

Corporate Standard Meeting Minutes

Subgroup 1, Meeting #2

Date: 3 December 2024

Time: 09:00 – 11:00 ET / 15:00 – 17:00 CET

Location: Virtual

Attendees

Technical Working Group Members

1. Rob Anderson, Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Australia
2. Catherine Atkin, Carbon Accountable and Stanford CodeX Climate Data Policy Initiative
3. Erika Barnett, Greenhouse Gas Management Institute
4. Tatiana Boldyreva, CDP
5. Victoria Evans, SCS Engineers
6. Robert Gray, DuPont
7. Henk Harmsen, SustainCERT
8. Burkhard Huckestein, German Environment Agency
9. Micheline Khan, World Resources Institute
10. Philippe Missi Missi, UNFCCC Regional Collaboration Center West and Central Africa
11. Ann Marie Moohan-Sidhu, ESGright
12. Sachin Nimablakar, Oak Ridge National Laboratory
13. Joanne Richmond, CK Hutchison
14. Vicky Sullivan, Duke Energy

Guests

None present

GHG Protocol Secretariat

1. Hande Baybar
2. Natalia Chebaeva
3. Iain Hunt
4. Allison Leach
5. David Rich

Documents referenced

1. Slides for the Corporate Standard meeting on 3 December 2024

Item	Topic and Summary	Outcomes
1	<p><i>Introduction and recap of November 12th meeting</i></p> <p>The Secretariat welcomed TWG members to the second meeting of Subgroup 1, reviewed the objectives and agenda for the meeting, and provided a brief recap of items discussed on the previous meeting on November 12th.</p>	No specific outcomes.
2	<p><i>Uses of the Corporate Standard and GHG inventory data</i></p> <p>Following up on discussion in the November 12th meeting and input provided by TWG members via an asynchronous feedback survey, two poll questions were posed to TWG members to:</p> <ul style="list-style-type: none"> • Prioritize use cases of the Corporate Standard and of GHG inventory data to be considered when revising objectives • Recommend an approach for addressing uses of attributional GHG data that are distinct from organization-level inventories in the Corporate Standard. 	<p>A refined list of priority use cases of the Corporate Standard and of GHG inventory data was developed.</p> <p>TWG members expressed strong support for adding language emphasizing that the Corporate Standard is only intended for organization-level GHG accounting and clarifying use cases that GHG inventories are not intended for. Given further discussion raised on the topic of addressing GHG data at scales beyond a company or organization, one more iteration of asynchronous feedback on the topic will be considered.</p> <p>The Secretariat will follow up with one TWG member who offered to provide an example of emissions disaggregation by country and IPCC categories in a corporate emissions report to facilitate better interoperability with territorial emissions accounting.</p>
3	<p><i>Revisions to objectives and business goals</i></p> <p>The Secretariat presented options to revise existing objectives and business goals in the Corporate Standard compiled from asynchronous TWG member feedback, along with suggestions for new objectives and business goals. TWG members discussed options presented and responded to polls to gauge the level of support for different options.</p>	Options for revising objectives and business goals in the Corporate Standard were narrowed and refined, but with further iteration required to land on agreed-upon text.
4	<p><i>Comparability of GHG inventories</i></p> <p>The Secretariat provided a brief introduction to comparability between GHG inventories from different reporting organizations as a key issue raised in stakeholder feedback.</p>	Comparability of inventories between reporting inventories organizations will be considered further in the next Subgroup 1 meeting on January 14 th , 2025.
5	<p><i>Wrap up and next steps</i></p> <p>The Secretariat shared next steps for Subgroup 1, with the next meeting scheduled for Tuesday, January 14th at 09:00 ET.</p>	Secretariat to share meeting materials including final slides, minutes, and a link to the recording.

		Other next steps including a follow-up feedback survey to be confirmed.
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Summary of discussion and outcomes

1. Introduction and recap of November 12th meeting

- The Secretariat welcomed TWG members to the second meeting of Subgroup 1, reviewed the objectives and agenda for the meeting, and provided a brief recap of items discussed on the previous meeting on November 12th (slides 1-12).

