



Corporate Standard Technical Working Group

Subgroup 1, Meeting #12

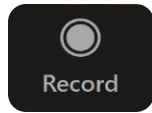
GHG Protocol Secretariat team:

Iain Hunt, Hande Baybar, Allison Leach

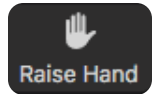
March 17th, 2026



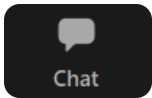
Meeting information



This meeting is **recorded**.



Please use the **Raise Hand** function to speak during the call.



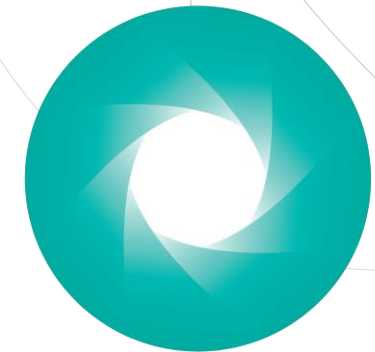
You can also use the **Chat** function in the main control.



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

Agenda

- Introduction and housekeeping 10 minutes
- Review phase 2 progress to date 10 minutes
- Timing of base year recalculations 30 minutes
- Reporting requirements 30 minutes
- GHG targets (introduction) 30 minutes
- Wrap up and next steps 10 minutes

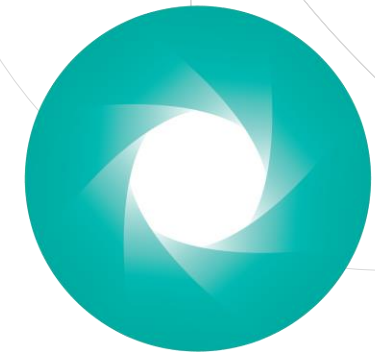


GREENHOUSE GAS PROTOCOL



Agenda

- **Introduction and housekeeping** **10 minutes**
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Housekeeping: Guidelines and procedures

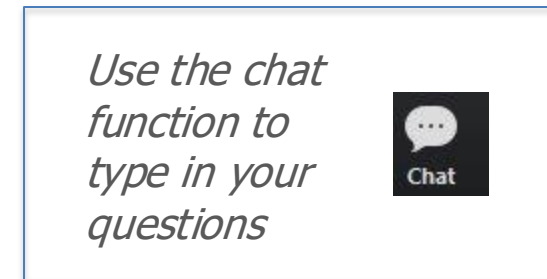
- We want to make **TWG meetings a safe space** – our discussions should be open, honest, challenging status quo, and ‘think out of the box’ in order to get to the best possible results for GHG Protocol
- Always **be respectful**, despite controversial discussions on content
- TWG members should **not 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
- Please turn on your video
- Please include your full name and company/organization in your Zoom display name



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.***

UPDATE: Recordings will be available upon request only. Please email iain.hunt@wri.org to request the recording.

Overview of ISO-GHGP Partnership



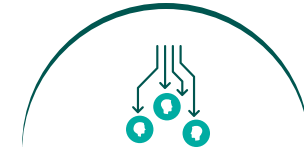
Context

ISO and GHG Protocol **join forces to meet global demand** for consistent and comparable GHG accounting



Objectives

- **Deliver co-branded standards** for GHG measurement and reporting
- **Establish a common global language** for GHG accounting
- **Reduce fragmentation**, simplify compliance, and support decarbonization



Scope of work

Three levels:

- **Corporate,**
- **Project and**
- **Product**

Deep dive into scope of work and mode of collaboration



Scope	GHG Protocol Standards	ISO Standards	Collaboration mode
Corporate	<ul style="list-style-type: none"> Corporate Accounting and Reporting Standard Scope 2 Guidance Scope 3 Standard Actions and Market Instruments 	<ul style="list-style-type: none"> ISO 14064-1 ISO 14064-4 Guidance for the application of ISO 14064-1 	<p>Mode 1: GHG Protocol leads the standard development process; ISO may adopt it¹</p>
Project	<ul style="list-style-type: none"> GHG Protocol for Project Accounting 	<ul style="list-style-type: none"> ISO 14064-2 	<p>Mode 2: ISO leads the standard development process; GHG Protocol may adopt it¹</p>
Product	<ul style="list-style-type: none"> Product Life Cycle Accounting and Reporting Standard 	<ul style="list-style-type: none"> ISO 14067 	<p>Mode 3: GHG Protocol and ISO co-develop the standard via a Joint Working Group</p>

1. The adoption process aims to publish an existing document from an originating organization as a co-branded standard following adoption. The respective organization's governance structure shall assess the document's relevance to its work programme and its ability to effectively address a specific gap, thereby reducing the need for redundant development. In principle, the document should be adopted without modifications and be marked with the other organization's logo for publication.



