

Corporate Standard Meeting Minutes

Subgroup 2, Meeting #12

Date: 3 March 2026

Time: 08:00 – 10:00 EDT / 14:00 – 16:00 CEST

Location: Virtual

Attendees

Technical Working Group Members

1. Christina Abbott, KPMG
2. John Altomonte, WWF-Philippines
3. Mónica Oleo Domínguez, Redeia
4. Rubens Ferreira, Carbonauta Ltda
5. Kia Hong Goh, Nanyang Technological University, Singapore
6. Anna Dauteuil, EFRAG
7. Gijs Kamperman, TenneT
8. Vincent Kong, BEAM Society Ltd
9. Bonar Laureto, EY Philippines
10. Andy Law, Hong Kong Institute of Certified Public Accountants
11. Trinity Makava Ncube, Trinity Consultants
12. Barbara Porco, Fordham University
13. Doug Rand, Deloitte
14. Judy Ryan, External Reporting Board, New Zealand
15. Sheila Scott, Jacobs
16. Ann Smith, ISO/TC 207/SC 7/WG 4 and Independent
17. Margaret Weidner, Independence Point Advisors

Guests

1. Ibrahim Eryazici, ISO/TC 207/SC 7/WG 4 and Dow

GHG Protocol Secretariat

2. Hande Baybar
3. Iain Hunt
4. Allison Leach

Documents referenced

1. Slides for the Corporate Standard TWG Subgroup 2 meeting on 3 March 2026.

Item	Topic and Summary	Outcomes
1	<p><i>Introduction and housekeeping</i></p> <p>The Secretariat welcomed TWG members to the twelfth meeting of Subgroup 2. The Secretariat provided a brief reminder on TWG housekeeping items, presented the objectives and the agenda for the meeting, and reviewed the upcoming meeting timeline.</p>	No specific outcomes.
2	<p><i>Phase 1 next steps</i></p> <p>The Secretariat reviewed the pending phase 1 scope of work, presented a proposed plan for addressing the remaining phase 1 scope of work, and asked for volunteers to join a task force.</p>	6 Subgroup 2 members volunteered to join a task force that will work on topics related to guidance on how the financial control approach can be implemented by investment entities, as well as the categorization of emissions from leased assets.
3	<p><i>Full TWG Meeting 5 follow-up (on proposed set of requirements and recommendations for setting organizational boundaries)</i></p> <p>The Secretariat recapped previous discussions on the proposed package of updates for setting organizational boundaries.</p> <p>The Secretariat presented the level of support and feedback received from the full TWG members on pending items for revision and invited members to comment. Indicative polls were held on pending items in the proposed package.</p>	Outcomes from indicative polls will be reported following completion of the Meeting 12 feedback survey.
4	<p><i>Operational control approach revision</i></p> <p>The Secretariat provided a status update on the revisions to the operational control approach, and presented the level of support and feedback received from the Subgroup 2 and full TWG members on topics representing key challenges of the operational control concept.</p> <p>The Secretariat presented the proposed next steps for finalizing the revisions to the operational control approach. Members were invited to comment.</p>	The Secretariat will share a revised text for the operational control approach and ask members to provide comments.
5	<p><i>Wrap-up and next steps</i></p> <p>The Secretariat outlined a summary of next steps including the schedule for the upcoming Subgroup 2 meeting.</p>	<p>The Secretariat will share meeting materials along with a revised proposed package for consolidation approaches.</p> <p>The Secretariat requested that members respond to a Meeting 12 feedback survey, including feedback on the revised proposed package for consolidation and follow-up on the operational control approach revision, with the survey deadline to be confirmed.</p> <p>The next Subgroup 2 meeting is scheduled for April 14th, 2026.</p>

Summary of discussion and outcomes

1. Introduction and housekeeping

- The Secretariat welcomed TWG members to the twelfth meeting of Subgroup 2. The Secretariat provided a brief reminder on TWG housekeeping items, presented the objectives and the agenda for the meeting, and reviewed the upcoming meeting timeline. (slides 1-9)

Summary of discussion

- No discussion.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Phase 1 next steps

