

GHG Protocol Technical Working Group Kickoff Meeting

Corporate Standards Updates Process:

- Corporate Standard TWG
- Scope 2 TWG
- Scope 3 TWG
- Actions and Market Instruments TWG

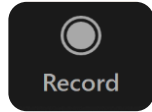
30 September 2024



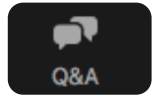
Agenda

1. Welcome from Chair of the Independent Standards Board
 - Dr. Alexander Bassen, 5 min
2. GHG Protocol Overview
 - Pankaj Bhatia, 10 min
3. Corporate Standards Updates Process
 - David Rich, 5 min
4. Scope of Work
 - Iain Hunt, Michael Macrae, Natalia Chebaeva, Michaela Wagar, 10 min
5. GHG Protocol Governance, Standard Setting Procedures & TWG Terms of Reference
 - David Burns, 30 min
6. Breakout into 4 TWGs for Introductions
 - 1 hour

Meeting information



This meeting is recorded (first hour only; not breakout sessions).



Please use the Q&A function to submit your questions during the meeting.



Audio, video, and chat disabled for the first hour; enabled for the second hour (breakout sessions).



Meeting will close at the conclusion of breakout sessions.



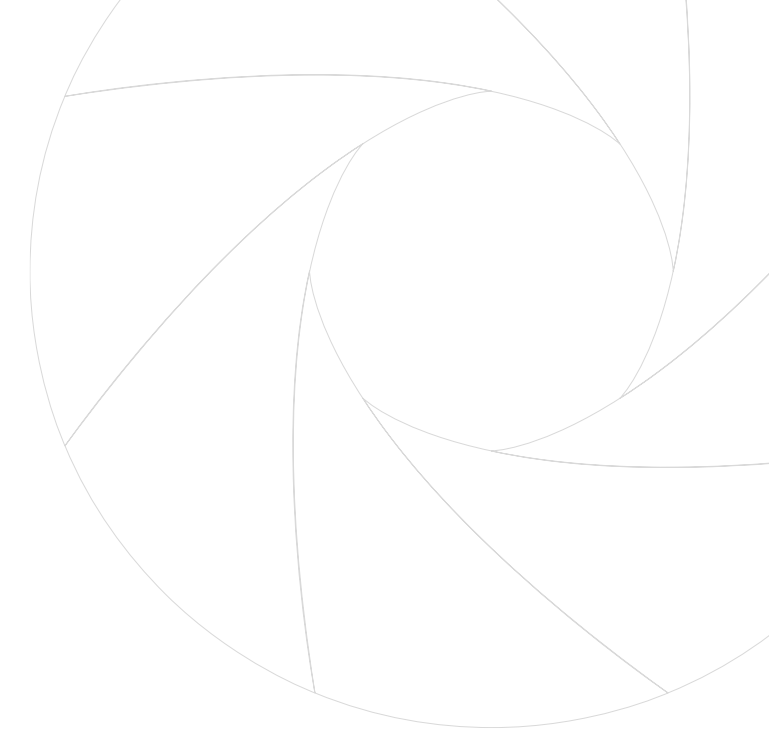
Slides will be emailed after the meeting.



Dr. Alexander Bassen
Chair, Independent Standards Board



GHG Protocol Overview

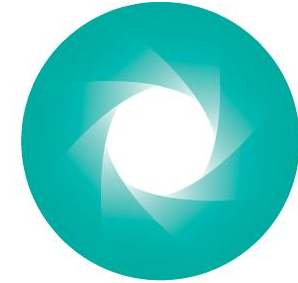


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Greenhouse Gas Protocol

- Greenhouse Gas (GHG) Protocol standards and guidance enable companies, cities and countries to:
 - measure, manage and report greenhouse gas emissions from their operations and value chains
 - track progress toward their emissions targets
- GHG Protocol provides the world's most widely used greenhouse gas accounting standards for companies
 - >10,000 companies report to CDP using GHG Protocol
 - >100,000 companies expected to report under ISSB standards using GHG Protocol
 - > 90% of Fortune 500 companies use GHG Protocol standards
- GHG Protocol develops accounting and reporting standards through inclusive global multi-stakeholder processes that include representation from businesses, academia, governments, NGOs and civil society



GREENHOUSE
GAS PROTOCOL



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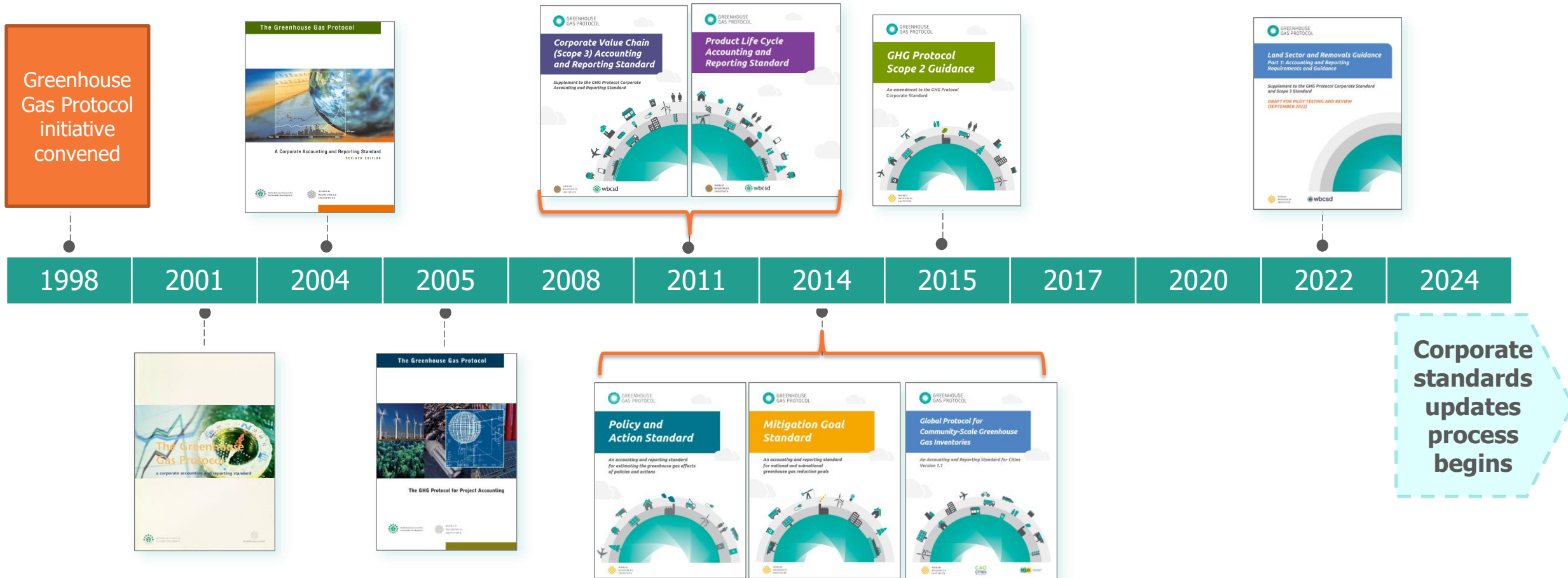


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History of GHG Protocol standards



GHG Protocol provides the GHG accounting foundation that underpins key standards, regulations, and target setting programs



