



Corporate Standard Technical Working Group

Subgroup 1, Meeting #8

GHG Protocol Secretariat team:

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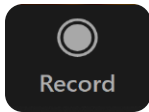
June 10th, 2025



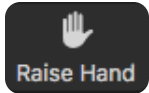
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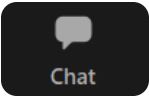
Meeting information



This meeting is **recorded**.



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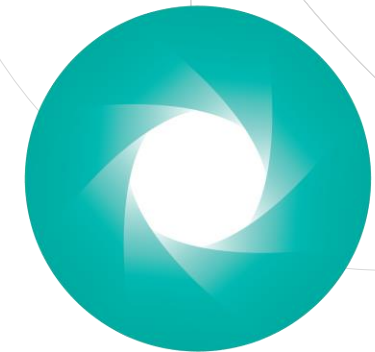
You can also use the **Chat** function in the main control.



Recording, slides, and meeting minutes will be shared after the call.

Agenda

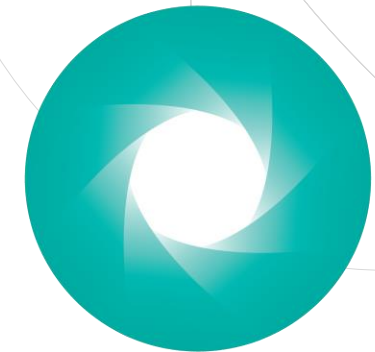
- Introduction and housekeeping 10 minutes
- Follow up on Corporate Standard objectives 30 minutes
- Follow up on GHG accounting and reporting principles 60 minutes
- Review of progress on phase 2 topics 10 minutes
- Wrap up and next steps 10 minutes



GREENHOUSE GAS PROTOCOL

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Housekeeping: Guidelines and procedures

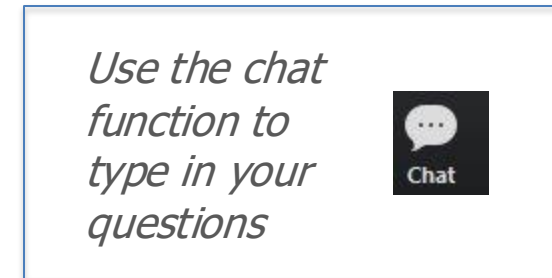
- We want to make **TWG meetings a safe space** – our discussions should be open, honest, challenging status quo, and ‘think out of the box’ in order to get to the best possible results for GHG Protocol
- Always **be respectful**, despite controversial discussions on content
- TWG members should **not disclose any confidential information** of their employers, related to products, contracts, strategy, financials, compliance, etc.
- In TWG meetings, **Chatham House Rule** applies:
 - “When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”
- **Compliance and integrity** are key to maintaining credibility of the GHG Protocol
 - Specifically, all participants need to follow the **conflict-of-interest policy**
 - **Anti-trust rules** have to be followed; please avoid any discussion of competitively sensitive topics*

* Such as pricing, discounts, resale, price maintenance or costs; bid strategies including bid rigging; group boycotts; allocation of customers or markets; output decisions; and future capacity additions or reductions

Zoom logistics and recording of meetings

Zoom Meetings

- All participants are muted upon entry
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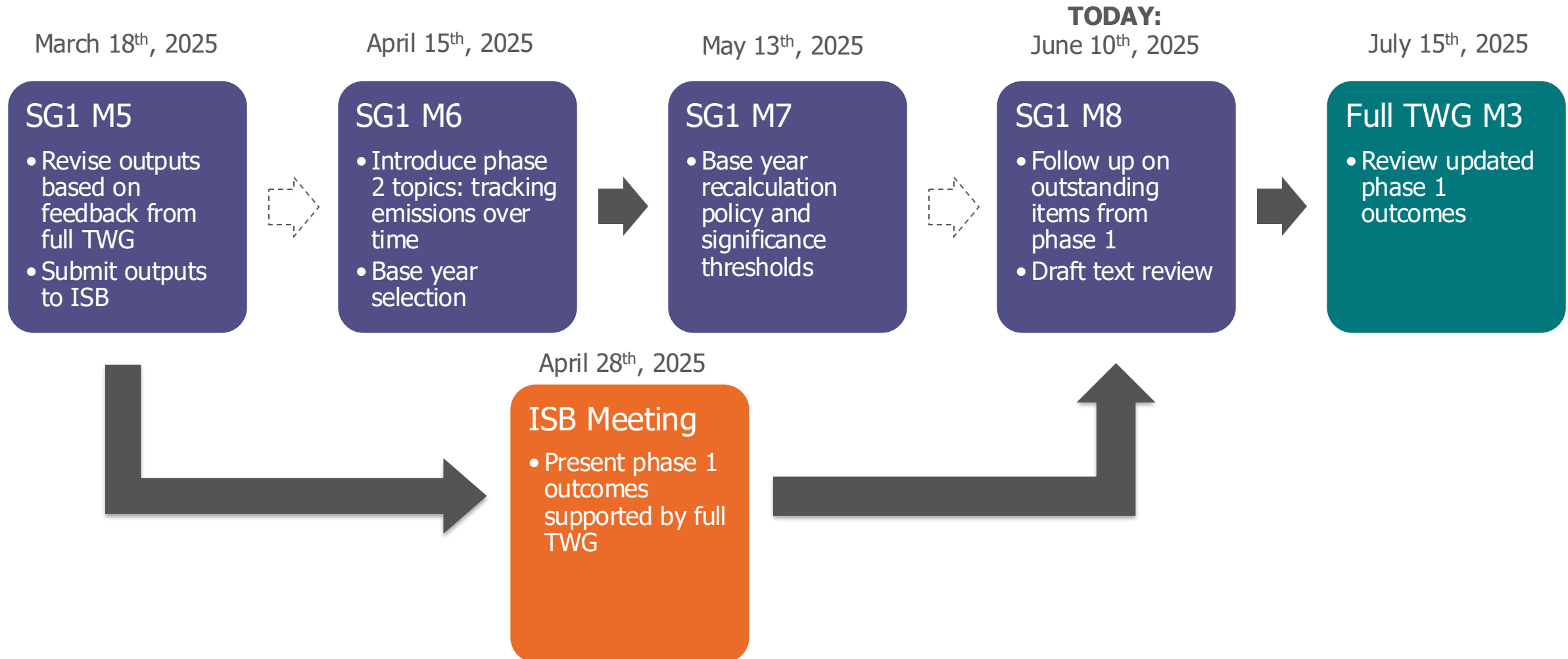