Summary of discussion

- One TWG member requested that more time in meetings be allocated to open discussion rather than closed questions and polls. The Secretariat acknowledged the request, noting that while meetings will be more discussion-focused moving forward, given the scope of revision items to get through, it will be necessary for discussions to be targeted.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Uses of the Corporate Standard and GHG inventory data

- Following up on discussion in the November 12th meeting and input provided by TWG members via an asynchronous feedback survey, two poll questions were posed to TWG members to:
 - Prioritize use cases of the Corporate Standard and of GHG inventory data to be considered when revising objectives (slide 19)
 - Recommend an approach for addressing uses of attributional GHG data that are distinct from organization-level inventories in the Corporate Standard (slide 20)

Summary of discussion

- The Secretariat presented a poll to TWG members asking them to indicate their level of agreement/disagreement with prioritizing a list of use cases of the Corporate Standard and of GHG inventory data compiled from feedback submitted by TWG members via an asynchronous survey (slide 19). Following the poll, the floor was opened to further comments from TWG members.
 - The results of the poll indicated strong support among TWG members for prioritizing each of the use cases listed, with 75% or more of respondents indicating that they either agree or strongly agree with each.
 - One TWG member suggested adding a use case not included in the initial list, that of voluntary reporting, noting that many organizations who develop GHG inventories are not subject to mandatory reporting requirements.
- Following up on a discussion point raised during the November 12th meeting, the Secretariat presented a poll to TWG members asking them to indicate their level of agreement/disagreement with three non-mutually exclusive options for addressing uses of attributional GHG data related to subjects distinct from organization-level inventories (e.g., territorial emissions, product-level emissions) (slide 20).
 - One TWG member asked for clarification regarding terminology presented related to “entity-level” emissions, noting that the term is not used in the Corporate Standard. The Secretariat responded that the Corporate Standard this refers to accounting for GHG emissions at a company or organization level. Some TWG members expressed support for using the terms company and organization rather than entity to avoid confusion.
 - Poll results indicated the highest level of support among respondents for adding language emphasizing that the Corporate Standard is intended for organization-level GHG accounting only and clarifying uses cases that GHG inventories are not intended for, with 83%

- expressing agreement or strong agreement for this option. The Secretariat highlighted this option as the one with the clearest support from TWG members.
- Poll results also indicated some support for another option, providing guidance to help users map between different types of GHG data and their respective use cases, with 67% of respondents expressing agreement or strong agreement. One TWG member voiced support of this option, highlighting that companies have to navigate a complex array of accounting requirements from different programs. The Secretariat raised the question of whether GHG Protocol should play the role of mapping between the requirements of external programs and whether effort toward this would detract from other priorities as the Corporate Standard is updated. One TWG member noted that they'd interpreted the option to refer to mapping among GHG Protocol standards, rather than mapping external programs.
 - A third option to provide additional requirements, recommendations, or guidance for disaggregating organization-level GHG emissions to better facilitate interoperability between GHG data for different use cases received less support. One TWG member asked if a potential opportunity is being missed to better leverage corporate GHG data to address data needs at other scales, particularly territorial emissions. The Secretariat highlighted that the use of corporate GHG data to facilitate the quantification of territorial emissions was not a topic frequently raised in stakeholder feedback and was not identified as a priority from the outset of the Standard revision process. The Secretariat added that even if additional guidance is not provided during the current revision process, this does not preclude GHG Protocol from preparing further guidance or resources on the topic later. Another TWG member requested more detail regarding what disaggregation guidance would look like if the option were to be pursued further. Another TWG member offered to provide an example of how emissions disaggregation by country and IPCC categories would look like in a corporate report to facilitate better interoperability with territorial emissions accounting.
 - One TWG member inquired if the options presented would address potential misuses of GHG inventory data by policymakers and governments, considering that they may not be direct users of the Standard. The Secretariat noted that as a standard setter GHG Protocol can provide text distinguishing between different types of GHG data and their uses, but that this does not guarantee that all stakeholders using GHG data will read the text. The Secretariat offered to continue coordinating offline with the TWG member on the issue raised.
 - Given further discussion raised on the topic of addressing GHG data at scales beyond a company or organization, the Secretariat suggested that one more iteration of feedback on the topic may be carried out asynchronously.