ISO partnership update: ISO experts' roles and responsibilities

Role	No.	Responsibilities	TWG meeting participation
ISO Primary Experts	12 experts (3 experts per each TWG)	<ul style="list-style-type: none"> • Serve as ISO technical experts in the GHGP TWGs • Act collectively on behalf of ISO/TC 207/SC 7/WG 4 (In the absence of a WG 4 position, they may act in their individual capacity) 	Yes
ISO Supporting Experts	12 experts (3 experts per each TWG)	<ul style="list-style-type: none"> • Assist Primary Experts in reviewing materials and consolidating ISO technical inputs • Contribute to WG 4 internal review and drafting of consolidated comments • Serve in Primary Expert role in absence of Primary Expert 	No, except when they are covering for an absent Primary Expert
ISO WG4 Convenor and Project Leaders	3 (1 WG4 convener and 2 Project Leaders)	<ul style="list-style-type: none"> • Convene ISO/TC 207/SC 7/WG 4 • Coordinate and transmit ISO contributions into TWGs • Support alignment between ISO WG4 and GHGP TWG discussions • Contribute to WG 4 internal review and drafting of consolidated comments 	Yes, as Guest/Observer*
ISO Secretariat	1 or more	<ul style="list-style-type: none"> • Administers a TC or SC and ensures adherence to ISO procedures. • Oversees meeting logistics, document management, balloting, and communication with member bodies. • Plays a neutral, administrative role, supporting Convenors and Project Leaders 	No

* Nomenclature to be finalized pending updates to ToRs to better reflect ISO Partnership

Schedule of upcoming TWG meetings (subject to change)

Meeting type	Meeting #	Subgroup 1	Subgroup 2	Subgroup 3
Full TWG	5	January 20, 2026		
Subgroup	12	March 17, 2026	March 3, 2026	February 10, 2026
Subgroup	13	April 28, 2026	April 14, 2026	March 31, 2026
Subgroup	14	June 9, 2026	May 26, 2026	May 12, 2026
Full TWG	6	June 30, 2026 (review phase 2 outcomes)		
Full TWG	7	July 16, 2026 (review phase 2 outcomes)*		
Full TWG	8	July 28, 2026 (review phase 2 outcomes)		
Full TWG	9	September 1, 2026 (tentative, review of revisions)		
Full TWG	10	September, 24, 2026 (tentative, review of revisions)*		
Full TWG	11	October 13, 2026 (tentative, review of revisions)		
Full TWG	12	November 3, 2026 (tentative, review of revisions)		

Proposed topics for remaining Subgroup 1 meetings

#	Proposed topics
12	<ul style="list-style-type: none"> • Timing of base year recalculation • Reporting requirements • GHG targets, introduction
13	<ul style="list-style-type: none"> • GHG targets, concluded • Emissions intensity metrics
14	<ul style="list-style-type: none"> • Tie up loose ends • Review chapter 5 draft text

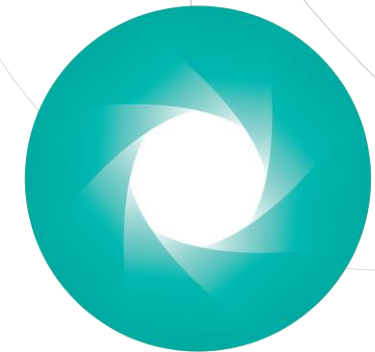
All meetings are scheduled for Tuesdays, with two exceptions indicated with an *, which will be held on Thursdays.