Voluntary climate disclosure standards and reporting platform



Mandatory climate disclosure



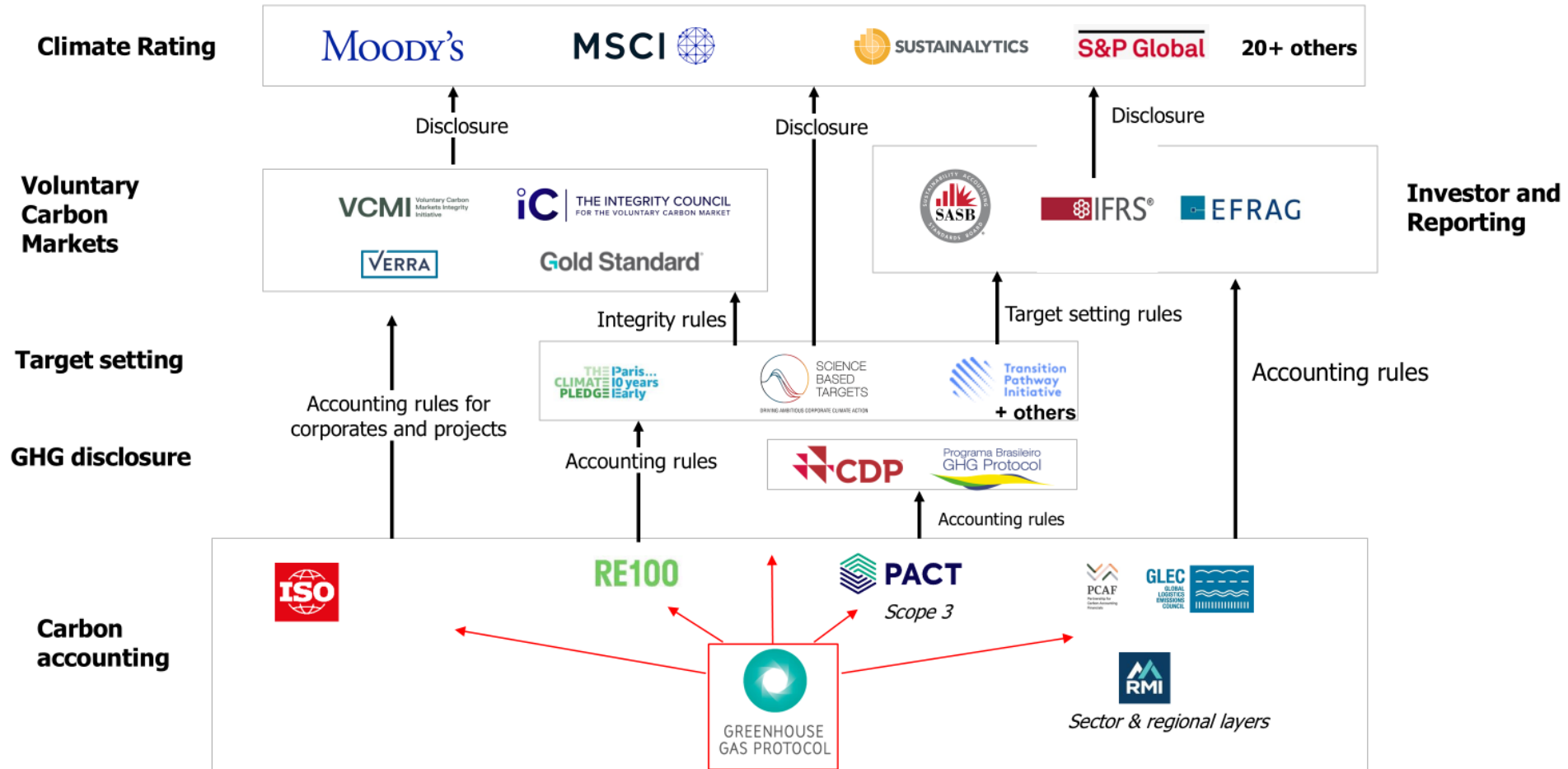
Target setting



GHG accounting standard setting



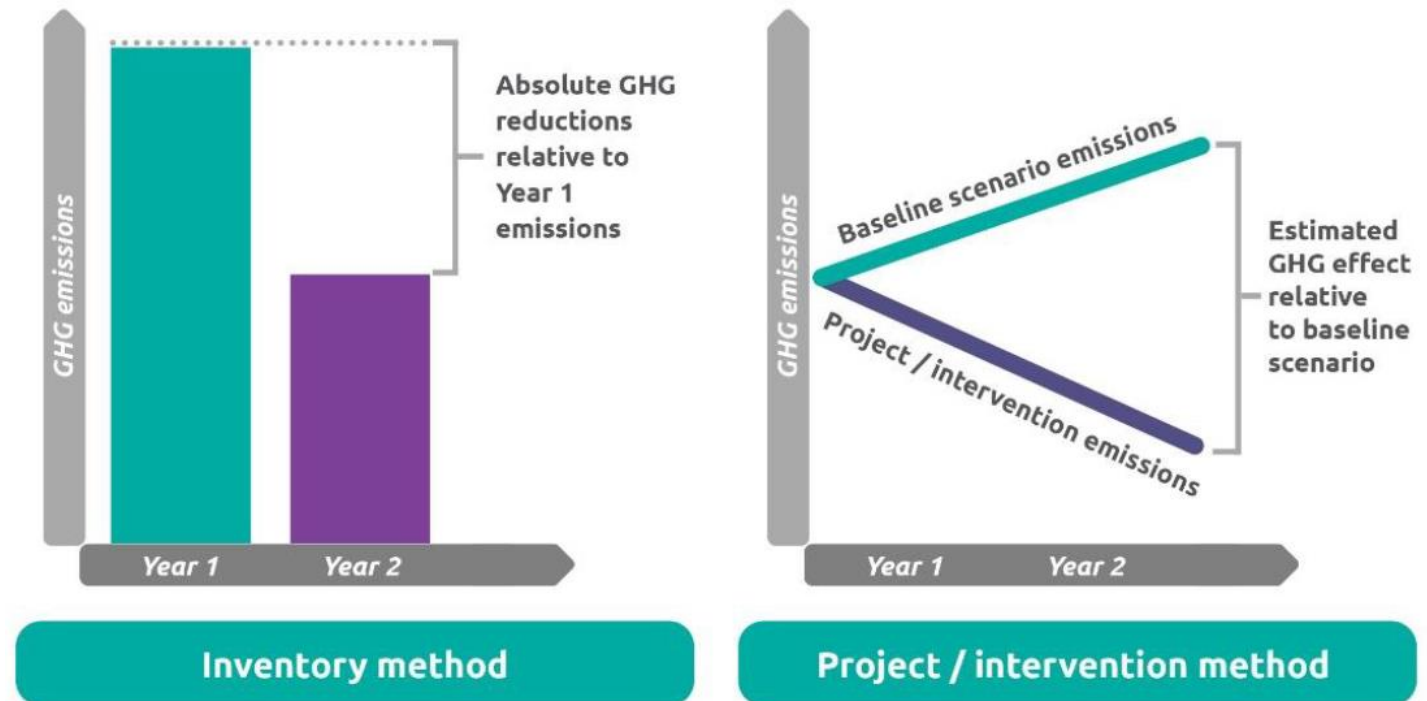
GHG Protocol has become the foundation for most climate programs



GHG Protocol provides standards for both inventory and project/ intervention accounting

- **Inventory accounting methods (attributional LCA)**
 - track GHG emissions and removals within a defined inventory boundary over time relative to a historical base year
- **Project/intervention accounting methods (consequential LCA)**
 - quantify the impacts on GHG emissions or removals of specific projects, actions, or interventions, by estimating systemwide GHG impacts relative to a counterfactual baseline scenario

Figure 11.3 Comparison of inventory and project or intervention accounting methods