- The Secretariat reviewed the pending phase 1 scope of work, presented a proposed plan for addressing the remaining phase 1 scope of work, and asked for volunteers to join a task force. (slides 10-12)

Summary of discussion

- The Secretariat invited Subgroup 2 members to volunteer to join a separate task force that will work on topics related to guidance on how the financial control approach can be implemented by investment entities, as well as the categorization of emissions from leased assets.
- A member asked for the link to Corporate Standard Appendix F on Categorizing GHG emissions associated with leased assets. The Secretariat shared the link for the members to access the Appendix: [Dealing with Leases](#)
- 6 Subgroup 2 members volunteered to join the task force.
- The task force(s) will be launched in March and will be asked to present their progress and recommendations to Subgroup 2 at the April and May meetings.

Outcomes (e.g. recommendations, options)

- 6 Subgroup 2 members volunteered to join a task force that will work on topics related to guidance on how financial control approach can be implemented by investment entities, as well as the categorization of emissions from leased assets.

3. Full TWG Meeting 5 follow up (on proposed set of requirements and recommendations for setting organizational boundaries)

- The Secretariat recapped previous discussions on the proposed package of updates for setting organizational boundaries. The Secretariat presented the level of support and feedback received from the full TWG members on pending items for revision and invited members to comment. Indicative polls were held on provisions of the proposal. (slides 13-25)

Summary of discussion

- The Secretariat introduced the key pending items related to the package of requirements and recommendations for setting organizational boundaries, including the level of support and feedback received from the full TWG members.

Pending item on alternative terminologies to clarify when package item #3 should apply

- The Secretariat presented the feedback received related to evaluating alternative terminology (e.g., “fair and complete” versus “relevant and complete”) to clarify when item #3 on recommending

additional separate disclosure based on operational control for emissions that are not under the reporting organization's financial control, and invited members to comment.

- A member expressed support for using the term "relevant and complete" (Option B) for defining cases when the recommendation should apply. They asked what the implications would be of using the term "fair and complete" (Option A) for comparability. The Secretariat noted that the term "fair" is used by other financial and sustainability reporting frameworks, and if the term "fair" is used to define when item #3 should apply, it needs to be accompanied with a definition that refers the users to the GHG Protocol principles. The Secretariat added that doing so may result in varying uses of the term across different programs, which could create confusion and adaptation challenges for the user.
- A member suggested that the term "fair" is used in IFRS terminology to encompass all key principles introduced by the standard, and asked whether using the term "relevant and complete", which reflects two of the five principles of the Corporate Standard, would limit their full application. They suggested that if the revised text is to refer to the subset of the principles, the rationale for doing so should be included in the text. Three members agreed. The Secretariat responded by noting that the proposed set of requirements and recommendations to set organizational boundaries, consisting of 5 items, aim to promote the full implementation of the five Corporate Standard principles, and that item #3 is specifically introduced to ensure adherence to the principles of "Relevance" and "Completeness".
- A member suggested further editing the working draft revised definition of the principle "Relevance" to refer to the term "fairly" instead of "appropriately" in order to introduce the term "fair" within the principles.
- Another member suggested avoiding a negative framing when defining item #3 (i.e., the recommendation to apply when financial control does not represent complete emissions profile) and instead use a framing along the lines of "if additional application of operational control would provide a more fair and complete emissions profile", to reduce challenges associated with demonstrating the former.
- A member suggested that relevance could vary across different user needs and asked how the user should determine the answer to the question: "Relevant for whom?". The Secretariat responded that the relevance principle refers to "the decision-making needs of users - both internal and external to the company". The member asked a follow-up question on whether it is used similarly to the term "material information" used in IFRS S1 and S2. The Secretariat referred the member to clauses 2.6-2.11 on relevance in materiality in the Conceptual Framework for Financial Reporting: Conceptual Framework for Financial Reporting.
- **Indicative poll:** The Secretariat conducted an indicative poll asking the following question: Which option do you support in terms of terminology used? Respondents expressed *split opinions*, with members who abstained suggesting that the term "fair representation" could capture the intended use in this context. The Secretariat confirmed that "fair representation" will be added as a new option to this question in the meeting follow-up survey.
 - Option A - fair and complete representation: 6 of 15 respondents
 - Option B – Relevant and complete representation: 4 of 15
 - Abstain: 5 of 15