Meetings will be recorded and shared with all TWG members for:

- Facilitation of notetaking for Secretariat staff
- To assist TWG members who cannot attend the live meeting or otherwise want to review the discussions

*Recordings will be available for a limited time after the meeting; **access is restricted to TWG members only.***

Upcoming schedule



Status updates from Subgroups 2 and 3

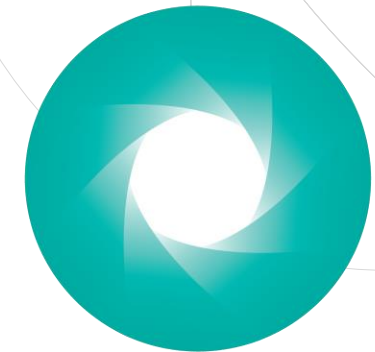
	Subgroup 2	Subgroup 3
Recent topics discussed	<ul style="list-style-type: none"> Revisions to operational control consolidation approach Review of case study examples to inform revisions to operational control approach and categorization of leased assets 	<ul style="list-style-type: none"> Justifiable exclusions for scopes 1 and 2 Revised text for scope 3 requirement (i.e., remove term “significant”)
Preliminary outcomes	<ul style="list-style-type: none"> <i>Majority support</i> that the operational control approach definition requires a full revision (i.e., beyond revisions to specific terminology such as “full authority” and “operating policies”) 	<ul style="list-style-type: none"> <i>Majority support</i> for allowing exclusions for scopes 1 and 2 <i>Majority support</i> for establishing a quantitative exclusion threshold for scopes 1 and 2, with the most support for a 1% exclusion threshold
Next steps	<ul style="list-style-type: none"> Finalize categorization of different asset types (e.g., leased assets, franchises) Development of updated text for operational control and financial control approaches 	<ul style="list-style-type: none"> Finalize boundaries and quantitative value for scope 1 and 2 exclusion threshold(s) Finalize scope 3 requirement text

Today's objectives

1. Review **draft text** defining **objectives** of the Corporate Standard including related to:
 - Organization of Corporate Standard introduction chapter
 - Updates to existing objectives being retained
 - New comparability objective
2. Resolve pending items related to updates to **GHG accounting and reporting principles** including related to:
 - Conservativeness
 - Verifiability
 - Comparability

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GREENHOUSE GAS PROTOCOL

Structure of introductory chapters to Corporate Standard and Scope 3 Standards

Corporate Standard	Scope 3 Standard
<ul style="list-style-type: none"> • (Intro text, including objectives) • The business value of a GHG inventory • Who should use this standard? • Relationship to other GHG programs • GHG calculation tools • Reporting in accordance with the GHG Protocol Corporate Standard • Overview of changes made to the first edition • Frequently asked questions 	<ul style="list-style-type: none"> • (Intro text) • The Greenhouse Gas Protocol • Purpose of this Standard • Relationship to the GHG Protocol Corporate Standard • Who should use this standard? • Scope of the standard • How was this standard developed? • Relationship to the GHG Protocol Product Standard • GHG calculation tools and guidance • Sector guidance

Appears in Corporate Standard and Scope 3 Standard

Appears in Corporate Standard only

Appears in Scope 3 Standard only

Suggested updated outline for Corporate Standard intro chapter

Sec. #	Heading	Appears in Corporate Standard	Appears in Scope 3 Standard
-	(Intro text)	✓	✓
1.1	The Greenhouse Gas Protocol		✓
1.2	Purpose of the Corporate Standard / scope / applicability		✓
1.3	Relationship to other [GHG Protocol] standards and guidance		✓
1.4	Relationship to other [GHG] programs	✓	
1.5	Who should use this standard? / intended audience / uses of the standard	✓	✓
1.6	Uses of GHG inventory data / business value of a GHG inventory	✓	
1.7	GHG calculation [and sector-specific] tools [and guidance]	✓	✓
1.8	Reporting in conformance with the Corporate Standard	✓	
1.9	Standard development / revision process		✓
1.10	Overview of changes made to the [second] edition	✓	

Next steps: Coordination in the Secretariat to ensure internal consistency among standard documents and considering the wider context of how standards and guidance are organized/presented.

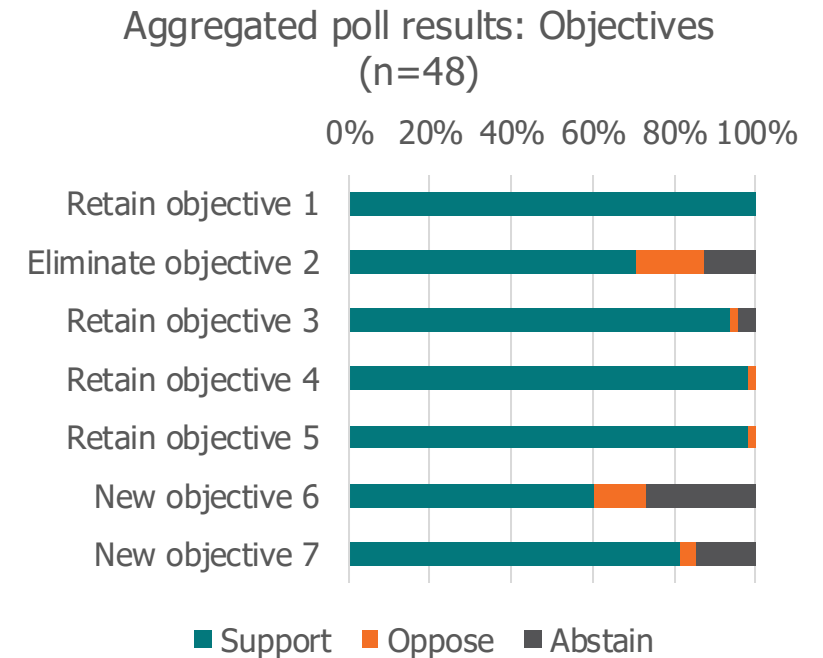


Please share in the chat any comments or suggestions related to the structure of the introductory chapter to the Corporate Standard.