Corporate Standards Updates Process

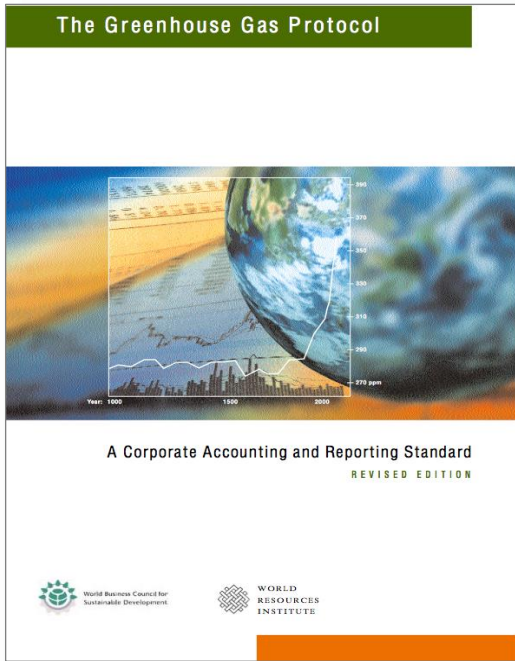


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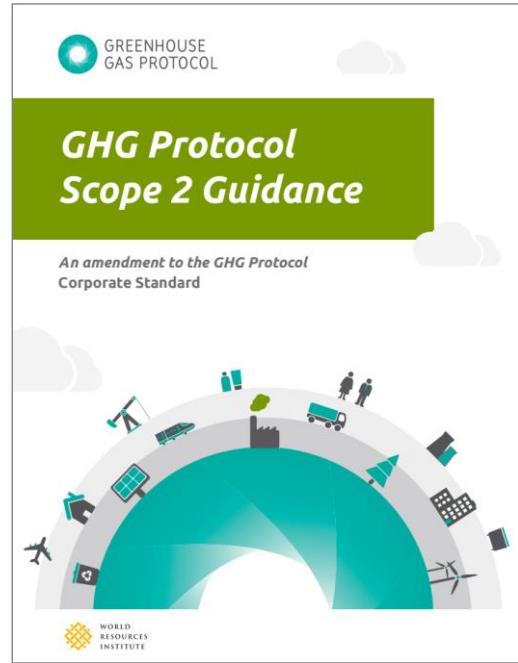
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Corporate Standards Updates Process



Corporate Standard

→ **Third Edition**



Scope 2 Guidance

→ **Second Edition**



**Scope 3 Standard +
Guidance**

→ **Second Edition**



Standard/guidance building on other GHG Protocol standards and guidance

Note: Fifth workstream is to publish the Land Sector and Removals Standard and Guidance (First Edition)

Global consultation

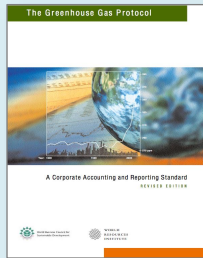
- GHG Protocol conducted four surveys related to the following standards, guidance and topics (Nov 2022 – March 2023). GHG Protocol received **over 1,400** survey responses and **230** proposals. The feedback informs the scope of work for the standards updates process.

	Number of responses	Survey Memo	Proposal Submissions	Slides	Webinar	Survey and Proposal Summary Reports
Corporate Standard	375	Link	Link	Link	Link	<ul style="list-style-type: none"> Draft Survey Summary (Dec 2023) Final Survey Summary (March 2024) Final Proposal Summary (March 2024)
Scope 2 Guidance	403	Link	Link	Link	Link	<ul style="list-style-type: none"> Draft Survey Summary (July 2023) Final Survey Summary (Nov 2023) Final Proposal Summary (Dec 2023)
Scope 3 Standard	354	Link	Link	Link	Link	<ul style="list-style-type: none"> Draft Survey Summary (Mar 2024) Draft Proposal Summary (Mar 2024) Final Survey Summary (June 2024) Final Proposal Summary (June 2024)
Market-based Accounting Approaches (now called Actions and Market Instruments)	343	Link	Link	Link	Link	<ul style="list-style-type: none"> Draft Survey Summary (April 2024) Final Survey Summary (July 2024)

Objectives for standards updates

- Ensure the standards' continued **effectiveness** in meeting their objectives
- Promote **interoperability** with key mandatory and voluntary climate disclosure and target setting programs and standards and with financial accounting and reporting standards, where relevant
- Incorporate **advancements** in research and science, current uses of the standard and of resulting GHG inventory data, stakeholder feedback, and **best practices** in implementing the standard since it was published
- Improve **coherence and integration** across GHG Protocol standards and guidance
- Provide additional **guidance and clarifications** to reduce the need for interpretation, where possible
- Improve **structure and presentation** where needed to improve user-friendliness, legal interpretation and ease of verification

Technical Working Group structure



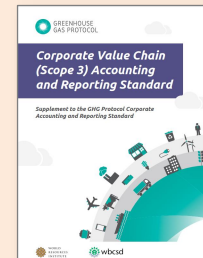
Corporate Standard TWG

47 TWG members,
3 subgroups



Scope 2 Standard TWG

39 TWG members



Scope 3 Standard TWG

55 TWG members,
3 subgroups

Actions and
market
instruments
standard/
guidance

Actions & Market Instruments TWG

30 TWG members

- Outputs and recommendations from all four TWGs go to the Independent Standards Board for decision-making and approval
- 3-4 GHG Protocol Secretariat staff per standard/TWG

Standard Development Plans

- Contents (for each standard)
 1. Introduction
 2. Background and context
 3. Summary of feedback from global stakeholder survey and consultation
 4. Objectives and scope of the standard
 5. Scope of work for the standard revision
 6. Deliverables
 7. Approach
 8. Standards governance and approach
 9. Workplan and timeline
 10. Stakeholder engagement opportunities
 11. Secretariat team and contact information
- Status: Presented to ISB for review and approval; currently under ISB and SC review

Scope of work



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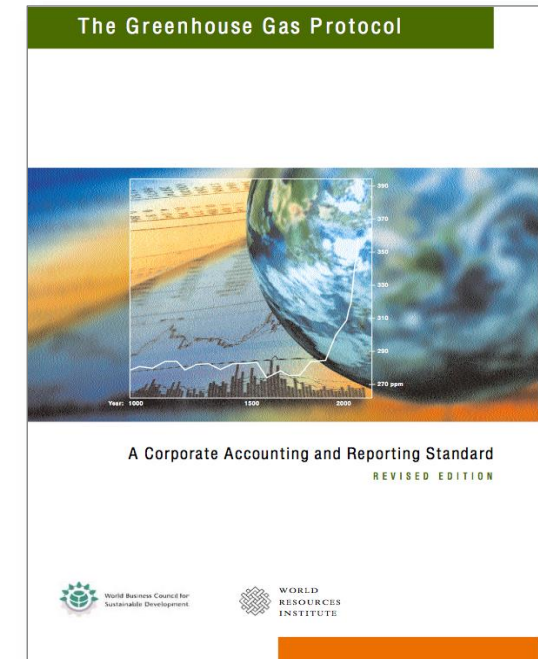
Corporate Standard

Scope of work:

- A. Objectives and principles
- B. Organizational boundaries
- C. Operational boundaries
- D. Tracking emissions over time
- E. Verification/assurance
- F. Data/calculation methodology
- G. Organization of the standards and internal/external harmonization

Out-of-scope items:

- H. Items addressed elsewhere by GHG Protocol
- I. Items for future consideration after standard revision
- J. Items outside of GHG Protocol's purview