Today's objectives

1. Consider current Corporate Standard provisions on the **timing of base year recalculations** in situations when a structural change occurs in the middle of the year.
2. Review **reporting requirements** related to base year recalculations
3. Introduce the topic of **GHG targets** and consider how the topic should be addressed in the Corporate Standard.

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Subgroup 1, Phase 2: Tracking emissions over time

Relevant chapters: chapter 5 (Tracking Emissions Over Time), chapter 8 (Accounting for GHG Reductions), chapter 11 (Setting GHG targets)

SoW item	Description	Relevant Subgroup 1 meeting(s)
D.1	Updates to requirements and guidance for selecting a base year .	Meetings 6, 11
D.2	Updates to requirements and guidance for developing a base year recalculation policy and defining a significance threshold and related disclosure requirements.	Meetings 7, 11
D.3	Revisit optionality of reporting emissions for all years included in a GHG statement in addition to the base year to enable tracking of an emissions profile over time.	Meetings 9, 11
D.4	Integration and update of 2005 amendment " Base Year Recalculation Methodologies for Structural Changes " (Appendix E).	Meeting 12
D.5	Additional guidance for estimating base year emissions for acquired assets where records of emissions activities are limited or non-existent.	Meeting 10, 11
D.6	Revisit reporting requirements for base year recalculation including whether changes due to structural changes versus methodological changes should be reported separately.	Meeting 12
D.7	Requirements and guidance for tracking emissions intensity metrics over time .	Meetings 9, 13
D.8	Additional guidance on how to appropriately disclose the reason(s) for changes in emissions over time .	Meeting 12
D.9	Updates to target-setting guidance to bring up to date and facilitate interoperability with target setting programs (including SBTi).	Meetings 12, 13

Selecting a base year: Full TWG Meeting 5 survey results

Preliminary Subgroup 1 outcome	Full TWG poll results
Establish a requirement (“ <i>shall</i> ” statement) that a base year be representative of typical conditions or operations .	Support: 43 of 50 (86%) Oppose: 5 of 50 (10%) Abstain: 2 of 50 (4%)
Maintain option for companies to use a multi-year average to establish a base period in lieu of a single base year.	Support: 46 of 51 (90%) Oppose: 2 of 51 (4%) Abstain: 3 of 51 (6%)
TBD: Recommend (but do not require) that companies establish a single base year across scopes (status quo as currently specified in Scope 3 Standard)	Support: 41 of 50 (82%) Oppose: 5 of 50 (10%) Abstain: 4 of 50 (8%)

Summary of member comments from feedback survey:

- **Base year representativeness:**
 - Requirement challenging to implement due to challenges in defining “typical” conditions.
 - Representativeness can be affected by structural changes.
 - There is never a perfect year to use as base year.
 - Need to define criteria for representativeness.
 - Need to define how representativeness is prioritized versus other criteria (e.g., choosing earliest year with verifiable data)
- **Use of multi-year averages:**
 - In some instances, multi-year averages are more representative than a single year.
- **Base years by scope:**
 - Should be required rather than recommended to provide a comprehensive inventory for a single base year.
- **Other comments:**
 - A base year should only be required when a company has targets, and should be rather defined as a recommendation.
 - Recommendation to choose earliest year with verifiable data should be emphasized.

Base year recalculation policy: Full TWG Meeting 5 survey results

Preliminary Subgroup 1 outcome	Full TWG poll results
A requirement to establish a significance threshold should specify that the threshold be quantitative (rather than allowing for a qualitative and/or qualitative threshold).	Support: 36 of 51 (71%) Oppose: 11 of 51 (22%) Abstain: 4 of 51 (8%)
Significance thresholds should apply separately across each emissions scope .	Support: 34 of 51 (67%) Oppose: 11 of 51 (22%) Abstain: 6 of 51 (12%)
A single significance threshold should apply cumulatively across all types of events triggering a base year recalculation.	Support: 35 of 51 (69%) Oppose: 10 of 51 (20%) Abstain: 6 of 51 (12%)
A prescriptive quantitative significance threshold should be defined as a recommendation ("should" statement).	Support: 38 of 50 (76%) Oppose: 6 of 50 (12%) Abstain: 6 of 50 (12%)

Summary of member comments from feedback survey:

