

Scope 3 TWG

Phase 2

Meeting Minutes

Meeting 15

Date: July 23, 2026

Time: 09:00 – 11:00 AM ET

Location: Virtual

Attendees

Technical Working Group Members

- | | |
|--|---|
| 1. Masie Auld, Arcadis | 16. Tim Letts, WWF |
| 2. Zola Berger-Schmitz, Science Based Targets initiative | 17. Alan Lewis, Smart Freight Centre |
| 3. Lindsay Burton, Ernst & Young | 18. Ryan Maloney, Apple |
| 4. Stephanie Cap, WBCSD | 19. Nadia Montoto, KPMG |
| 5. Leo Cheung, The Carbon Trust | 20. Alejandro Morera Gonzalez, ISO |
| 6. Dario Alessandro de Pinto, Banca d'Italia | 21. Elliot Muller, CIRAIG, Polytechnique Montreal |
| 7. Holly Emerson, Duke University | 22. Nicola Stefanie Paczkowski, BASF |
| 8. Hugo Ernest-Jones, Science Based Targets initiative | 23. Vishvesh Pavaskar, Indorama Ventures |
| 9. Rene Garrido, Universidad de Santiago de Chile | 24. Colin Powell, PwC |
| 10. Alasdair Hedger, Ellen MacArthur Foundation | 25. Fabiola Isabel Schneider, University College Dublin |
| 11. Elijah Innes-Wimsatt, Conservation International | 26. Howard Shih, SBTi |
| 12. Zaour Israfilof, ISO | 27. Arundhati Srinivasan, Maersk |
| 13. Kumar Moorthy Iyer, ISO | 28. Talita Sturba, University of Sao Paolo |
| 14. Meghan Kennedy, NetApp | 29. Luhui Yan, Carbonstop |
| 15. Michael King, Cisco Systems, Inc. | 30. Seth Herron, WSP |

Guests

N/A

GHG Protocol Secretariat

1. Alexander Frantzen
2. Claire Hegemann
3. Luke Jones
4. Alley Leach

Documents referenced

2. Scope 3 – Full Group – Meeting 15 - Presentation – 20260723 (“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: F3 - WTE The Secretariat presented outcomes from the taskforce on waste-to-energy accounting rules	N/A
3	Circularity Taskforces: F4 and F5 – Allocation approaches for reuse and inner loop activities The Secretariat presented outcomes of the taskforce on allocation approaches for reuse and inner loop activities.	The Secretariat will circulate a survey.
4	Circularity taskforces: F1 – Examples illustrating the definition of waste The Secretariat presented examples to test the definition of waste as defined in the taskforce on circular economy definitions	N/A
5	Category 10/11 package ruleset The Secretariat referred members to the materials shared for their consideration	N/A
6	IFRS recommended changes for category 15 The Secretariat outlined recommendations by the IFRS pertaining to the proposed revisions to category 15	The Secretariat will circulate a survey.
7	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: F3 - WTE

- Refer to Presentation slides 8 – 24.
- The Secretariat presented outcomes from the taskforce on waste-to-energy accounting rules.