Corporate Standard

→ Third Edition

Scope 2 Standard

- A. Clarify objectives and consider any changes to the required reporting methods
- B. Location-based method technical improvements
- C. Market-based method technical improvements
- D. Role of project-based accounting methodology relative to scope 2 accounting
- E. Guidance for regional variation in energy markets
- F. Interaction with policies and programs
- G. Interactions across Scope 2 and Scope 3
- H. Guidance for purchased steam, heat, and cooling
- I. Utility-specific guidance and clarification on T&D losses
- J. Technical methodology guidelines for data providers
- K. Technology-specific guidance



Scope 2 Guidance

→ Second Edition

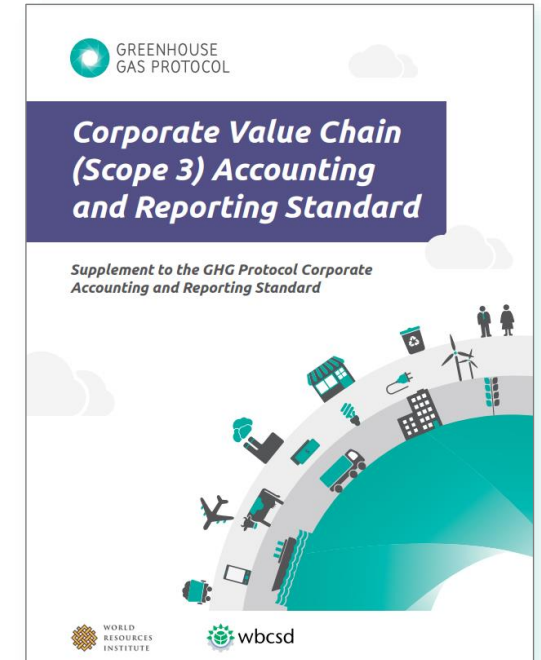
Scope 3 Standard

General:

- A. Materiality and boundary setting
- B. Data quality and calculation methods
- C. Target setting and performance tracking
- D. Reporting and assurance

Category-specific:

- E. Purchased goods and services (Category 1)
- F. Capital goods (Category 2)
- G. Transportation and distribution (Category 4 and Category 9)
- H. Waste treatment and EOL treatment of products (Category 5 and Category 12)
- I. Business travel (Category 6)
- J. Employee commuting and remote work (Category 7)
- K. Leased assets (Category 8 and Category 13)
- L. Processing and use of sold products (Category 10 and Category 11)
- M. Franchises (including licensing) (Category 14)
- N. Investments (Category 15)



Scope 3 Standard + Guidance

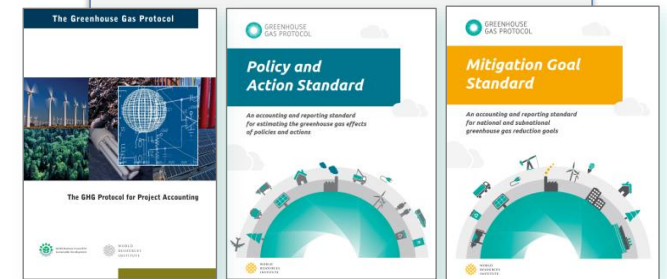
→ **Second Edition**

Subject to change; pending Independent Standards Board and Steering Committee approval

Actions and market instruments

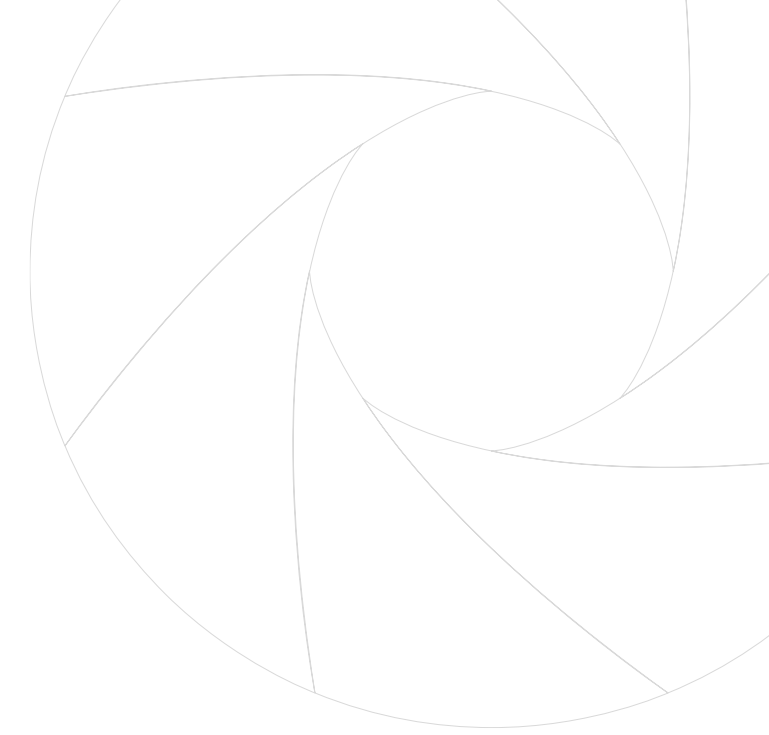
- A. Standardizing relevant terms and concepts
- B. Accounting and reporting objectives and principles
- C. Structure of a corporate GHG emissions report
- D. Appropriate quantification methods for reporting elements (e.g. attributional, consequential)
- E. Role of quantified impacts of corporate actions (within and outside the value chain) in GHG emissions reports
- F. Role of market instruments in GHG emissions reports
- G. Accounting requirements/guidance for individual reporting elements
- H. Reporting requirements and guidance for any new elements
- I. Verification/assurance of emissions reports
- J. Guidance to programs and policymakers

Accounting and reporting on the impacts of actions and market instruments in corporate GHG reports