Outcomes (e.g. recommendations, options)

- A refined list of priority use cases of the Corporate Standard and of GHG inventory data was developed.
- TWG members expressed strong support for adding language emphasizing that the Corporate Standard is intended for organization-level GHG accounting only and clarifying use cases that GHG inventories are not intended for. Given further discussion raised on the topic of addressing GHG data at scales beyond a company or organization, one more iteration of asynchronous feedback on the topic will be considered.
- The Secretariat will follow up with one TWG member who offered to provide an example of emissions disaggregation by country and IPCC categories in a corporate emissions report to facilitate better interoperability with territorial emissions accounting.

3. Revisions to objectives and business goals

- The Secretariat presented options to revise existing objectives and business goals in the Corporate Standard compiled from asynchronous TWG member feedback, along with suggestions for new objectives and business goals. TWG members discussed options presented and responded to polls to gauge the level of support for different options (slides 21-38).

Summary of discussion

- The Secretariat presented options to update objective #1 in the Corporate Standard, “To help companies prepare a GHG inventory that represents a true and fair account of their emissions, through the use of standardized approaches and principles” (slide 31). Options included language to revise the word “prepare” and to revise the phrasing “true and fair”. A poll was launched to gauge the level of agreement/disagreement with options suggested.
 - 85% of respondents expressed agreement or strong agreement for revising the word “prepare” to “design, implement, and maintain [over time]”. One TWG member noted that feedback they’d provided related to maintaining a GHG inventory over time is intended highlight the recalculation of base year emissions as a critical component of the Corporate Standard. Over half of respondents also indicated agreement or strong agreement with revising “prepare” to “prepare and report”, language that was also proposed for a similar objective in the Scope 3 Standard by the Scope 3 TWG.
 - Responding TWG members unanimously agreed that the phrasing “true and fair” need to be revised, with none expressing support for maintaining the language. Alternatives for replacing “true and fair” received varied support, with the highest level of support shown toward adopting the phrasing “faithful representation” from IFRS, with 62% of respondents expressing agreement or strong agreement. The other two options presented, replacing “true and fair” with a reference to GHG Protocol accounting and reporting principles and with “credible and actionable” respectively, each had support from fewer than 50% of respondents. Some TWG members expressed concern with adopting “faithful representation” as it comes from financial accounting, a distinct context from GHG accounting, and considering that it is only one among three qualitative characteristics of useful financial information. Another TWG member noted that while “faithful representation” is rooted in financial accounting principles, it is applicable across other disciplines in referring to the idea that “information or representations should accurately and truthfully reflect reality, ensuring they are complete, neutral, and free from material error”. One TWG member cautioned against introducing new terms without clear definitions like “credible and actionable”. Some TWG members highlighted the advantage of referencing GHG Protocol accounting and reporting principles for internal consistency, while noting that revisions to these are to also be considered. One TWG member requested that definitions of all key terms be provided ahead of the meeting, with the Secretariat responding that incorporating an appendix in slide sets is being considered for this purpose. The Secretariat concluded that while there was broad agreement around the need to revise objective #1, specific language to replace “true and fair” requires further iteration.
- The Secretariat shared feedback from TWG members related to objective #2 in the Corporate Standard, “To simplify and reduce the costs of compiling a GHG inventory”, noting that no specific suggestions were provided on revising the text, but that some TWG members had proposed eliminating the objective (slide 32). The Secretariat launched a poll to ask members whether the objective should be maintained or eliminated.
 - Poll results showed a majority 62% of respondents in favor of eliminating objective #2. One TWG member voiced that simplification and reducing costs remains a key consideration for companies applying the Standard. Another added that a standard by its existence serves to simplify the process of developing a GHG inventory by providing clear rules and guidance, with another noting a potential distinction between simplification and standardization. The Secretariat posed a rhetorical question of whether the objective of simplifying and reducing costs had already been effectively achieved by the development and uptake of the standard and the extent to which the objective could continue to be furthered by standard setting. One TWG suggested that language related to simplification and reducing costs could be rolled into the first objective, with the Secretariat noting that the Scope 3 standard’s first objective includes language similar to what rolling Corporate Standard objectives #1 and #2 into a single objective would entail.
- The Secretariat presented options for updating Corporate Standard objective #3, “To provide business with information that can be used to build an effective strategy to manage and reduce emissions” (slide 33). Options included revisions to specific phrasing in the objective and eliminating the objective. The Secretariat launched a poll inviting TWG members to express their level of agreement/disagreement with options presented.