Objectives: Preliminary recommendations on *Corporate Standard* objectives

Corporate Standard objective	Preliminary Subgroup 1 recommendation
1. 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	Retain (with modifications)
2. To simplify and reduce the costs of compiling a GHG inventory	Eliminate (or combine with #1)
3. To provide business with information that can be used to build an effective strategy to manage and reduce GHG emissions	Retain (with modifications)
4. To provide information that facilitates participation in voluntary and mandatory GHG programs	Retain (with modifications or combine with #5)
5. To increase consistency and transparency in GHG accounting and reporting among various companies and GHG programs	Retain (with modifications or combine with #4)
6. Integration of sustainability/financial information and/or the provision of GHG information to investors/financial markets	Proposed new objective (note: split opinion)
7. Supporting emission reduction target setting and monitoring	Proposed new objective



Poll results from full TWG meeting: Majority support for all preliminary subgroup 1 recommendations

Objectives: results from full TWG feedback survey

A *majority* 84% (36 of 43) respondents expressed *no strong opposition* to any proposed updates to objectives.

Proposed updates to objectives with *strong opposition* from one or more TWG member

Proposed update to Corporate Standard objectives	# members expressing "strong opposition"	Comments provided
Eliminate #2 (simplify and reduce the costs of compiling a GHG inventory)	1	<ul style="list-style-type: none"> Simplification and reduction of costs is still a relevant objective, eliminating the objective could be exclusionary of some geographies
Retain #4 (participation in voluntary and mandatory GHG programs)	1	<ul style="list-style-type: none"> Overlap between #1, #4 and #5
Retain #5 (increase consistency and transparency among companies and programs)	2	<ul style="list-style-type: none"> Consistency/comparability not achievable or role of reporters to support – requires further discussion Overlap between #1, #4, and #5
Add new objective related to integration of sustainability/financial information, provision of data to financial markets	6	<ul style="list-style-type: none"> "Provision of information" shouldn't be an objective – objectives should achieve something else Lack of comparability of GHG information inhibits objective Not applicable to all reporting companies Emissions not inherently tied to finances, should not be "integrated" with financial information GHG Protocol is for reporting of emissions only, not broader sustainability information Better to highlight provision of data to investors as use of GHG data than objective of standard Further consideration of implications of proposed objective needed
Add new objective related to target setting and monitoring	1	<ul style="list-style-type: none"> Overlap between proposed new objective and existing objective #3

General comment: Need to clarify relationship between uses, objectives and business goals

Recap of Subgroup 1, Meeting #2: suggested updates to objectives

Corporate Standard objective	Suggested updates based on TWG input
1. 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	<ul style="list-style-type: none"> Update "prepare" to refer the design, implementation, maintenance [over time], and/or reporting of a GHG inventory Replace terminology "true and fair", with different options proposed for alternative language
2. To simplify and reduce the costs of compiling a GHG inventory	<ul style="list-style-type: none"> Either eliminate objective, merge with objective #1, and/or omit language on reducing costs
3. To provide business with information that can be used to build an effective strategy to manage and reduce GHG emissions	<ul style="list-style-type: none"> Update to include language to build and track [implementation] progress of an effective strategy to manage and reduce emissions.
4. To provide information that facilitates participation in voluntary and mandatory GHG programs	<ul style="list-style-type: none"> Clarify to refer specifically to "reporting and target setting programs" in place of "GHG programs" Revise "provide information that facilitates participation in..." to "provide the basis for..."
5. To increase consistency and transparency in GHG accounting and reporting among various companies and GHG programs	<ul style="list-style-type: none"> Reconsider phrasing related to "consistency and transparency" including clarifying consistency over time versus comparability among organizations Rephrase to combine language from objectives #4 and #5 into single objective
- <i>Suggestions for new objectives</i>	<ul style="list-style-type: none"> Integration of sustainability/financial information and/or the provision of GHG information to investors/financial markets Supporting emission reduction target setting and monitoring

Mapping objectives between *Corporate Standard* and *Scope 3 Standard*

Corporate Standard objectives

1. 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
2. To simplify and reduce the costs of compiling a GHG inventory
3. To provide business with information that can be used to build an effective strategy to manage and reduce GHG emissions
4. To provide information that facilitates participation in voluntary and mandatory GHG programs
5. To increase consistency and transparency in GHG accounting and reporting among various companies and GHG programs

Scope 3 Standard objectives

1. To help companies prepare a true and fair scope 3 GHG inventory in a cost-effective manner, through the use of standardized approaches and principles
2. To help companies develop effective strategies for managing and reducing their scope 3 emissions through an understanding of value chain emissions and associated risks and opportunities
3. To support consistent and transparent public reporting of corporate value chain emissions according to a standardized set of reporting requirements

Aspects of the *Scope 3 Standard's* objectives mirror the *Corporate Standard's*, but with more concise, updated language.

Suggested updates to text describing *Corporate Standard* objectives

General notes:

- Format based on that from *Scope 3 Standard*, consolidated into 3 objectives
- GHG accounting and reporting principles referred to across objectives

Suggested revised objective text	Notes
1. To help companies develop and maintain a complete and accurate GHG inventory in a cost-effective manner , using standardized approaches and principles	<ul style="list-style-type: none"> • Combined objectives #1 and #2 from <i>Corporate Standard</i> • “True and fair” replaced with “complete and accurate” • Reference to developing and maintaining a GHG inventory • “In a cost-effective manner” removed
2. To help companies compile consistent and relevant information that can be used to develop an effective strategy to manage and reduce GHG emissions and track implementation progress	<ul style="list-style-type: none"> • Reference to principles of consistency and relevance • Clarification on what function the <i>Corporate Standard</i> serves in helping companies compile information to aid in decision-making • Reference to tracking implementation progress
3. To support more transparent and comparable public reporting of GHG emissions according to a standardized set of accounting and reporting requirements	<ul style="list-style-type: none"> • Replacement of “consistent” with “comparable”, addition of “more” to help qualify reference to comparability • Reference to “accounting” in addition to “reporting” requirements, considering the former’s role in enhancing comparability • “Public” removed

Text in pink indicates changes from base text using format of objectives in Scope 3 Standard as starting point.