Standard or guidance
building on other GHG
Protocol standards and
guidance

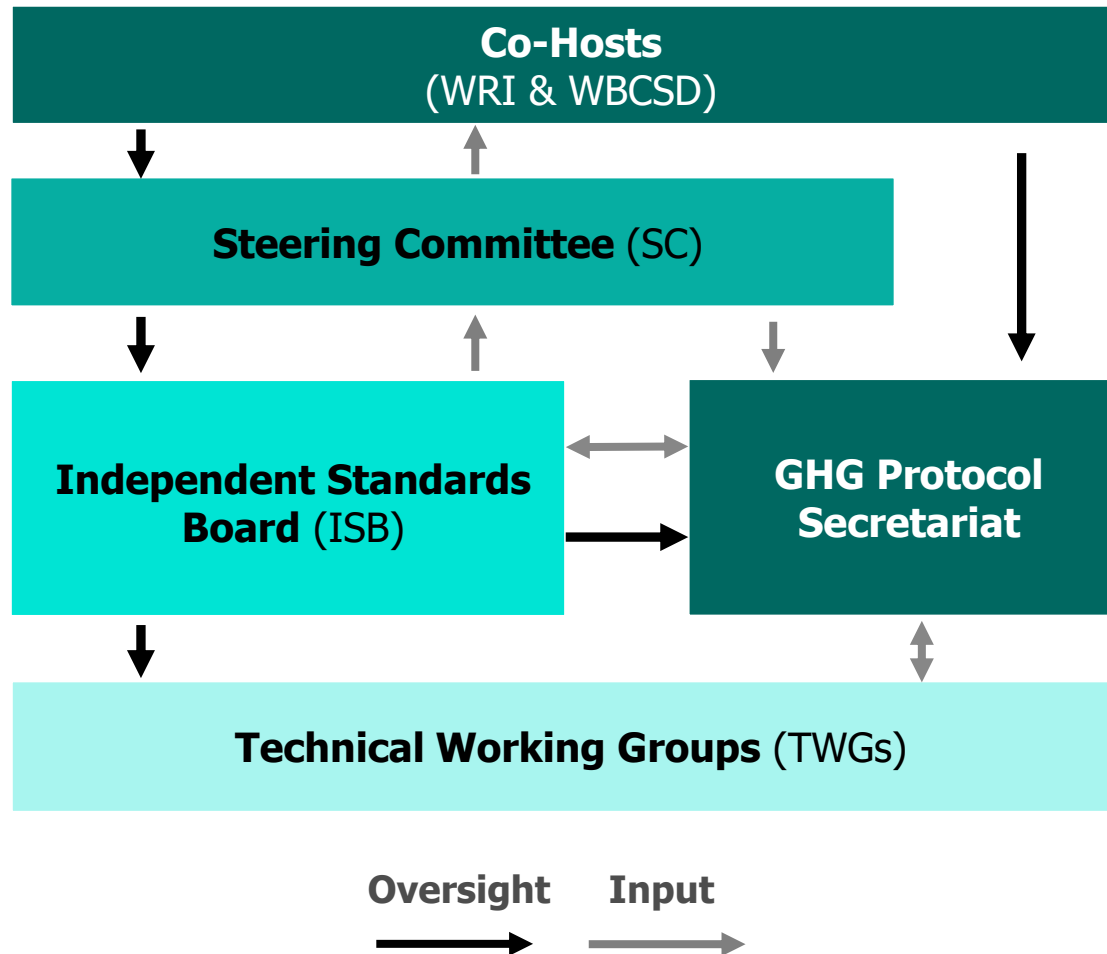
GHG Protocol Governance



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Governance Structure



Steering Committee (SC)

- Provides strategic guidance on direction
- Appoints ISB, provides oversight, ratifies decisions

Independent Standards Board (ISB)

- Appoints TWG members, reviews and approves new or revised standards and guidance

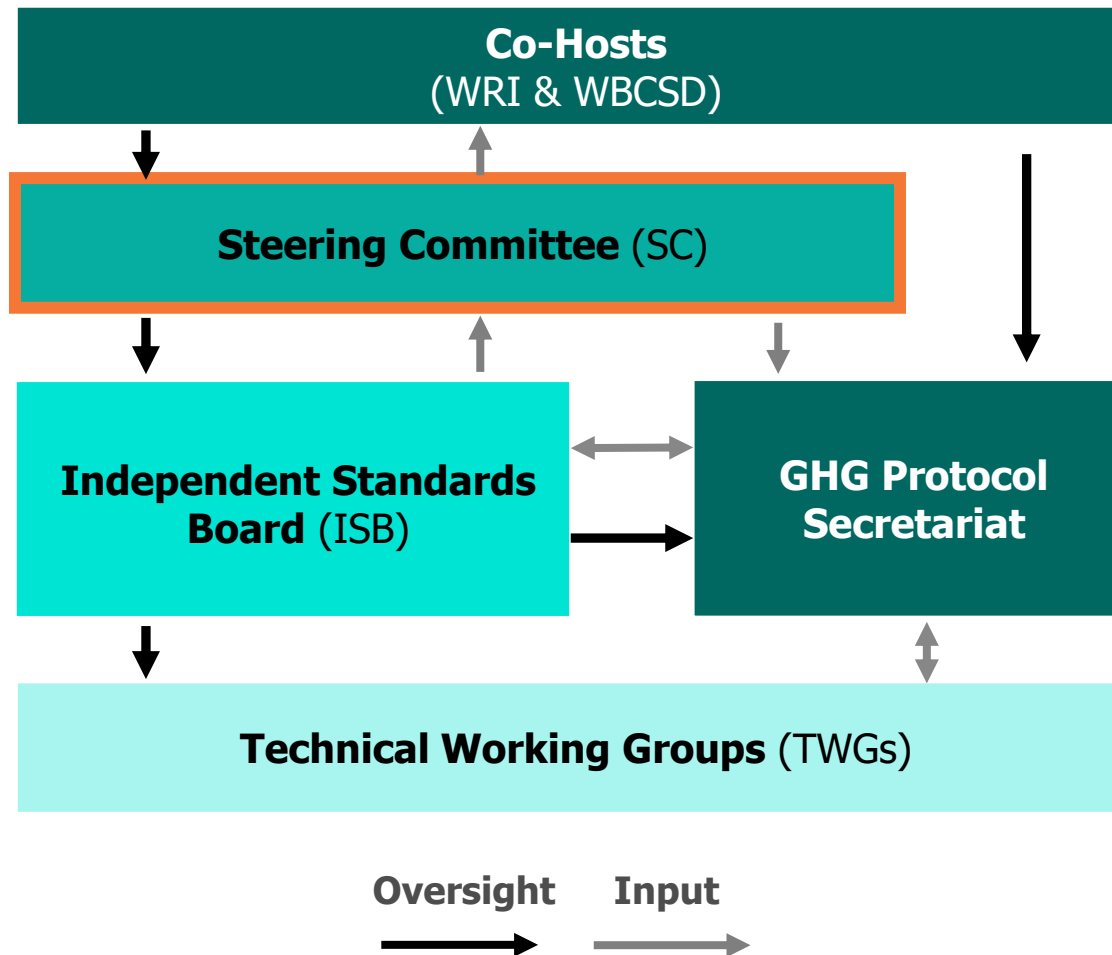
GHG Protocol Secretariat

- Manages the standards development process in alignment with the GHG Protocol mission/vision

Technical Working Groups

- TWGs provide recommendations and feedback on key issues and draft materials by Secretariat

Steering Committee



- Provides strategic guidance on the goals and direction of GHG Protocol, including advising the Co-Hosts on the optimal organizational set-up and governance structure
- Approves the GHG Protocol strategy, including its overarching mission, vision, short- and long-term strategic goals
- Appoints ISB members
- Decides whether new standards or revisions are needed
- Ratifies the decisions of the ISB to publish final standards