- 75% of respondents expressed disagreement or strong disagreement with eliminating the objective, indicating support for maintaining it in some form.
- 67% of respondents agreed or strongly agreed with including phrasing to refer to “planning and implementation” of an emissions reduction strategy. The Secretariat cautioned that suggested phrasing to refer to implementation of an emissions reduction strategy might overpromise what an inventory can help achieve and that other resources are more appropriate for implementation. A TWG member suggested that if the objective is maintained, clarity is needed regarding what reducing GHG emissions means in the context of corporate accounting, considering that accounting for GHG reductions entails consequential accounting methods. The Secretariat shared a key theme from discussions in the Scope 3 TWG around a similar objective, noting the importance of specifying that the inventory is intended to provide information for the development of a strategy. A TWG member suggested alternative phrasing to refer to “informing strategies and tracking implementation progress.”
- Only 25% of respondents agreed or strongly agreed with replacing “strategy to manage and reduce GHG emissions” with “decarbonization strategy”. One TWG member suggested also considering a reference to climate transition plans, a synonym of “decarbonization strategy” but better defined and required by standards including IFRS S2 and ESRS E1.
- The Secretariat shared options for updating objective #4 in the Corporate Standard, “To provide information that facilitates participation in voluntary and mandatory GHG programs (slide 34). Suggested changes included reframing to focus on mandatory reporting, expanding to refer to both disclosure and target setting programs, reframing the focus from providing information for organizations to participate in programs to providing the basis for programs, and eliminating the objective. The Secretariat conducted a poll to gauge TWG members’ level of agreement or disagreement with options presented.
 - 86% of respondents expressed disagreement or strong disagreement with eliminating the objective, indicating strong support for maintaining the objective in some form.
 - A TWG member commented on the phrasing “mandatory programs”, noting that reporting might not always be “mandatory” strictly due to regulatory requirements but also due to economic, contractual and social factors. The Secretariat suggested that the word “regulatory” could be considered in place of “mandatory”. Only two respondents expressed agreement with reframing to focus on mandatory reporting, indicating broad support for maintaining current references to both voluntary and mandatory program.
 - The only option presented where a majority of respondents expressed agreement or strong agreement (58%) was expanding the objective to refer to both disclosure and target setting programs.
 - Half of respondents expressed agreement or strong agreement with revising the phrase “provide information that facilitates participation in” to “provide the basis for” to frame the objective around supporting programs and not just companies who participate in programs, with the Secretariat noting that language that encompasses both may be adopted.
- The Secretariat presented considerations raised by TWG members via an asynchronous feedback survey related to Corporate Standard objective #5, “To increase consistency and transparency in GHG accounting and reporting among various companies and GHG programs”, noting that the feedback received related to objective #5 was broader than that received for other objectives (slide 35). Key themes included reconsideration of phrasing related to “consistency and transparency”, suggestions to revise/expand around supporting uses of GHG data by stakeholders external to reporting organizations, and rephrasing to align with framing in the Scope 3 Standard that combines language from Corporate Standard objectives #4 and #5.
 - 92% of respondents expressed agreement or strong agreement with rephrasing to combine language from objectives #4 and #5, aligning with text in the Scope 3 standard, e.g., “To support consistent and transparent public reporting of corporate emissions according to a standardized set of reporting requirements”. Some TWG members questioned why framing should be limited to “public reporting” alone if objectives #4 and #5 were combined, considering that not all users of the Standard report emissions publicly and that internal communication within companies is also an issue. The Secretariat responded that the suggested text provided was worded to align with current phrasing in the Scope 3 Standard.