Discussion: updates to text describing objectives

Suggested revised objective text

1. To help companies develop and maintain a complete and accurate GHG inventory ~~in a cost-effective manner~~, using standardized approaches and principles
2. To help companies compile consistent and relevant information that can be used to develop an effective strategy to manage and reduce GHG emissions and track implementation progress
3. To support more transparent and comparable public reporting of GHG emissions according to a standardized set of accounting and reporting requirements

Please share comments related to revised text describing Corporate Standard objectives, including related to:

- Whether **member feedback** related to revisions to existing objectives has been sufficiently addressed
- The use of **GHG accounting and reporting principles** across objective statements, including replacing the term “true and fair” with “complete and accurate”
 - *Note: an alternative framing is provided on the next slide*
- Whether objective #3 adequately captures **comparability** as an objective
- If/how to further address **suggestions for new objectives** provided by members:
 - Integration of sustainability/financial information and/or the provision of GHG information to investors/financial markets*
 - Supporting emission reduction target setting and monitoring (sufficiently addressed by phrase “track implementation progress)?

* Several members expressed strong opposition to proposed objective, might be better framed as use case for GHG data, with a comparability objective supporting the use case.

Alternative framing for revised text describing objectives

The primary goal of the Corporate Standard is to help companies develop and maintain a **relevant, complete, consistent, accurate, and transparent** GHG inventory, using standardized approaches and principles **in order to**:

- **Provide companies with** information that can be used to develop an effective strategy to manage and reduce GHG emissions and track implementation progress
- Support more transparent and comparable reporting of GHG emissions according to a standardized set of accounting and reporting requirements

Notes:

- Objective #1 framed as primary goal of Corporate Standard, which supports objectives #2 and #3
- Primary goal refers to all 5 GHG accounting and reporting principles in place “true and fair” phrasing currently used in Corporate Standard

Text in **pink** indicates changes from text in previous slide.





Discussion/poll: Which format do you prefer for Corporate Standard objective statements?

A. Discrete objective statements (with reference to principles distributed across statements)

1. To help companies develop and maintain a complete and accurate GHG inventory, using standardized approaches and principles
2. To help companies compile consistent and relevant information that can be used to develop an effective strategy to manage and reduce GHG emissions and track implementation progress
3. To support more transparent and comparable reporting of GHG emissions according to a standardized set of accounting and reporting requirements

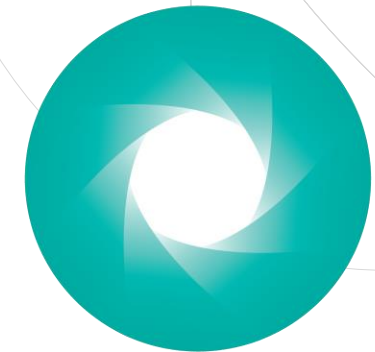
B. An overarching goal statement (referring to all principles) followed by objectives supported by the goal

The primary goal of the Corporate Standard is to help companies develop and maintain a relevant, complete, consistent, accurate, and transparent GHG inventory, using standardized approaches and principles in order to:

- Provide companies with information that can be used to develop an effective strategy to manage and reduce GHG emissions and track implementation progress
- Support more transparent and comparable reporting of GHG emissions according to a standardized set of accounting and reporting requirements

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GHG accounting and reporting principles: outstanding items to be addressed today

Conservativeness

Consideration of a compromise option to update supporting text for accuracy principle in lieu of expanding applicability of conservativeness principle

Transparency and verifiability

Reframing of question to how transparency and verifiability should be distinguished in principles

Comparability

Revisiting definitions of consistency and comparability as part of considering the adoption of a comparability principle

Conservativeness: summary of subgroup 1 feedback

Subgroup 1 members expressed *split opinions* on whether the **conservativeness principle should apply more broadly** (beyond removals accounting as specified in the Land Sector and Removals Standard) for instances where uncertainty is high and accurate estimates are not practicable.

Arguments from subgroup members in *support* of expanded application of conservativeness principle

- Quantification methods have a high degree of uncertainty
- Avoid understatement of GHG emissions
- Incentive for companies to improve accuracy

Arguments from subgroup members *opposed* to expanded application of conservativeness principle

- Introduces bias toward overstatement of emissions
- In conflict with accuracy principle
- Better to leave it to programs to specify if/when estimates should be conservative

Conservativeness: compromise option for consideration

Compromise option:

- **Update supporting text for accuracy principle** to note that *"accuracy should be pursued as far as possible, but once uncertainty can no longer be practically reduced, conservative estimates should be used"*
- **Add supporting text box to describe conservativeness**, *"conservative values and assumptions are those more likely to overestimate GHG emissions"*
- Include text to emphasize that *"**conservativeness should not be used as a substitute for collecting accurate data...**, or as a justification for not improving data collection systems..."*
- Effective makes conservativeness a **recommendation** rather than a requirement

Note: The proposed approach is based on that in the GHG Protocol Policy and Action Standard

Accuracy: Ensure that the estimated change in GHG emissions and removals is systematically neither over nor under actual values, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users and stakeholders to make appropriate and informed decisions with reasonable confidence as to the integrity of the reported information. Accuracy should be pursued as far as possible, but once uncertainty can no longer be practically reduced, conservative estimates should be used. Box 4.1 provides guidance on conservativeness.

GHG Protocol Policy and Action Standard, chapter 4, pp.32-33.

Box 4.1 Conservativeness

Conservative values and assumptions are those more likely to overestimate GHG emissions or underestimate GHG reductions resulting from a policy or action. Users should consider conservativeness in addition to accuracy when uncertainty can no longer be practically reduced, when a range of possible values or probabilities exists (for example, when developing baseline scenarios), or when uncertainty is high. Whether to use conservative estimates and how conservative to be depends on the objectives and the intended use of the results. The principle of relevance can help guide what approach to use and how conservative to be. For some objectives, accuracy should be prioritized over conservativeness in order to obtain unbiased results.