Steering Committee Members



Wataru Baba



Yamide Dagnet



Craig Hanson



Richard Manley



Julia Maris



Geraldine Matchett
Chair



Katie McGinty



Ovais Sarmad
Vice-Chair

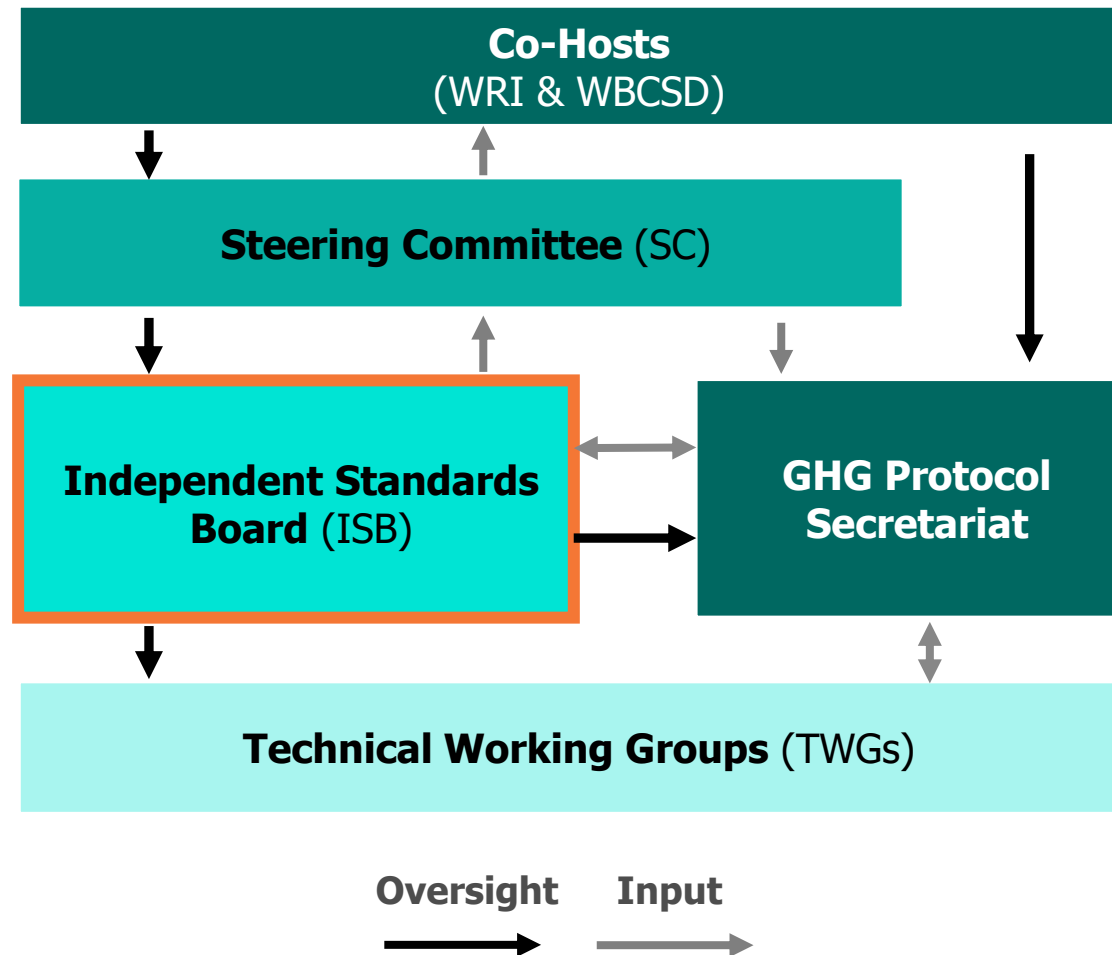


Dominic Waughray



Yongping Zhai

Independent Standards Board



- Oversees the standards development process
- Advises the SC on the need for, objectives and scope of new and/or revised standards
- Reviews and approves GHG Protocol Standards according to the GHG Protocol Standard Development and Revision Procedure
- Appoints TWG members
- Makes decisions related to the content of standards
- Up to 18 individuals