Pending item on reporting method for package item #3

- The Secretariat presented the feedback received on whether emissions accounted for under item #3 should be reported separately from the inventory or included and disaggregated within the inventory with the following breakdown: financial control only, under financial and operational control, and operational control only. Members were invited to comment.
- A member asked what language is used in the simplified ESRS E1 to clarify that in cases when the financial control boundary is insufficient to portray the undertaking's emissions profile, then the emissions under operational control should be reported in full, making it a dual reporting requirement. A member shared the following link and referred the members to paragraph 306 to see the basis for conclusion on this topic:

<https://www.efrag.org/sites/default/files/media/document/2025-12/Draft Amended ESRS Basis for Conclusions 2025 December.pdf>

- A member expressed support for reporting emissions as per this additional recommended approach separate from the inventory (Option B), noting that inclusion of these emissions within the inventory, however disaggregated, may result in aggregation of emissions under financial control and operational control, which in return can create challenges for demonstrating progress against targets set using only one consolidation approach.
- Another member expressed support for these emissions to be reported separately, noting that it would be more feasible for the user to provide information on emissions under only operational control with associated incentives to reduce them.
- A member suggested that they would be in favor of including emissions under operational control, in addition to emissions under financial control, within the inventory. However, unlike Option A, this could be done without any disaggregation to demonstrate an emissions profile that includes all emissions under the control of the reporting organization. The Secretariat noted that doing so without disaggregation would create significant interoperability challenges with external programs mainly requiring consolidation based on a single consolidation approach. The member agreed.
- A member expressed concern on item #3 overall, noting that including additional steps for setting organizational boundaries creates complexities and potential challenges to monitor progress over set targets. The Secretariat clarified that setting and monitoring progress against set targets is one of several uses of GHG inventory data and that target setting programs introduce their own requirements for setting targets.
- **Indicative poll:** The Secretariat conducted an indicative poll asking the following question: Should item #3 (emissions under operational control but not under financial control) be recommended as a separate disclosure, or included in the total inventory with disaggregated disclosure? Respondents expressed *majority support* for recommending item #3 to be separately reported.
 - **Separately reported: 10 of 14 respondents**
 - Included and disaggregated within the inventory: 3 of 14
 - Abstain: 1 of 14

Recommending disclosure of outcomes of a screening assessment as part of the rationale for not adopting the recommended consolidation approach (item #5)

- The Secretariat presented the full TWG level of support and feedback on the pending item solved in the previous Subgroup 2 meeting related to recommending the reporters choosing not to follow the recommended consolidation approach to include the outcomes of a screening assessment comparing their organizational boundaries under financial and operational control as part of their rationale, and invited members to comment.
- A member suggested that it would be useful to provide key guidance on how such a screening assessment could be conducted. Another member agreed. The Secretariat confirmed that the guidance on this topic will be provided.

Outcomes (e.g. recommendations, options)

- Outcomes from indicative polls will be reported following completion of the Meeting 12 feedback survey.

4. Operational control approach revision

- The Secretariat provided a status update on the revisions to the operational control approach, and presented the level of support and feedback received from the Subgroup 2 and full TWG members on topics representing key challenges of the operational control concept. The Secretariat presented the proposed next steps for finalizing the revisions to the operational control approach. Members were invited to comment. (slides 26-33)

Summary of discussion

- A member asked to clarify how to account for a shift in operational control during the reporting year. The Secretariat noted that this specific item has not been discussed in the subgroup yet, and invited members to share their input.
- A member suggested that in the absence of evidence such as proof of ownership, it remains challenging to demonstrate when operational control is in place. The Secretariat responded by taking stock of the revised terms introduced to define operational control, such as “power” and “practical ability” to help address this challenge.
- Another member shared an example where different parties may be responsible for setting/implementing policies and for managing day-to-day activities, and suggested that the definition be further clarified to address this challenge. The Secretariat responded that, in cases of multi-party arrangements, all parties involved need to adopt the same consolidation approach to avoid double counting or no counting of emissions. The Secretariat added that the second paragraph used to define operational control aims to avoid ambiguities.