Conservativeness should not be used as a substitute for collecting accurate data where data exist and can be collected, or as a justification for not improving data collection systems to collect more accurate data. Users should apply sensitivity analysis when uncertainty is high to understand the range of possible outcomes using both more conservative and less conservative assumptions. Chapter 12 provides guidance on uncertainty and sensitivity analysis.



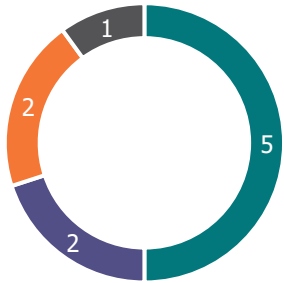
Discussion: Would you support the above as a compromise option in lieu of expanding applicability of the conservativeness principle?



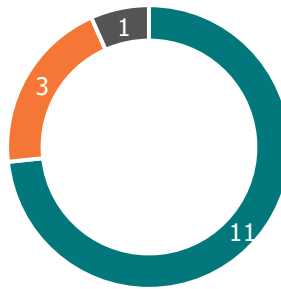
Transparency and verifiability: summary of TWG feedback

Polling of subgroup 1 and Corporate Standard TWG members has yielded varied results on whether and how to update principles in reference to **verifiability of GHG inventories**.

Subgroup 1, meeting 5 live poll (n=10)



Subgroup 1, meeting 5 feedback survey (n=14)



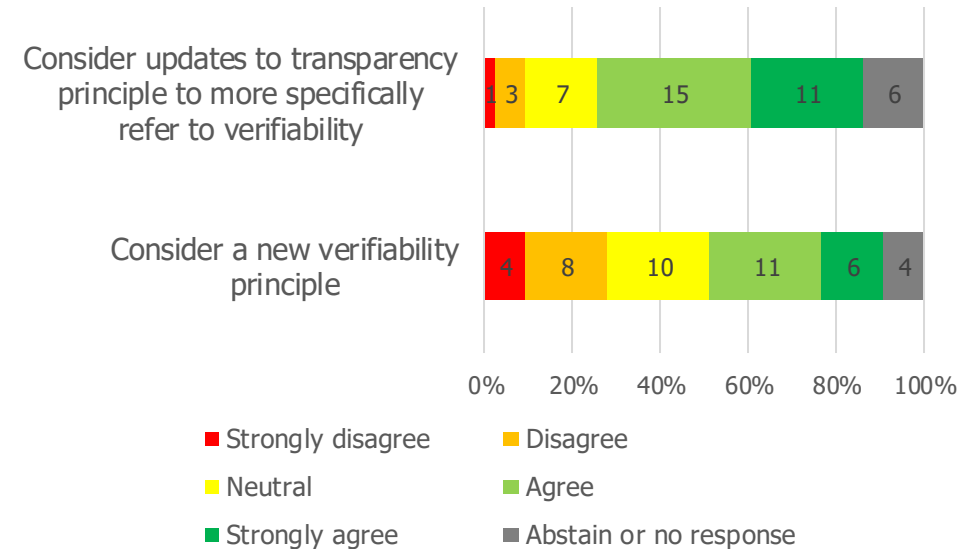
- Yes, a new verifiability principle should be added
- Yes, discussion of the transparency principle should be updated to more specifically refer to "verifiability"
- No, no updates to principles are necessary to more specifically refer to "verifiability"
- Abstain

Split opinions with most support for adding a verifiability principle

- I support the introduction of a new verifiability principle
- I oppose the introduction of a new verifiability principle
- Abstain - I need more information to respond

Majority support for adding a verifiability principle

Full TWG feedback survey (n=43)



Majority agreement for considering updates to transparency principle

Reframed question for consideration today: How should the principles be updated to distinguish between public transparency and verifiability?

Reframed question: How should the principles be updated to distinguish between public transparency and verifiability?

Option A: Update transparency principle

- Update text describing transparency principle to more clearly distinguish between public transparency and verifiability
 - Provide a supporting text box on verifiability

Example text:

Transparency principle: **Transparency** relates to the degree to which information on the processes, procedures, assumptions, and limitations of a GHG inventory are disclosed in a clear, factual, neutral, and understandable manner. The **transparency principle** entails *both* **transparency to stakeholders** through public reporting of GHG emissions and **verifiability** (clear documentation enabling internal reviewers and external auditors to attest to the credibility of a GHG inventory). Box X.X provides guidance related to **verifiability**.

Box X.X Verifiability: An independent **external verification is a good way of ensuring transparency** and determining that an appropriate audit trail has been established and documentation provided. **Verifiability** entails the provision of sufficient information to enable a third party to derive the same results if provided with the same source data.

Option B: Split into separate principles

- **Transparency:** Focused on transparency of GHG reporting for external stakeholders
- **Verifiability:** Focused on documentation and audit trail

Example text:

Transparency principle: **Transparency** relates to the degree to which information on the boundaries, data, methods, assumptions, and limitations of a GHG inventory are disclosed in a clear, factual, neutral, and understandable manner. A **transparent report** will provide a clear understanding of the issues in the context of the reporting company and a meaningful assessment of GHG performance.

Verifiability principle: **Verifiability** relates to GHG inventory processes and procedures, documentation (i.e., an audit trail) and how information is recorded, compiled, and analyzed in a way that enables internal reviewers and external verifiers to attest to its credibility. **Verifiability** entails the provision of sufficient information to enable a third party to derive the same results if provided with the same source data.

Note: Example text is based in part on existing text in the Corporate Standard. It is provided for illustrative purposes only to help facilitate discussion by the TWG. Once an outcome has been reached, more complete draft text will be developed by the Secretariat for TWG member review.

Discussion: transparency and verifiability

Reframed question: How should principles be updated to better distinguish between concepts currently included in transparency principle related to public transparency and to verifiability, respectively?

