material is recycled in-house, the question of where the cutoff is irrelevant because it remains within the organizational boundary.
 - A TWG member stated that it depends. If recycling only applies to post-consumer waste, the group does not need to answer the question of intracompany recycling.

Outcomes

- The Secretariat will circulate a survey and present additional examples for a discussion of the waste definition at the next TWG meeting.

3. Circularity Taskforces: F2 – Allocation approach for recycled materials

- Refer to Presentation slides 19 – 31.
- The Secretariat presented the various allocation approaches considered by the taskforce and decision-making criteria analysis for each.
- A TWG member stated that different countries and jurisdictions may have different definitions of waste in their regulatory frameworks. The European definition has remained unchanged for almost 20 years and is the official, legally binding definition applicable to all companies operating within the European Union. They would not create a new definition of waste within the TWG and suggested that the Scope 3 Standard might use the European definition as an illustrative example while referring users to definitions of waste established in the applicable legislation or regulatory framework relevant to their jurisdiction.

- A TWG member stated that it is much easier to recycle pre-consumer waste than post-consumer waste because the waste stream is more homogeneous.
 - A TWG member responded that, in the complex non-ferrous metals recycling business, this does not hold, and that postconsumer materials are typically more homogeneous than pre-consumer materials.
- A TWG member stated that waste is a substance that a business entity discards, intends to discard, or is required to discard because it has no remaining functional, commercial, or productive value.
- A TWG member stated that recycling should include pre-consumer and post-consumer waste.
- A TWG member stated that, if a company is trying to provide services at a lower impact, reuse and repair help to avoid emissions.

Discussion

Circular content cut-off method

- A TWG member stated that the TWG should differentiate between closed-loop recycling and open-loop recycling. If the company is recycling its pre-consumer waste, it is considered closed-loop recycling, which is treated differently from open-loop recycling where the waste is treated in a different system.

PEF Circular footprint formulae

- A TWG member asked where the burden shifts, and whether there is an increasing share by the entity that sends material to recycling or by the entity that receives it from recycling downstream.
 - The Secretariat stated that if material is downcycled, the original manufacturer bears more responsibility.
 - A TWG member stated that they hoped that is the case, because, for example, if an entity receives high-quality recycled materials and then uses them in a product in a way that ensures they will be downcycled in the next run, that entity should have a larger share. It would be good to confirm that this incentivizes the right action.

Reverse recycled cut-off

- A TWG member stated that, regarding support of programs based on the GHG Protocol, this is being used in Environmental Product Declarations, for example in EN 15804, where the cutoff is placed at end of waste, when the waste stops being waste, so the cutoff is slightly different in that regard.

Discussion

- A TWG member stated that the allocation approach should not be material-specific. There is not a fundamental reason why one material should be calculated differently from another, and that there may be many unintended consequences.
- A TWG member stated that the most appropriate allocation approach and whether it would be material-specific are two different questions. Some approaches are better suited for different types of circular economy activities, and some are better suited to materials that last longer or products that are reused with a longer lifetime. There isn't one method that works for everything, several approaches for companies to choose from would be helpful.
- A TWG member stated that they are in favor of one method, but that it could be further specified by sector-specific guidance and material type. The TWG member asked why the TWG is concerned about potential double counting when Scope 3 inherently includes it. The TWG member stated that trying to fit everything into one methodology is very difficult and that the group should lean on the recently published Global Circularity Protocol.

Outcomes

- The Secretariat will circulate a survey.

4. Circularity taskforces: F3 – Waste-to-energy accounting rules

- Refer to Presentation slides 32 – 44.
- The Secretariat presented previous TWG survey results along with proposed revised text.

Discussion

- A TWG member stated that the proposal from CEWEP makes sense because of the strict legal criteria in place in the relevant jurisdictions, which allow entities to demonstrate, and audit, that the material being incinerated is not suitable for another waste management option. In that context, it is reasonable to have incineration and Scope 2 in parallel as the proposal suggests. This approach would require clear criteria that other jurisdictions would need to check off. Defined boundaries are important to avoid incentivizing combustion where higher-value waste management options are available. Where incineration is genuinely the last option before landfill, the waste has been appropriately sorted, and the resulting electricity can be traced through a purchase, the approach appears reasonable.
- A TWG member stated that they do not fully agree with the proposal but that it raises valid points regarding double counting. Addressing double counting does not necessarily require Scope 2 emissions to be zero. End-of-life treatment could be where the zero occurs. Double counting should be acknowledged in some form and that there is flexibility in how that could be achieved.
- A TWG member stated that some guardrails are needed, but questioned whether developing those guardrails falls within the remit of GHG Protocol.
- A TWG member stated that their understanding is that the objective is to create an opportunity to address the double count in Scope 3, provided certain criteria are met.
- A TWG member stated that beyond the relationship between Scope 2 and Scope 3 Category 5, the relationship between Scope 3 Category 12 and Scope 3 Category 1 should also be considered. The member asked how companies that purchase second-hand goods and recycled materials should reflect those purchases in upstream emission factors. There is a strong tie to the approach applied by the primary producer, but it is important to draw that connection very clearly and in a way that is usable for companies.

Outcomes

- N/A – a survey will be circulated once this topic has been fully covered.

5. Category 10/11 package ruleset

- Refer to Presentation slides 45 – 46.
- The Secretariat informed members about the draft ruleset and upcoming final survey.

Discussion

- No discussion was held due to overrunning discussions on previous topics – this topic will be revisited in next meeting.

Outcomes

- N/A – a survey will be circulated once the topics has been presented to the TWG.

6. Next Steps

- Refer to presentation slides 47 – 49.

Discussion

- N/A

Outcomes

- N/A

Summary of written submissions received prior to meeting

N/A