- 62% of respondents expressed agreement or strong agreement with revising phrasing related to “consistency and transparency”, including clarifying consistency over time versus comparability between organizations. The Secretariat noted that one potential way to revise phrasing could be to incorporate all GHG accounting and reporting principles rather than just consistency and transparency. One TWG member expressed support for this approach, while another suggested that transparency may be considered an overarching principle effectively covering others. One TWG member suggested that emphasizing comparability is important and shouldn’t be sacrificed if the word “consistency” is used to refer to consistency over time.
- Considering the broad nature of feedback received, the Secretariat noted that further iteration will be needed to land on specific edits to this objective.
- The Secretariat shared a summary of themes included new objectives suggested by TWG members via an asynchronous feedback survey (slide 36). Themes that were raised by more than one TWG member include integration of sustainability with financial information/ the provision of information to investors and financial markets, and supporting emissions reduction target setting and monitoring. The Secretariat acknowledged other feedback received related to existing or new objectives that were not included among options presented for consideration. The Secretariat noted that these might be considered elsewhere in introductory text in the standard beyond the framing of objectives or that more closely pertain to other workstreams in the standards revision process. The Secretariat conducted a poll asking TWG members to express their agreement or disagreement with developing new objectives related to the themes suggested.
 - A narrow majority (54%) of respondents expressed strong agreement with incorporating a new objective supporting the integration of sustainability/financial information and the provision of information to investors/financial markets. In support of a new objective, some TWG members highlighted the extent to which GHG reporting is being driven by the investment community. One TWG member expressed concern that a new objective related to the integration of sustainability and financial information could give the impression that the Corporate Standard would also entail the reporting of financial information. The Secretariat clarified that supporting integration would relate more to how GHG information is reported to better support integration (e.g., in considering better alignment with financial accounting with consolidation approaches), but also noted that it’s important to distinguish between direct uses of Standard (e.g., public reporting) and indirect uses (e.g., use of GHG data by investors). A TWG member suggested that efforts to enhance the quality of information produced by GHG inventories will ultimately serve the purpose of presenting GHG data to the same level of confidence and credibility to investors as financial data. One TWG member suggested that integration of sustainability/financial information and provision of information to investors are two distinct things. One TWG member suggested that other programs and standards such as TCFD and IFRS S2 already provide sufficient guidance related to the integration of sustainability and financial information.
 - A majority (69%) of respondents expressed agreement or strong agreement with adding a new objective related to supporting emissions reduction target setting and monitoring.
 - A TWG member suggested that another new objective be considered to “improve coherence between climate policy regulation and corporate management” to help bridge gaps between corporate and governmental perspectives.
- The Secretariat provided an overview of feedback received from TWG members via an asynchronous feedback survey on revising business goals included in chapter 2 of the Corporate Standard (slide 38). Suggestions from TWG members included eliminating some business goals, combining some business goals into one, and adding new business goals. The Secretariat conducted a poll to gauge the level of agreement or disagreement among TWG members for suggested changes.
 - There was unanimous support for combining business goals #2 “public reporting and participation in voluntary GHG programs” and #3 “participating in mandatory GHG programs” with reference to “mandatory and voluntary reporting regimes and programs” with all respondents expressing agreement or strong agreement.
 - A majority of respondents expressed agreement or strong agreement with eliminating both goal #4 “Participating in GHG markets” (69%) and #5 “Recognition for voluntary early action” (62%).