Option A: Update transparency principle

- Update text describing transparency principle to more clearly distinguish between public transparency and verifiability
 - Provide a supporting text box on verifiability

Pros:

- Maintain current framing of transparency principle, avoiding the introduction of new principle while providing additional clarity

Cons:

- Transparency principle encompasses two distinct concepts

Option B: Split into separate principles

- **Transparency:** Focused on transparency of GHG reporting for external stakeholders
- **Verifiability:** Focused on documentation and audit trail

Pros:

- Better disentangle and more specifically highlight the importance of both public transparency and verifiability

Cons:

- Potential implications of verifiability as a principle (noting that whether verification or assurance should be required will be considered by Subgroup 2 in phase 2)

Comparability as a principle: summary of feedback received

Feedback from Subgroup 1

- *Majority agreement* with **working definition** from draft Land Sector and Removals Standard (“Apply common methodologies, etc. such that inventories can be compared across multiple companies...”)
- *Majority agreement* that comparability (based on current definition) is a **concept that can be operationalized** by preparers of GHG inventories and can therefore be considered as a principle
- *Split opinions* on whether to introduce a new **comparability principle**

Feedback from ISB members and observing entities

- Consider **aligning definitions** of comparability and related terms (e.g., consistency) with those from financial accounting, making sure to distinguish the differences between these terms
- **Concerns with sacrificing** other aspects of decision-useful GHG information by prioritizing comparability
- The difference between comparability as an **objective versus as a principle** is unclear*

Key issue to be revisited to inform further discussion on comparability as a principle:

Definitions of the terms *comparability* and *consistency* in the Corporate Standard are not aligned with those from financial accounting (and IFRS, ESRS). Should Corporate Standard definitions be revised?

* Note draft objective considered earlier in meeting: “To support more transparent and comparable public reporting of GHG emissions according to a standardized set of accounting and reporting requirements”

Comparability and consistency: definitions

	GHG Protocol	Conceptual Framework for Financial Reporting
Consistency	<p>"Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series." *</p> <p>Refers <i>only</i> to consistency in methods over time for a single organization</p>	<p>"Consistency, although related to comparability, is not the same. Consistency refers to the use of the same methods for the same items, either from period to period within a reporting entity or in a single period across entities. Comparability is the goal; consistency helps to achieve that goal."</p> <p>Refers to <i>both</i> consistency in methods over time for a single organization <i>and</i> between organizations</p>
Comparability	<p>"Apply common methodologies, data sources, assumptions, and reporting formats such that the reported GHG inventories can be compared across multiple companies, as well as internally within each company."</p> <p>Refers to consistency in methods between organizations</p>	<p>"Comparability is the qualitative characteristic that enables users to identify and understand similarities in, and differences among, items. Unlike the other qualitative characteristics, comparability does not relate to a single item. A comparison requires at least two items..."</p> <p>Distinguishes between consistency and comparability, wherein consistency in methods enhances comparability of resulting information</p>

* Supporting text for consistency principle also refers to comparability: "The **consistent** application of accounting approaches, inventory boundaries, and calculation methodologies is essential to producing **comparable** GHG emissions data over time" (Corporate Standard p.8).

Please see appendix for more definitions of consistency and comparability across frameworks, including the full definition of comparability from the Conceptual Framework for Financial Reporting.

Comparability as a principle: questions and options for discussion

Question 1: Should definitions of the terms *comparability* and *consistency* in the Corporate Standard be revised to align with those from financial accounting (and IFRS, ESRS)?

1a. **No**, current definitions should be maintained:

- **Consistency:** application of consistent methods over time for a single company
- **Comparability:** common methods between companies or between divisions in a company so information can be compared

1b. **Yes**, definitions should be revised:

- **Consistency:** consistent methods over time *and* between companies to enhance comparability
- **Comparability:** characteristic of resulting GHG data when consistent methods have been applied

Question 2: How should principles be updated to support stakeholder demands for more comparable GHG information?

2a. Introduce a new **comparability principle***
(using working definition from recommended principle in draft Land Sector and Removals Standard)

2b. **Update supporting text for consistency principle** and provide accompanying text box on comparability **using current definitions** of terms (per 1a)

2c. **Update supporting text for consistency principle** and provide accompanying text box on comparability **using revised definitions** of term (per 1b)

* 2a only applies if 1a selected, with principle based on current GHG P definition, and with intent of a comparability principle addressed by consistency principle if 1b selected.

Question 1: Should definitions of the terms *comparability* and *consistency* in the Corporate Standard be revised to align with those from financial accounting (and IFRS, ESRS)?

1a. **No**, current definitions should be maintained:

- **Consistency:** application of consistent methods over time for a single company
- **Comparability:** common methods between companies or between divisions in a company so information can be compared

Pros:

- Prevent confusion for users of standard
- Alignment with IPCC definitions

Cons:

- Definitional ambiguities in current text (e.g., reference to *consistency* between companies and programs, *comparability* over time)
- Misalignment with definitions used by programs (IFRS, ESRS)

1b. **Yes**, definitions should be revised:

- **Consistency:** consistent methods over time *and* between companies to enhance comparability
- **Comparability:** characteristic of resulting GHG data when consistent methods have been applied

Pros:

- Help clear up ambiguities in current text
- Capture intent of a comparability principle in the existing consistency principle
- Alignment with definitions used by programs (IFRS, ESRS)

Cons:

- Changing definitions may lead to confusion for users of standard, with two concepts captured by consistency principle

Question 2: How should principles be updated to support stakeholder demands for more comparable GHG information?

If Option 1a (**maintaining current definitions**) is selected:

2a. Introduce a new comparability principle*

(using working definition from recommended principle in draft Land Sector and Removals Standard)

Pros:

- Prioritizes comparability of GHG information through principle

Cons:

- Implications of introducing and operationalizing a new principle

2b. Update supporting text for consistency principle and provide accompanying text box on comparability **using current definitions** of terms (per 1a)**Pros:**

- Addresses stakeholder needs and supports comparability objective without a new principle
- Provides clarity on distinction between consistency and comparability (per current definitions)

Cons:

- Comparability objective supported by guidance only (in lieu of a new principle)

If Option 1b (**revising current definitions** is selected):

2c. Update supporting text for consistency principle and provide accompanying text box on comparability **using revised definitions** of term (per 1b)**Pros:**

- Addresses stakeholder needs and supports comparability objective without a new principle
- Captures intent of comparability principle in existing consistency principle
- Contingent on definitional updates – see pros for 1b

Cons:

- Contingent of definitional updates – see cons for 1b

Note: Example text corresponding to options 2b and 2c provided on following slide.