- **Requirement to establish a quantitative significance threshold:**
 - Use of quantitative threshold alone may result in not accounting for qualitatively significant events.
- **Application of significance thresholds by scope:**
 - Concerns with applying separate thresholds by scope in instances when emissions from a given scope are low (e.g., <5%)
- **Application of significance thresholds by type of event:**
 - Need to clarify application of a significance threshold cumulatively across several small events over multiple years.
 - Generally distinguishing between structural versus methodological changes should be further considered, in part because financial reporting frameworks treat these differently.
- **Recommended quantitative significance threshold:**
 - A prescriptive quantitative significance threshold should be a requirement, to ensure consistent reporting.
 - Support for 5% as a threshold level.
 - Stakeholders are looking for GHG P to define quantitative thresholds.
 - Defining significance should be left to reporting companies based on their own circumstances.
 - Setting a prescriptive threshold promotes a "check-the-box" mentality, relieving management of the responsibility to evaluate materiality.
- **General comments:**
 - Care should be taken to avoid introducing unnecessary complexity or overly prescriptive requirements that might divert resources from emissions reduction efforts.

Emissions profile over time: Full TWG Meeting 5 survey results

Preliminary Subgroup 1 outcome	Full TWG poll results
Define a recommendation that companies report recalculated emissions for recent years (e.g., last 1-3 years)	Support: 37 of 50 (74%) Oppose: 11 of 50 (22%) Abstain: 2 of 50 (4%)
Define a recommendation that companies report recalculated emissions for other years relevant to reporting objectives	Support: 37 of 50 (74%) Oppose: 11 of 50 (22%) Abstain: 2 of 50 (4%)
Define a recommendation that companies report original/historical emissions (i.e., without recalculation) for prior years relevant to reporting objectives	Support: 31 of 50 (62%) Oppose: 15 of 50 (30%) Abstain: 4 of 50 (8%)
Define a recommendation that companies report information related to a target-relevant time series (e.g., recalculated emissions for target base year) if relevant (i.e., if a company has active targets)	Support: 45 of 50 (90%) Oppose: 3 of 50 (6%) Abstain: 2 of 50 (4%)

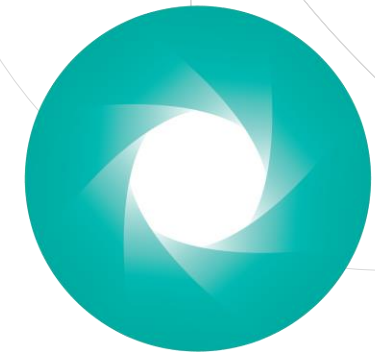
Summary of member comments from feedback survey:

- **Recalculated time series:**
 - Companies should have optionality on other years to recalculate/report, and jurisdictions may provide more prescriptive requirements.
 - Framing as recommendations provides an appropriate balance between promoting comparability and providing flexibility.
 - Examples should be provided of other years that may be relevant to report for different reporting objectives.
- **Original/historical time series:**
 - Reporting original/historical emissions alongside recalculated emissions can enhance transparency.
 - Presenting two different time series may cause confusion and may muddle the concept of time series consistency.
 - Originally reported emissions should already be available in prior years' reports (hence unnecessary to report again).
 - Following significant structural changes, originally reported emissions is no longer relevant information.
- **General comments:**
 - All specifications considered here should be "may" rather than "should" statements (concerns about increasing the reporting burden for the provision of information with limited value).
 - Target-relevance should be the only driver for recalculation, i.e., only emissions for a target base year should require recalculation

See appendix for slides with complete polling results from Subgroup 1 and the Full TWG on Subgroup 1 phase 2 topics.

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Timing of base year recalculation: current GHG Protocol provisions

Context: Situations when a structural change occurs in the middle of a year.