Outcomes (e.g. recommendations, options)

- The Secretariat will share revised text for the operational control approach and ask members to provide comments.

5. Wrap-up and next steps

- The Secretariat outlined a summary of next steps including the schedule for upcoming meeting. (slides 34-36)

Summary of discussion

- A member asked whether the Corporate Standard public consultation will be held in a similar manner to the recently closed Scope 2 public consultation, including proposed revised text. The Secretariat confirmed that this was the case.

Outcomes (e.g. recommendations, options)

- The Secretariat will share meeting materials along with a revised proposed package for consolidation approaches.
- The Secretariat requested that members respond to a Meeting 12 feedback survey, including feedback on the revised proposed package for consolidation and previous meeting follow-up survey outcomes on the operational control approach revision, with the survey deadline to be confirmed.
- The next Subgroup 2 meeting is scheduled for April 14th, 2026.

Summary of written submissions received prior to meeting

- The Secretariat received questions and comments from 2 Subgroup 2 members. Both sets of feedback were addressed during the meeting.

Subgroup 2 Meeting 11: Complete poll results

- The Secretariat invited Subgroup 2 members to respond to Subgroup 2 Meeting 11 indicative poll questions both live in the meeting and via a feedback survey after the meeting. This section reflects final indicative poll results, combining both live meeting polls and feedback survey responses. Written feedback was incorporated into the meeting slides.
- 19 responses were received, combining live meeting poll results and the feedback survey.
- The Secretariat posed an indicative poll and survey question asking: Do you support adding the proposed text that recommends reporters screen organizational boundaries under financial and operational control?
 - Respondents expressed *split opinions*.

- Yes, fully support: 8 of 19 respondents
 - Yes, support with minor edits: 2 of 19
 - No, strongly oppose: 9 of 19
 - Abstain: 0 of 19
- The Secretariat posed an indicative poll and survey question asking: What alternative terminology would you recommend to replace "where relevant" used in item #3 of the proposed package recommending additional emissions disclosure based on operational control (for emissions not under financial control)?
 - Respondents expressed ***split opinions***.
 - Complete presentation: 5 of 18 respondents
 - Fair presentation: 9 of 18
 - Other: 3 of 18
 - Abstain: 1 of 18
- The Secretariat posed an indicative poll and survey question asking: Should the accounting for all controlled scope 1 and 2 emissions be prioritized to promote feasibility, or should organizational boundaries remain consistent and also encompass scope 3 emissions?
 - Respondents expressed ***majority support*** for the recommended additional reporting based on operational control, limited to scope 1 and scope 2 emissions.
 - **Scope 1 and 2 only: 11 of 18 respondents**
 - Scope 3 should also be included: 3 of 18 respondents
 - Abstain: 4 of 18
- The Secretariat posed an indicative poll and survey question asking: Should emissions under operational control but not under financial control be recommended as a separate disclosure, or included in the total inventory with disaggregated disclosure?
 - Respondents expressed ***split opinions***.
 - Separately reported: 10 of 18 respondents
 - Included and disaggregated within the inventory: 6 of 18
 - Abstain: 2 of 18
- The Secretariat posed an indicative poll and survey question asking: Do you agree that the add-on reporting based on operational control should cover both entities and assets?
 - Respondents expressed ***majority agreement*** for the recommended additional reporting based on operational control to cover both entities and assets.
 - **I agree: 14 of 19 respondents**
 - I disagree: 2 of 19
 - Abstain: 3 of 19
- The Secretariat posed an indicative poll and survey question asking: Do you support the proposed text edits (meeting presentation, slide 29) recommending reporting the outcomes of a screening assessment comparing entities and operations under financial control and operational control as part of the required rationale for not adopting the recommended consolidation approach?
 - Respondents expressed ***Majority agreement*** for recommending the outcomes of a screening assessment to be disclosed as part of a rationale for not applying the recommended consolidation approach..
 - **Yes, fully agree: 9 f 19 respondents**
 - **Yes, agree with minor edits: 5 of 19**
 - No, strongly disagree: 5 of 19
 - Abstain: 0 of 19