Members of the Independent Standards Board



Alexander Bassen
Chair



Suzanne Greene



Danny Cullenward



Inhee Chung



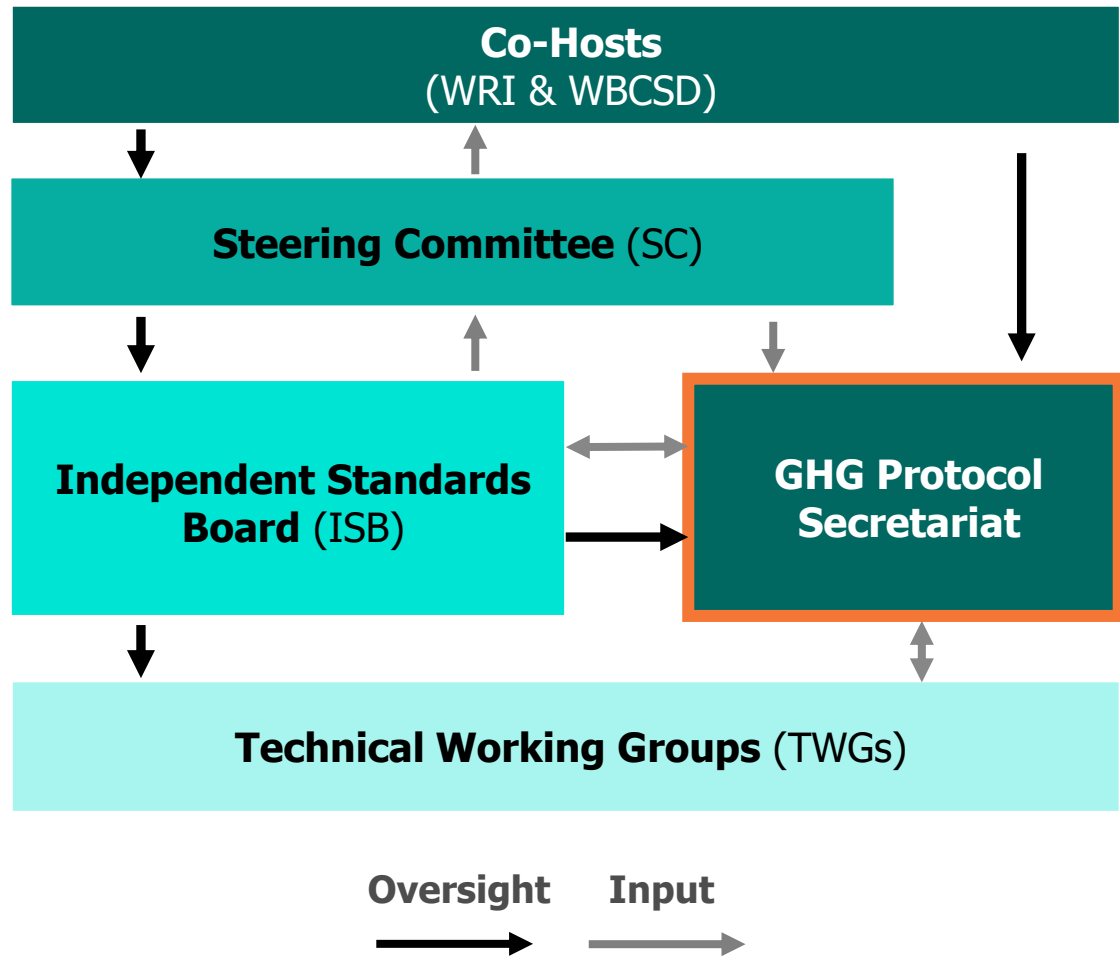
Heather Keith



Owen Hewlett

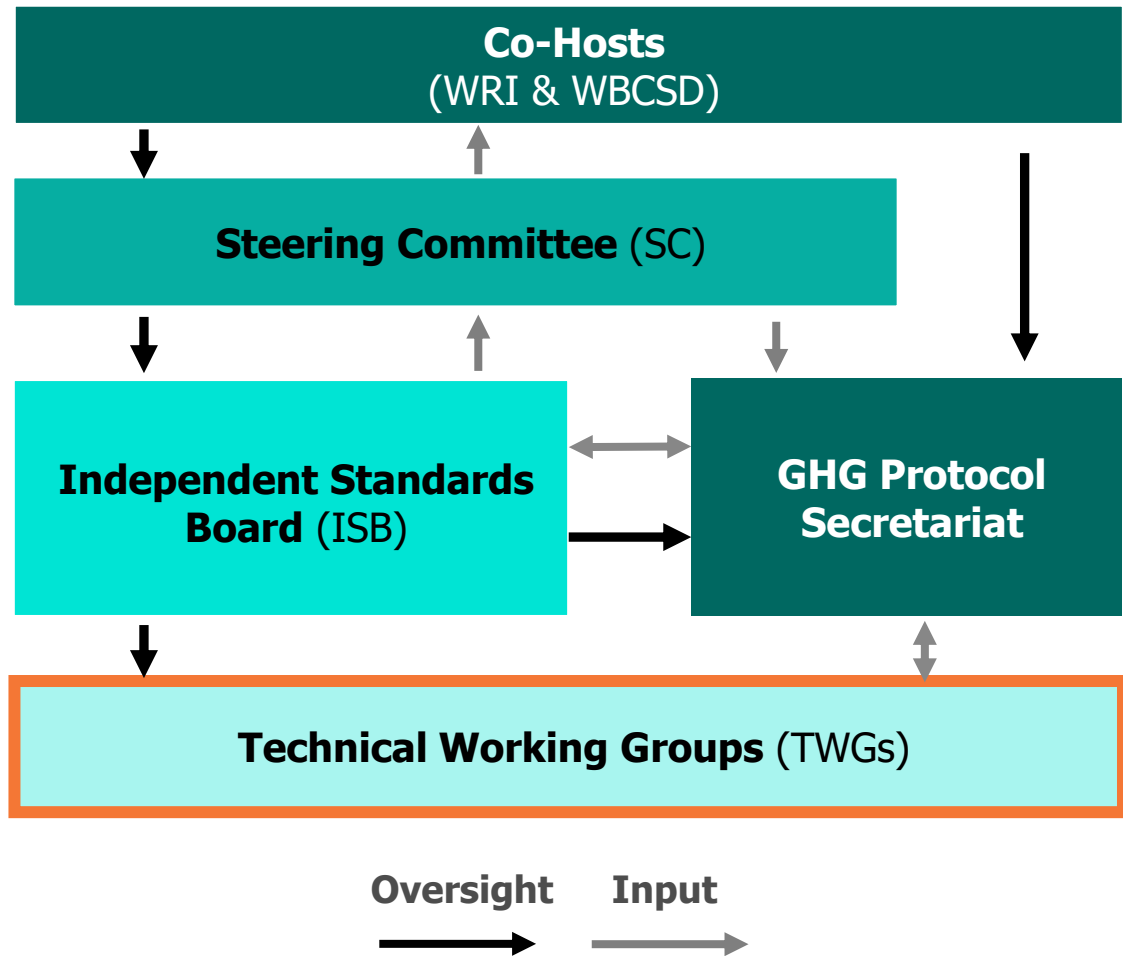
Additional members to be announced soon

Secretariat



- Hosted by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD)
- Manages the day-to-day activities of GHG Protocol
- Prepare working documents, pre-reads and meeting agendas
- Serve as secretary to convene meetings, facilitate deliberations and capture minutes and recommendations
- Ensures that the development and revision of standards aligns with the GHG Protocol mission, vision, and decision-making criteria

Technical Working Groups



- Overseen by the ISB and managed by the Secretariat
- Review draft materials produced by the Secretariat, develop proposals and provide recommendations and feedback on key issues
- Contribute to drafting text, where requested

ToR Highlights: TWG Responsibilities & Limitations

- Each TWG assigned a Scope of Work (*Standard Development Plan*) by the Secretariat
- TWG responsibilities include:
 - Provide expert input and recommendations on issues requested by the Secretariat
 - Develop proposals and recommendations, contribute to drafting text, and review draft text or proposals
 - Work collaboratively with other TWG members and the Secretariat to reach consensus on technical issues
 - Review and respond to feedback from the ISB, Secretariat, and public consultation
- The focus of individual TWGs and their day-to-day activities are managed by the Secretariat
- TWGs do not have the power to take decisions on the final content of standards (ISB's role)

Membership & Subgroups

- **Serving in individual capacity**
 - §4.1.5: TWG members should serve in their individual capacity, rather than as representatives of specific organizations or institutions, and in particular should not advocate on behalf of external consortia or associations within a TWG during a development and revision process, with the exception of those members representing the Co-Hosts.
- **Acting in the public interest and disclosure of Conflicts of Interest**
 - §4.1.6: Each member of a TWG should act in full independence from any other employment and disclose all conflict of interest subject to the Conflict-of-Interest Policy[...], and shall agree to act in the public interest and to prioritize the GHG Protocol mission and objectives when making recommendations
- **Subgroups**
 - The Secretariat may create subgroups with a defined remit and assignment consisting of TWG members may be formed and dissolved at the direction of the Secretariat

Appointment & Removal

- **Appointment**

- Members are appointed by the ISB, based on the recommendations of the Secretariat
- If a member changes employment or affiliation, inform the Secretariat. The ISB determines how to proceed.

- **Removal**

- Members may be removed by the ISB on *reasonable grounds*, including:
 - Lack of attendance or participation
 - Violations of the Terms of Reference
 - Violations of the Conflict-of-Interest Policy
 - Inappropriate conduct that risks the reputation, impartiality or independence of GHG Protocol
 - Other reasonable causes in the view of the ISB

Meeting Organization

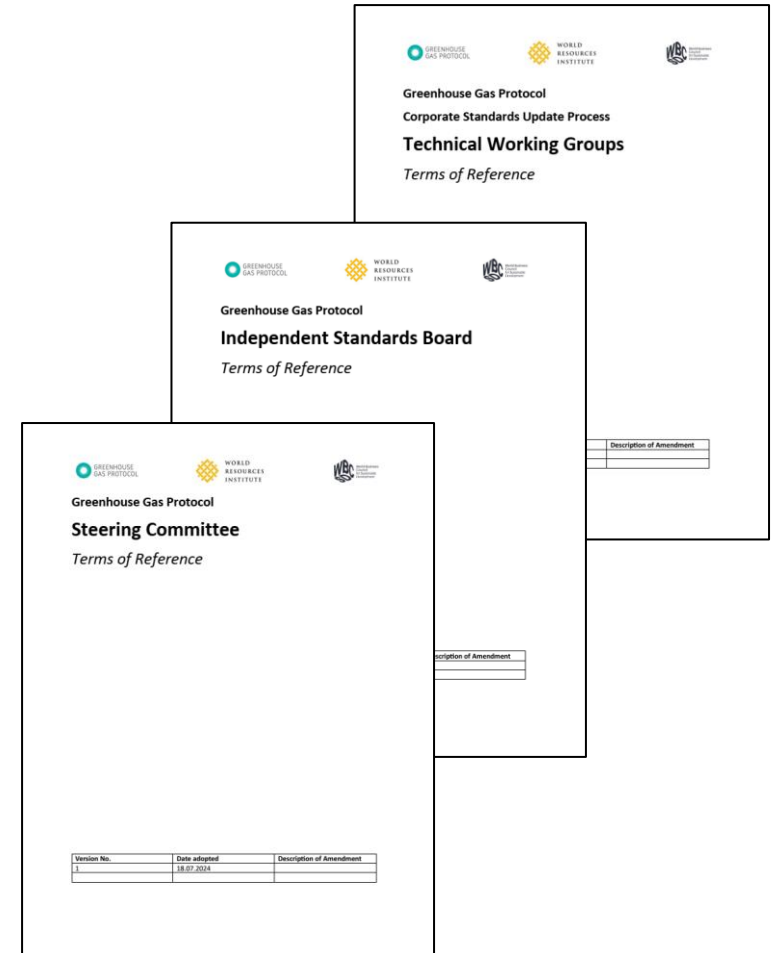
- Secretariat to prepare working documents, pre-reads and meeting agendas and serve as secretary to convene meetings, facilitate deliberations and capture minutes and recommendations
- **Meeting Frequency**
 - ToR gives range; timing to be discussed within individual Technical Working Groups
 - Most meetings will be virtual
 - Secretariat is working on the preliminary schedule of meetings for 2024-2025
- **Agenda**
 - Secretariat will send agenda and preparatory materials 5 working days before meetings
- **Participation**
 - Active participation and attendance is expected; let the Secretariat know if you will miss a meeting
- **Minutes**
 - Summary of deliberation, outcomes and recommendations will be made publicly available
 - Chatham House Rules; attribution only with consent