All-year option

- The Corporate Standard (chapter 5) **recommends** that companies:
 - Recalculate emissions **in the year a structural change occurs**
 - Recalculate emissions **for the entire year** rather than just the remainder of the year after the structural change takes place



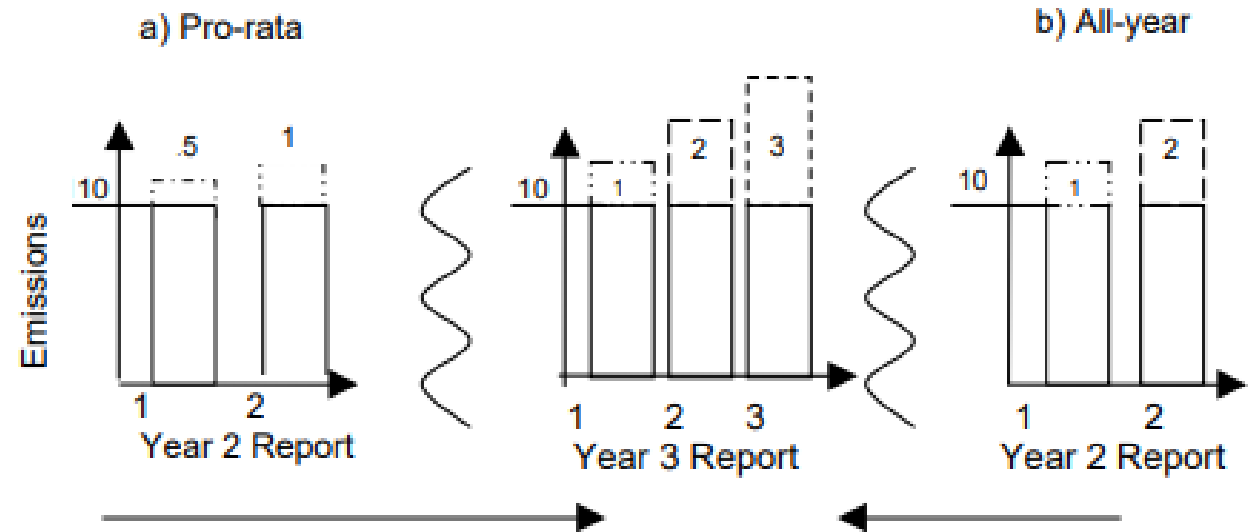
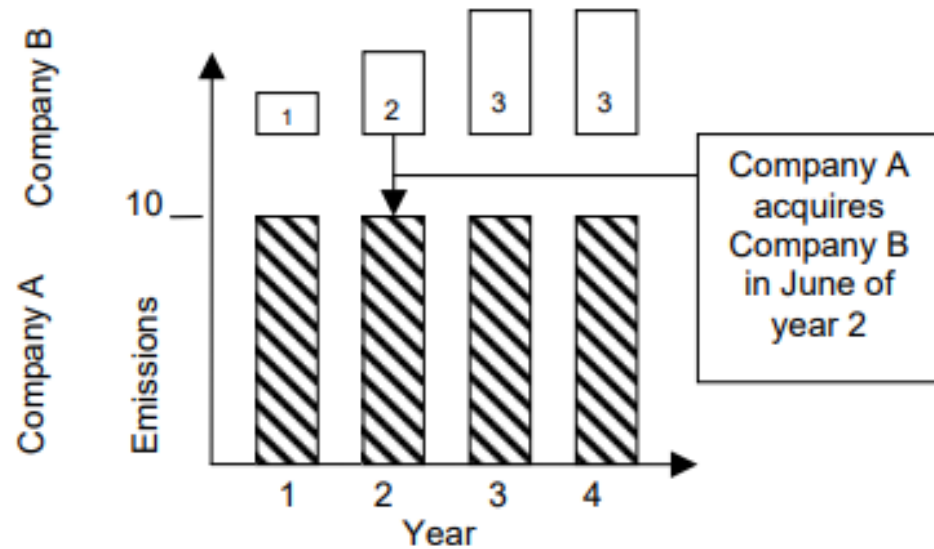
*"When significant structural changes occur during the middle of the year, the base year emissions **should** be recalculated for the entire year, rather than only for the remainder of the reporting period after the structural change occurred. This avoids having to recalculate base year emissions again in the succeeding year. Similarly, current year emissions **should** be recalculated for the entire year to maintain consistency with the base year recalculation. If it is not possible to make a recalculation in the year of the structural change (e.g., due to lack of data for an acquired company), the recalculation **may** be carried out in the following year."* (Chapter 5, pp.37-38)