Example text: Updating supporting text for consistency principle according to options 2b and 2c

2b. **Update supporting text for consistency principle** and provide accompanying text box on comparability **using current definitions** of terms (per 1a)

Supporting text for consistency principle (2b):

The **consistency** principle refers to the use of consistent methodologies to allow for meaningful comparisons of emissions over time for a single company. Users of GHG data may also want to compare data between company or divisions with a company.

Box Y.Y provides guidance related to **comparability**.

2c. **Update supporting text for consistency principle** and provide accompanying text box on comparability **using revised definitions** of term (per 1b)

Supporting text for consistency principle (2c):

The **consistency** principle refers to the use of consistent methodologies to allow *both* for meaningful comparisons of emissions for a single company over time *and* between different companies for the same reporting period. Application of the consistency principle can enhance the comparability of GHG information. **Box Y.Y** provides guidance related to **comparability**.

Box Y.Y Comparability (2b and 2c)

The use of common methodologies can help enhance the comparability of GHG information between companies or within a single company. Comparability of GHG information between companies depends on the methodological choices made by more than one company and is thus beyond the ability of a single company to control. Whereas factors like structural differences between companies may pose inherent limitations to the comparability of GHG information, programs can promote comparability through adopting more prescriptive approaches and limiting optionality beyond what's specified in the Corporate Standard.

Note: Example text is provided by the Secretariat for illustrative purposes only to help facilitate discussion by the TWG. Once an outcome has been reached, more complete draft text will be developed by the Secretariat for TWG member review.

Comparability as a principle: discussion and polls

Question 1: Should definitions of the terms *comparability* and *consistency* in the Corporate Standard be revised to align with those from financial accounting (and IFRS, ESRS)?

1a. **No**, current definitions should be maintained:

- **Consistency:** application of consistent methods over time for a single company
- **Comparability:** common methods between companies or between divisions in a company so information can be compared

1b. **Yes**, definitions should be revised:

- **Consistency:** consistent methods over time *and* between companies to enhance comparability
- **Comparability:** characteristic of resulting GHG data when consistent methods have been applied

Question 2: How should principles be updated to support stakeholder demands for more comparable GHG information?

2a. Introduce a new **comparability principle***
(using working definition from recommended principle in draft Land Sector and Removals Standard)

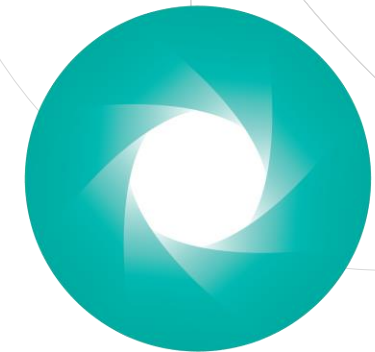
2b. **Update supporting text for consistency principle** and provide accompanying text box on comparability **using current definitions** of terms (per 1a)

2c. **Update supporting text for consistency principle** and provide accompanying text box on comparability **using revised definitions** of term (per 1b)

* 2a only applies if 1a selected, with principle based on current GHG P definition, and with intent of a comparability principle addressed by consistency principle if 1b selected.

Agenda

- Introduction and housekeeping 10 minutes
- Follow up on Corporate Standard objectives 30 minutes
- Follow up on GHG accounting and reporting principles 60 minutes
- Review of progress on phase 2 topics 10 minutes
- Wrap up and next steps 10 minutes



GREENHOUSE GAS PROTOCOL

Meeting 7 live poll results

- *Majority agreement* that **outcomes from meeting 6 on base year selection can be framed in terms of two pathways**: Pathway A (separate inventory and target base years), Pathway B (single base year for inventory and target setting)
- *Majority support* for **eliminating the rolling base year option** as currently defined in the Corporate Standard
- *Majority support* for **requiring companies to establish a significance threshold** as part of their base year recalculation policy, *split opinions* on whether the significance threshold **must be quantitative or may be qualitative and/or quantitative**
- *Majority support* that the Corporate Standard should establish a **prescriptive quantitative significance threshold**, *split opinions* on whether it should be a **requirement or a recommendation**
- *Majority support* that a **separate significance threshold should be applied for each scope**
- *Majority support* that a **single cumulative significance threshold should apply across all types of events triggering base year recalculation** (e.g., structural changes, methodological changes)
- *Majority support* for **5% as a prescriptive quantitative significance threshold** if one were to be established

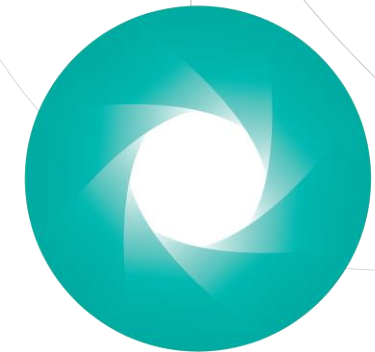
Meeting 7 feedback survey results (n=12 responses)

<i>Majority support</i> for eliminating the rolling base year option as currently defined in the Corporate Standard	10 support / 1 oppose / 1 abstain
<i>Majority support</i> that the Corporate Standard to require companies to establish a significance threshold as part of their base year recalculation policy	10 support / 1 oppose / 1 abstain
<i>Split opinions</i> on whether requirement for a significance threshold (if adopted) should specify a quantitative significance threshold or allow for a qualitative and/or quantitative significance threshold	6 require quantitative / 5 allow qualitative and/or quantitative / 1 abstain
<i>Majority support</i> that the Corporate Standard establish a prescriptive quantitative significance threshold	8 support / 2 oppose / 2 abstain
<i>Split opinions</i> on whether a prescriptive quantitative significance threshold be a requirement or a recommendation	5 requirement / 7 recommendation / 0 abstain
<i>Majority support</i> that significance thresholds should apply separately by scope	9 support / 1 oppose / 2 abstain
<i>Majority support</i> that a single significance threshold should apply cumulatively across all types of events triggering base year recalculation	11 support / 0 oppose / 1 abstain
<i>Majority support</i> for a 5% significance threshold for scopes 1 and 2 if a prescriptive quantitative threshold defined	8 support / 1 oppose / 3 abstain
<i>Majority support</i> for a 5% significance threshold for scope 3 if a prescriptive quantitative threshold defined	8 support / 0 oppose / 4 abstain

Includes 12 responses received by COB on Tuesday, June 17th.