Discussion

- A TWG member stated that the steps outlined in the formula made sense
- A TWG member asked whether the first step should focus only on estimating fossil emissions, or whether biogenic emissions should also be addressed.
 - The Secretariat responded that, unless a company is deciding to apply LSR guidance, biogenic emissions from waste should be reported separately. If a company is reporting both biogenic and fossil emissions, the same rules would apply, there is no reason for the ruleset to apply only to fossil emissions.
 - A TWG member stated that they had the same thought, and that thus it may not be necessary to call out only fossil emissions in the text
 - The Secretariat stated that it would make sure that is clear
- A TWG member stated that this may be something to ask common emission factor database vendors.
 - The Secretariat responded that it may do so at a later stage
- A TWG member noted that the proposal does not reflect the discussion about waste policy in relevant jurisdictions stemming from the presentation delivered by CEWEP to the TWG. In the jurisdictions where CEWEP operates, there are stringent policies governing what waste can be incinerated, and this is not properly reflected in the current proposal
- A TWG member stated that the rules should not defer to policymakers in a way that would negate the need to account for emissions generated. Different policy environments may advantage or disadvantage a company's ability to reduce emissions, but this should not detract from the need for transparent accounting. The first focus should be accurately reflecting generated emissions.
- A TWG member stated that policy is important but should not be the main determinant of the accounting approach.
- A TWG member clarified that the point about having an incineration policy in place refers to the concept of avoiding burning everything as a first step. If Scope 2 accounting rewards burning materials that could otherwise be recycled or composted, that would not be the ideal outcome. The member suggested including a caveat to discourage burning everything and noted that CEWEP's process for preventing this was helpful.
 - The Secretariat stated that it would be helpful to include a statement on policy alongside the ruleset.
 - A TWG member stated that an acknowledgement statement would make sense. The member suggested that, if such a statement is included, it should clarify when incineration fits, and does not fit, with circular economy activities. The proposed logic works for recycling but may not be the right tool for incineration, where materials are permanently destroyed, and stated that incineration removes any obligation or incentive to redesign waste streams.

Outcomes

- N/A

3. Circularity Taskforces: F4 and F5 – Allocation approaches for reuse and inner loop activities

- Refer to Presentation slides 25 – 32.
- The Secretariat presented outcomes of the taskforce on allocation approaches for reuse and inner loop activities.

Discussion

- A TWG member asked whether, when referring to remaining amortized emissions, a product with two years remaining in a five-year lifespan would only include the emissions associated with the remaining lifetime for Scope 3 Category 11.
 - The Secretariat responded that this understanding was correct.
 - A TWG member asked whether, for Scope 3 Category 1, there had been discussion of the emission factors that would be applied, noting that some emission factors include assumptions about recycling. Companies struggle to obtain emission factors for remaining lifetimes in Scope 3

Category 1, thus how can that gap between what databases offer and what companies can estimate be bridged?

- The Secretariat responded that emission factors had not been discussed in detail.
- A TWG member asked what the recommendation would be if a company is reclassifying in Category 1 or Category 2, noting that companies may either underestimate or overestimate emissions. The member asked how to strike a middle ground and stated that Category 11 feels easier because there is a remaining lifetime, while upstream categories raise additional questions, such as whether the input is a blended material.
- The Secretariat agreed that complex inputs can make the analysis more difficult.
- A TWG member asked whether the expectation in the second bullet on slide 27 applied to transfer-of-ownership scenarios involving resale and reuse.
- A TWG member stated that, for the original manufacturer, purchased materials may also have Category 1 or Category 2 emissions that could be amortized across the product life. This would provide a more complete view of the benefits of reusing the product rather than focusing only on one user.
 - The Secretariat stated that it would clarify the ruleset.
- A TWG member asked where the line should be drawn between a new product, a refurbished product, and a resold product.
 - A TWG member stated that the cutoff between users would be expected to occur at the point of sale. The distinction between refurbished and resold products is the extent of work required to make the product sellable: a resold product involves minor work and cleaning, a refurbished product requires parts or components to be replaced to restore the original function, and remanufacturing involves replacing parts or components to create a new function or product.
- A TWG member stated that the proposal appeared to add additional layers and agreed with the preceding comment.
- A TWG member stated that, from a Category 11 standpoint, requiring resellers to account for use-phase emissions of resold products may unintentionally discourage circular business models. Organizations extending product lifetimes through resale and refurbishment help avoid emissions associated with manufacturing new products, and this framework may increase their reported emissions without recognizing broader lifecycle benefits.
- A TWG member stated that the topic is complex, but that the logic behind the suggested approach is straightforward. Purchased parts should be reported in Category 1 and related categories. Companies may have multiple environmental goals, but the accounting rules should remain clear and simple rather than introducing additional metrics on quality, which could move away from the principles the rules are intended to address. While material quality is important, it may be preferable to address it separately rather than force an awkward solution with unintended consequences.
 - The Secretariat stated that guidance could include an acknowledgement that companies may create additional environmental metrics to report alongside carbon emissions.
- A TWG member stated that, at least for Category 11, the remaining amortized emissions concept is important, even if imperfect, because stakeholders, including in real estate, have asked what portion of Category 11 should be reported. The member stated that the related accounting in Category 1 and Category 2 are more complex than Category 11.
- A TWG member asked whether a definition of goods and capital goods is needed in this context, noting that applying the presented approach to every good could be excessive.
- The Secretariat asked whether there is an argument for maintaining the same general quantification method between Category 1 and Category 2, and whether to maintain the same calculation approach for unamortized emissions across those two categories.
- A TWG member asked other members whether their companies have the capacity to track and quantify the reselling and refurbishment of their products. The member asked how initial manufacturers would account for these activities if companies do not have that capacity.
 - A TWG member responded that the original manufacturer accounts for all emissions and does not necessarily need to distinguish how many times the product is resold. If a company is acting as a refurbisher, it would need access to data on the original Category 11, the age of the device, how much of the emissions from the original manufacturing have already been amortized, and how much life remains after the resale. The first user generally has the information needed, and that a second user could obtain it if provided by the refurbisher, but that the approach is difficult without product-level information from the original manufacturer.