Pro-rata option

- **Rationale** for recalculating for the entire year: Avoid having to recalculate emissions again in the subsequent year
- Corporate Standard **Appendix E** introduces the "**pro-rata**" option as an alternative to the "all year" option



"In contrast, the pro-rata option operates on a step-by-step basis. After making the first recalculation, the inventory excludes a portion of the acquired or divested facility in at least the base and current year's inventories, until the full recalculation is made in the following year." ([Appendix E](#), p.2)



Example: Pro-rata versus all-year option

- Company A's base year is year 1
- Company A makes a mid-year acquisition of Company B in year 2

	Year 1 (Base year)	Year 2	Year 3	Year 4
Company A's emissions (boundaries as in year 1)	10	10	10	10
Company B's emissions (boundaries as in year 1)	1	2	3	3
Pro-rata approach				
Company A's year 2 report	10.5	11		
Company A's year 3 report	11	12	13	
All-year approach				
Company A's year 2 report	11	12		
Company A's year 3 report	11	12	13	

Timing of base year recalculation: external program context

- **External program specifications:**

- **None** of the relevant standards/frameworks from external programs¹ reviewed **include any specifications on the timing of restating/recalculating base year/baseline information** when structural changes occur in the middle of the year

- **Financial reporting:**

- Assets and liabilities are **recognized/derecognized from the date of acquisition/divestment**²
- While restatement for structural changes is not practiced in financial accounting, recalculating *current* year emissions for the *whole* year using the “all year” option would result in **inconsistencies** between boundaries for emissions information and financial information.

1. Includes ISO 14064-1:2018, IFRS (S1 and S2), ESRS (1, 2, E1 – December 2023 delegate act annexes and November 2025 drafts), SBTi Corporate Net Zero Standard (v.1.3 and v.2.0 Second Consultation Draft), GRI 102: Climate Change 2025)
2. Example: “Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee.” ([IFRS 10 Consolidated Financial Statements](#), paragraph 20)

Timing of base year recalculation: discussion and polls



Discussion:

Do you agree with maintaining current Corporate Standard provisions related to the timing of base year recalculations for structural changes?

How should provisions be updated?

Poll #1:

Do you support maintaining the following Corporate Standard provisions related to the timing of base year recalculations for structural changes?



(1.1) Recommend recalculation be performed in the year that a structural change occurs (*should* statement)

(1.2) Allow recalculation to be performed in the next year after a structural change (*may* statement)

(1.3) Recommend that recalculation apply to the entire year (rather than the remainder of the year after the structural change occurred), “all-year” option (*should* statement)

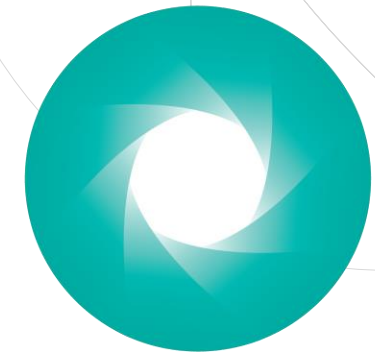
(1.4) Allow recalculation for only the portion of the year after a structural change in the year of the change, with the full recalculation taking place in the following year, “pro-rata” option (*may* statement)

Options:

- a. Fully support
- b. Support with minor edits
- c. Oppose
- d. Abstain

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Tracking emissions over time: Reporting requirements across GHG Protocol Standards