TWG Recommendations

- Quorum required to hold a meeting, inclusive of those providing written comments
- **Consensus**
 - Consensus defined as lack of sustained objection, as determined by the Secretariat
 - Aim to develop consensus standards and reach maximum level of agreement possible
 - If consensus cannot be reached, options will be presented to the ISB
 - Secretariat reserves the right to conduct polling or indicative voting to determine degree of consensus
 - Members are expected to make recommendations based on established *Decision-making Criteria*

Governance documents developed following best practices for voluntary standards

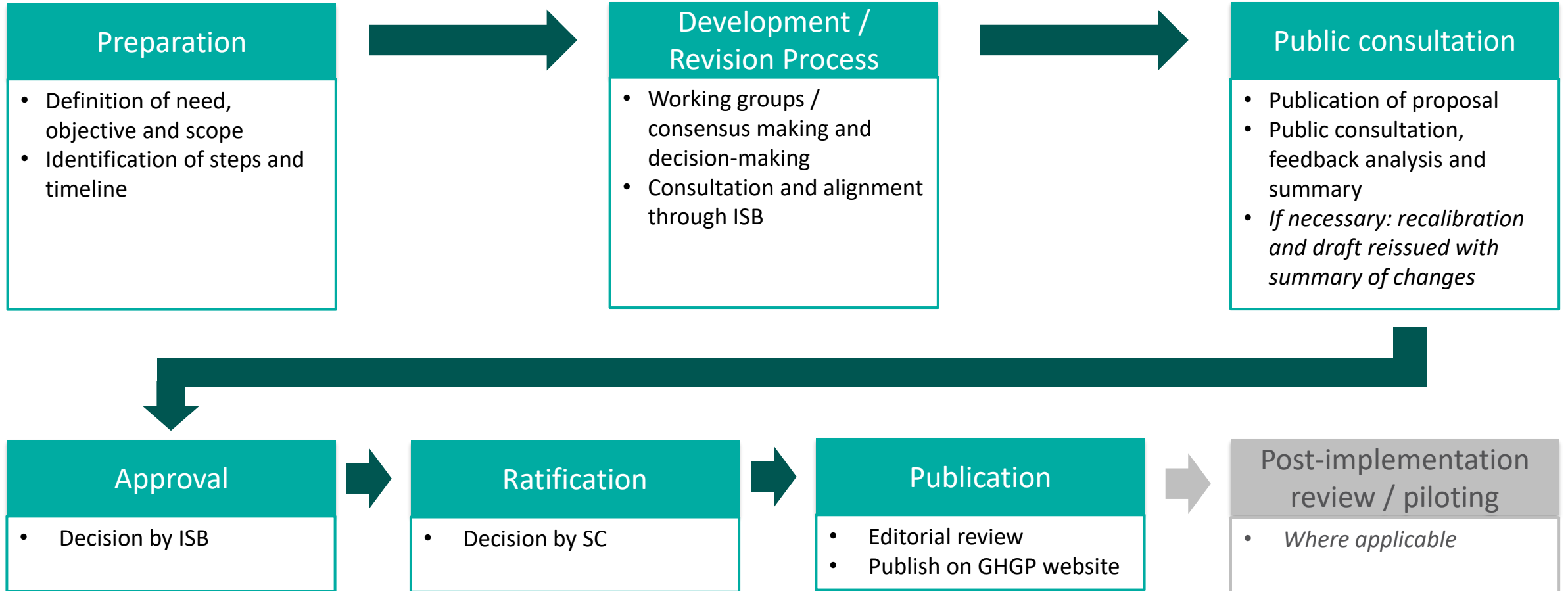
GHG Protocol Governance Documents		
GHG Protocol Governance Overview		
<ul style="list-style-type: none"> Responsibilities of SC, ISB, TWGs and PTGs 	<ul style="list-style-type: none"> Responsibilities of Secretariat 	<ul style="list-style-type: none"> Decision-making criteria and hierarchy
Terms of Reference	Procedures	Policies
<p><i>For SC, ISB and TWGs</i></p> <p>Each including:</p> <ul style="list-style-type: none"> Remit and oversight Responsibilities Composition Meeting organization and documentation Decision-making / making recommendations Commitment, Remuneration, Acknowledgement 	<p><i>Standard Development & Revision Procedure</i></p> <ul style="list-style-type: none"> Procedures for preparation, development and publication General requirements for Standards Content of Standards Development Plan <p><i>Concerns & Complaints Procedure (not yet issued)</i></p> <ul style="list-style-type: none"> Applicability Procedure Responsibilities 	<p><i>Conflict of Interest Policy</i></p> <ul style="list-style-type: none"> Applicability Disclosure Requirements <p><i>Code of Conduct (not yet issued)</i></p> <ul style="list-style-type: none"> Applicability Responsibilities



Governance documents on our website

- [Governance Overview](#)
- [Conflict of Interest Policy](#)
- Standard Development & Revision Procedure (coming soon)
- Concerns & Complaints Procedure (coming soon)
- Code of Conduct (coming soon)
- Terms of Reference for
 - [Steering Committee](#)
 - [Independent Standards Board](#)
 - [Technical Working Groups](#)
- You can find materials from Steering Committee, Independent Standards Board, and Technical Working Group meetings in our [Governance Document Repository](#)
- Available at: <https://ghgprotocol.org/our-governance>

General Standard Development and Revision Process (draft)

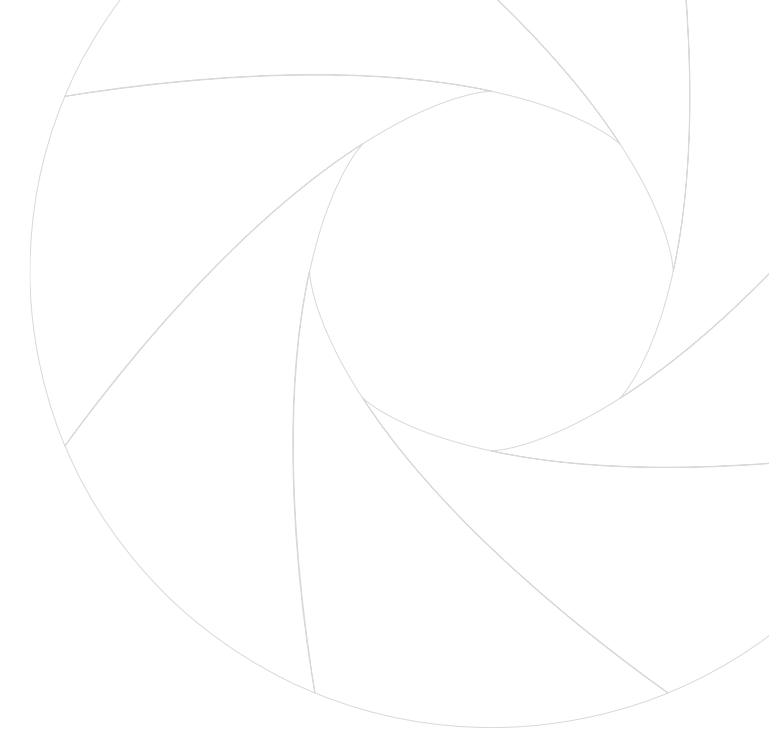


Process and timelines are currently pending with Independent Standards Board and Steering Committee

Next Steps

- Finalization of Decision-making Criteria, Standard Development and Revision Procedure, Standard Development Plans and timelines by ISB and SC
- Next meeting of each TWG to be scheduled in October

Breakout into four TWGs for Introductions



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