- A TWG member stated that much of the discussion focused on ownership, and asked whether, for a service provider that facilitates a second use cycle but never owns the product, the emissions would fall under Category 16 rather than Category 11.
- A TWG member agreed and stated that it would be a Category 16 emission.
- A TWG member stated that it matters whether the customer changes, if, e.g. it is a takeback scheme for a new customer. Both scenarios extend the lifecycle of the product, but, from an accounting perspective, the next customer affects how the activity would be accounted for. It would be helpful to determine whether the role of dealers should be differentiated from original equipment manufacturers.
- A TWG member commented that the same emission source can appear in different categories for different companies

Outcomes

- The Secretariat will circulate a survey.

4. Circularity taskforces: F1 – Examples illustrating the definition of waste

- Refer to Presentation slides 33 – 36.
- The Secretariat presented examples to test the definition of waste as defined in the taskforce on circular economy definitions

Discussion

- A TWG member commented that monetary incentives are necessary to incentivize companies to give back capital goods. The concept may work for the retail sector for example, but is not applicable to all. Even for retail, receiving a discount on the next purchase is still a monetary incentive for giving the product back.
- A TWG member asked whether the proposed definition would also be reflected in the recently published LSR, as they use the existing definition
- A TWG member brought up the definition of waste from ISO 14021:2026, “resource that is no longer considered to be an asset as it, at the time, provides insufficient value to the holder”. Note 1 to entry: The holder can choose to retain, discard, or transfer the waste. Note 2 to entry: Value can be assigned to waste as a result of a need from another interested party, at which point the resource is no longer considered waste. Note 3 to entry: The assignment of value to waste as a resource is linked, in part, to the available technology (e.g. landfill mining). Note 4 to entry: Some regulations require the holder to dispose of certain types of waste, while others assign value to waste. Note 5 to entry: Because resources include the energy content or energy potential of materials, such energy, when liberated during a process and not recovered for another use, can be considered a waste.
- A TWG member stated a preference for the second option presented as well as the use of the word ‘insufficient’ to frame the concept.
- A TWG member asked if a company could go so far to say that none of the coproducts individually are sufficient to incentivize additional production?
 - A TWG member stated that the relative magnitude of a single output compared to the other outputs could be looked at instead. If there’s only two outputs, one at 10% and the other at 90% of total economic value, then maybe the 10% product is a waste. But if there’s 10 outputs at 10% each, then none of them are wastes.

Outcomes

- N/A

5. Category 10/11 package ruleset

- Refer to Presentation slides 37 – 40.

- The Secretariat referred members to the materials shared for their consideration.

Discussion

- N/A

Outcomes

- N/A

6. IFRS recommended changes for category 15

- Refer to Presentation slides 41 – 43.
- The Secretariat outlined recommendations by the IFRS pertaining to the proposed revisions to category 15

Discussion

- N/A

Outcomes

- The Secretariat will circulate a survey.

6. Next Steps

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

Discussion

- N/A

Outcomes

- N/A

Summary of written submissions received prior to meeting

N/A