- TWG members provided varying opinions regarding goal #1, “Managing GHG risks and identifying reduction opportunities”, with no clear majority expressing either agreement or disagreement with eliminating the goal. Some TWG members highlighted that risks and opportunities are a major component of climate disclosures, with others adding a caveat that a GHG inventory is just one aspect of assessing and reporting risks and opportunities. The Secretariat noted the need to clarify uses where a GHG inventory is both necessary and sufficient to achieving a goal versus those where an inventory remains necessary but is insufficient. Identifying and managing risks and opportunities likely represents an example of the latter.
- One TWG member asked for clarification around terminology introduced related to one proposed theme for a new business goal, “ensuring due diligence in the value chain”. The TWG member who had referred to the phrasing noted that the terminology comes from the EU Corporate Sustainability Due Diligence Directive (CSDDD), which is not exclusively focused on GHGs. For simplicity, the Secretariat suggested that TWG members focus on framing around engaging with value chain partners on GHG reduction opportunities in formulating their opinions. A majority (62%) of respondents expressed agreement or strong agreement with developing a new business goal related to engaging with value chain partners on GHG reduction opportunities.
- A majority (69%) of respondents expressed agreement or strong agreement with developing a new business goal related to the identification of GHG reduction opportunities, setting of GHG reduction targets, and tracking progress over time.
- The Secretariat conveyed that in the Scope 3 TWG, replacing the term “business goals” with “goals of GHG inventory preparation” was suggested.

Outcomes (e.g. recommendations, options)

- Options for revising objectives and business goals in the Corporate Standard were narrowed and refined, but additional iteration will be required to land on agreed-upon draft text.

4. Comparability of GHG inventories

- The Secretariat provided a brief introduction to comparability between GHG inventories from different reporting organizations as a key issue raised in stakeholder feedback to be taken up more fully in the next Subgroup 1 meeting on January 14th, 2025 (slides 39-46).

Summary of discussion

- The Secretariat described high-level options to be considered for addressing comparability between GHG inventories between different reporting organizations in the objectives and principles of the Corporate Standard, based on how high of a priority comparability should be for the revisions process (slide 46).
- While sufficient time was not available to open the topic up for discussion, TWG members offered preliminary comments in the Zoom chat including:
 - An acknowledgement that inventories are being compared whether it’s appropriate to do so or not.
 - A suggestion to limit comparability to scopes 1 and 2.
 - A comment on additional challenges to comparability by the added complexity introduced in the GHG Protocol Land sector and Removals Guidance and the related number of options and optional reporting categories.
 - A comment that varied compliance with GHG Protocol Standards limits comparability.

Outcomes (e.g. recommendations, options)

- The topic of comparability will be taken on in full during the next Subgroup 1 meeting on January 14th, 2025, with an initial pulse check on prioritizing comparability potentially introduced in an asynchronous feedback survey in the interim (details to be confirmed).

5. Wrap up and next steps

- The Secretariat summarized next steps (slide 48), including the scheduling of the next Subgroup 1 meeting and materials to be shared.

Summary of discussion

- The Secretariat provided a summary of next steps including:
 - Scheduling of the next Subgroup 1 meeting for Tuesday, January 14th, 2025 at 09:00 ET / 15:00 CET with the intent of considering comparability of inventories from different reporting organizations and beginning discussion on GHG Protocol accounting and reporting principles.
 - Final slides, recording, and minutes from the December 3rd meeting to be shared within one week.
 - Other next steps, including a feedback survey to follow up on topics discussed during December 3rd meeting to be confirmed.

Outcomes (e.g. recommendations, options)

- Next Subgroup 1 meeting scheduled for Tuesday, January 14th, 2025 at 09:00 ET / 15:00 CET.
- Secretariat to share the following materials with Subgroup 1 members: final slides, minutes, and recording from December 3rd meeting.

Summary of written submissions received prior to meeting

- TWG members were invited to respond to an asynchronous feedback survey prior to the meeting, with 10 responses received. Topics covered included:
 - Policies, programs, standards and frameworks that reference the Corporate Standard
 - Use cases of the Corporate Standard and GHG inventory data by different stakeholders
 - How the Corporate Standard should address uses of attributional GHG data that are distinct from organization-level GHG inventories
 - Updates to objectives of the Corporate Standard
 - Updates to business goals in the Corporate Standard
- Results of the feedback survey were used to formulate the options under discussion for the December 3rd meeting, with relevant results summarized in the meeting slides.