- The Secretariat posed an indicative poll and survey question asking: Should the current approach be revisited to provide flexibility for applying different consolidation approaches at different levels of the organization?
 - Respondents expressed **split opinions**.
 - Maintain current approach: 10 of 18 respondents
 - Revise current approach to provide subsidiary level flexibility: 5 of 18
 - Abstain: 3 of 18
- The Secretariat posed an indicative poll and survey question asking: Do you agree with the Subgroup 2 outcome that jurisdictional relief should not be included in the package?
 - Respondents expressed **majority agreement** for not providing jurisdictional relief for organizational boundary setting.
 - **Agree - Jurisdictional relief should not be provided: 13 of 18 respondents**
 - Disagree – Jurisdictional relief should be provided: 5 of 18
 - Abstain: 0 of 18

Full TWG Meeting 5: Follow-up survey results on Subgroup 2 topics

- The Secretariat invited all Corporate Standard TWG members to respond to Subgroup 2 indicative poll questions via a feedback survey after the meeting. This section reflects feedback survey responses. Written feedback was incorporated into the meeting slides.
- 45 responses were received, combining live meeting poll results and the feedback survey.
- The Secretariat posed a survey question related to item #3 of the proposed package on recommending additional disclosure of emissions under operational control but not under financial control, asking: What terminology would you recommend using to clarify the cases in which the additional recommended reporting based on operational control should apply?
 - Respondents expressed **split opinions**.
 - Fair and complete representation (inclusive term based on Subgroup 2 feedback): 25 of 45 respondents
 - Fair representation (term used in financial accounting): 4 of 45
 - Complete representation (based on Corporate Standard “Completeness” principle): 8 of 45
 - Other: 5 of 45 (suggesting relevant and complete representation)
 - Abstain: 1 of 45
- The Secretariat posed a survey question asking: Should item #3 (*emissions under operational control but not under financial control*) be recommended as a separate disclosure, or included in the total inventory with disaggregated disclosure?
 - Respondents expressed **split opinions**.
 - Separately reported: 17 of 45 respondents
 - Included and disaggregated within the inventory: 23 of 45
 - Abstain: 5 of 45
- The Secretariat posed a survey question asking: Do you support the Subgroup 2 outcome on recommending item #3 (separate add-on reporting based on operational control outside the financial control boundary) to be limited to scopes 1 and 2 only?
 - Respondents expressed **majority support** for the recommended additional reporting based on operational control to cover only scope 1 and scope 2 emissions.
 - **Support (only scope 1 and 2 emissions): 30 of 45 respondents**
 - Oppose (include all scopes 1,2 and 3): 13 of 45
 - Abstain: 2 of 45

- The Secretariat posed a survey question related to item #5 of the proposed package asking: Do you support the Subgroup 2 outcome on recommending companies to disclose the outcomes of their screening assessment comparing their organizational boundaries under financial and operational control as part of justifying their applied approach (if different from the recommended approach)?
 - Respondents expressed **majority agreement** with the Subgroup 2 outcome on recommending companies to disclose the outcomes of their screening assessment comparing their organizational boundaries under financial control and operational control as part of their rationale for not adopting the recommended consolidation approach.
 - **Yes, fully support recommending disclosure of screening assessment outcomes: 35 of 45 respondents**
 - **Yes, support recommending disclosure of screening assessment outcomes - with minor edits: 5 of 45**
 - Oppose (don't recommend disclosure of screening assessment outcomes): 5 of 45
 - Abstain: 0 of 45
- The Secretariat posed a survey question asking: Should the current approach be revisited to provide flexibility for applying different consolidation approaches at different levels (i.e., parent and subsidiary levels) of the organization?
 - Respondents expressed **majority agreement** for maintaining the current approach and requiring the same consolidation approach to be applied at all levels of the organization.
 - Maintain current approach: 36 of 45 respondents
 - Revise current approach to provide flexibility for application of different consolidation approaches at different levels of the organization: 7 of 45
 - Abstain: 2 of 45