Agenda

- Introduction and housekeeping 10 minutes
- Follow up on Corporate Standard objectives 30 minutes
- Follow up on GHG accounting and reporting principles 60 minutes
- Review of progress on phase 2 topics 10 minutes
- **Wrap up and next steps 10 minutes**



GREENHOUSE GAS PROTOCOL

Next steps

Items to be shared by GHG Protocol Secretariat:

- Final slides, minutes, and recording from this meeting
- Feedback survey
- Draft text for review (pending outcomes from meeting)

TWG member action items:

Details for feedback survey and text review to be confirmed

Next meeting

Full TWG meeting Tuesday, July 15th

- Option 1: 08:00-10:00 ET, 14:00-16:00 CET, 20:00-22:00 CHN
- Option 2: 16:00-18:00 ET, 22:00-00:00 CET, 04:00-06:00 CHN Wednesday, July 16th

Thank you!

Iain Hunt, iain.hunt@wri.org

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Allison (Alley) Leach, allison.leach@wri.org

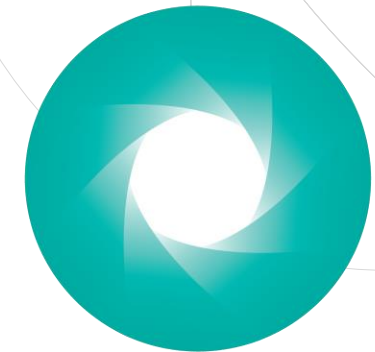


Change log

Slide #s	Change	Details
8	New slide	New slide providing status updates from Subgroups 2 and 3
20	New slide	New slide to present poll on format for objective statements
37	Updated slide	Slide updated to provide results received by Tuesday, June 17 th to feedback survey from meeting 7

Appendix

Definitions of consistency and comparability across frameworks



GREENHOUSE GAS PROTOCOL

Consistency: mapping across frameworks

Definition in *Corporate Standard*:

“Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.”

IPCC Guidelines for National GHG Inventories	ISO 14064-1:2018	Conceptual Framework for Financial Reporting*	GRI 1: Foundation 2021	EU Organisation Environmental Footprint Method
<p>Similar framing to <i>Corporate Standard</i>, referring specifically to consistency over time:</p> <p>“Inventory annual trends, as far as possible, should be calculated using the same method and data sources in all years...”</p>	<p>Broader framing than in <i>Corporate Standard</i>, “to enable meaningful comparisons of GHG information”</p>	<p>Referenced in relation to comparability: “Comparability is the goal; consistency helps to achieve that goal”</p> <p>Refers to both consistency over time and across reporting entities</p>	<p>Referenced as part of comparability principle</p> <p>Refers to both consistency over time and across reporting entities</p>	<p>Framing around internal consistency:</p> <p>“Strict conformity to this method shall be observed in all steps of the OEF study, to ensure internal consistency and comparability.”</p>
Alignment with GHG Protocol	Well-aligned	Somewhat aligned	Misaligned	Not included

* Definitions of consistency and comparability from Conceptual Framework for Financial Reporting also used by IFRS and ESRS.

Comparability: mapping across frameworks

Definition in GHG Protocol *Land Sector and Removals Standard*:

“Apply common methodologies, data sources, assumptions, and reporting formats such that the reported GHG inventories can be compared across multiple companies, as well as internally within each company.”

IPCC Guidelines for National GHG Inventories	ISO 14064-1:2018	Conceptual Framework for Financial Reporting*	GRI 1: Foundation 2021	EU Organisation Environmental Footprint Method
“...comparability should be reflected in appropriate choice of key categories ... and in the use of the reporting guidance and tables and use of the classification and definition of categories of emissions and removals ...”	Broad definition of consistency implies application to comparison of inventories from different organizations: “ Enable meaningful comparisons in GHG-related information. ”	“Comparability is the qualitative characteristic that enables users to identify and understand similarities in, and differences among, items ”	“The organization shall select, compile, and report information consistently to enable an analysis of changes in the organization’s impacts over time and an analysis of these impacts relative to those of other Organizations ”	Not included as principle, but referenced in relation to consistency principle, highlighting role of “ conformity to [the method]... to ensure internal consistency and comparability ”.
Alignment with GHG Protocol	Well-aligned	Somewhat aligned	Misaligned	Not included

* Definitions of consistency and comparability from Conceptual Framework for Financial Reporting also used by IFRS and ESRS.

Definition of comparability: Conceptual Framework for Financial Reporting

- Users' decisions involve choosing between alternatives, for example, selling or holding an investment, or investing in one reporting entity or another. Consequently, **information about a reporting entity is more useful if it can be compared with similar information about other entities** and with similar information about the same entity for another period or another date.
- **Comparability is the qualitative characteristic that enables users to identify and understand similarities in, and differences among, items.** Unlike the other qualitative characteristics, comparability does not relate to a single item. A comparison requires at least two items.
- **Consistency, although related to comparability, is not the same.** Consistency refers to the use of the same methods for the same items, either from period to period within a reporting entity or in a single period across entities. Comparability is the goal; consistency helps to achieve that goal.
- Comparability is not uniformity. **For information to be comparable, like things must look alike and different things must look different.** Comparability of financial information is not enhanced by making unlike things look alike any more than it is enhanced by making like things look different.
- Some degree of comparability is likely to be attained by satisfying the fundamental qualitative characteristics. **A faithful representation of a relevant economic phenomenon should naturally possess some degree of comparability with a faithful representation of a similar relevant economic phenomenon by another reporting entity.**
- Although a single economic phenomenon can be faithfully represented in multiple ways, **permitting alternative accounting methods for the same economic phenomenon diminishes comparability.**