Draft for TWG discussion

Reporting element	Corporate Standard (2004) Required information on emissions and performance (ch.9), unless otherwise specified	Scope 3 Standard (2013) Required information (ch.11)	Land Sector and Removals Standard (2025) <i>"The company shall disclose the following information to track emissions over time:"</i> (ch.17)
Base year and rationale	<i>"Year chosen as base year" "Companies shall choose and report a base year... and specify their reasons for choosing that particular year"</i> (ch.5)	<i>"The year chosen as the scope 3 base year; the rationale for choosing the base year"</i>	"Base year or period and rationale: <i>The selected base year or period and the rationale for choosing the base year or period."</i>
Base year emissions/profile over time	<i>"An emissions profile over time that is consistent with and clarifies the chosen policy for making base year recalculations"</i>	<i>"Scope 3 emissions by category in the base year, consistent with the base year recalculation policy"</i>	"Profiles for emissions, removals, and other metrics over time: <i>A profile of all metrics reported across all scopes and scope 3 categories that is also consistent with the base year or period recalculations policy."</i>
Base year recalculation policy	Chapter 5 states that <i>"companies shall develop a base year recalculation policy, and clearly articulate the basis and context for any recalculations"</i> but does not specify a reporting requirement.	<i>"The base year recalculation policy"</i>	"Base year recalculation policy: <i>A policy including the significance threshold for methodological changes and structural changes to the reporting company that triggers base year recalculations."</i> New in LSR Standard
Recalculation details	No reporting requirement specified.	No reporting requirement specified.	"Other recalculations: <i>Any recalculations of base year/period levels, including the rationale for recalculation and which assumptions and values were changed, with a comparison of updated values to original values."</i>
Context for emissions changes	<i>"Appropriate context for any significant emissions changes that trigger base year emissions recalculation (acquisitions/ divestitures, outsourcing/insourcing, changes in reporting boundaries or calculation methodologies, etc.)."*</i>	<i>"Appropriate context for any significant emissions changes that triggered base year recalculations"</i>	"Context for emissions changes: <i>Appropriate context for any significant emissions changes that triggered base year emissions recalculation (acquisitions/divestitures, outsourcing/insourcing, changes in reporting boundaries or calculation methodologies, etc.)."</i>

* The Corporate Standard (ch.9) also specifies the following as optional reporting: *"Information on the causes of emissions changes that did not trigger a base year recalculation (e.g., process changes, efficiency improvements, plant closures)"*

Reporting requirements from relevant external standards/programs

 <p>ISO ISO 14064-1: 2018, 9.3.1</p>	 <p>SBTi Corporate Net Zero Standard v.2 second consultation draft</p>	 <p>IFRS IFRS S1 General Requirements</p>	 <p>ESRS ESRS 1 General Requirements</p>	 <p>GRI GRI 102: Climate Change 2025, 102-5-d/102-6-d/102-7-d</p>
<p><i>GHG report content shall include the following...</i></p> <ul style="list-style-type: none"> <i>k) The historical base-year selected and the base-year inventory</i> <i>l) explanation of any change to the base year or other historical GHG data or categorization and any recalculation of the base year or other historical GHG inventory, and documentation of any limitations to comparability resulting from such recalculation</i> <i>n) explanation of any change to quantification approaches previously used</i> 	<p>Mandatory reporting content (Annex B):</p> <ul style="list-style-type: none"> CNZS-C8 Base year information <ul style="list-style-type: none"> Target base year period GHG inventory for the target base year CNZS-C31 Base year recalculation <ul style="list-style-type: none"> Updated base year inventory Reason(s) for recalculation 	<p>¶151 <i>For each target, the entity shall disclose:</i></p> <ul style="list-style-type: none"> <i>(d) the base period from which progress is measured;</i> <i>(g) any revisions to the target and an explanation for those revisions.</i> <p>Note: ¶170 requires disclosure of “comparative information in respect of the preceding period for all amounts disclosed in the reporting period”, with Appendix B (¶B49-¶B55) providing disclosure requirements related to the revision of comparative information.</p>	<p>6.1 Reporting period and base year 79 (76)* <i>The undertaking shall present comparative information in respect of the base year for metrics reported in the current period when reporting progress towards a target unless the relevant [disclosure requirement] specifically requires otherwise.</i></p> <p>*¶179 in November 2025 Draft, ¶176 in 2023 Delegated Act Annex I</p>	<p><i>The organization shall... report the base year for the calculation, including:</i></p> <ol style="list-style-type: none"> <i>The rationale for choosing it</i> <i>Base year emissions in metric tons of CO₂ equivalent separately for gross Scope [1/2/3] GHG emissions and biogenic CO₂ emissions</i> <i>the context for any significant changes in emissions that triggered recalculations of base year emissions</i> <i>the previously reported base year emissions, if base year emissions are recalculated</i>

Key message: External standards reviewed do not entail disclosure requirements that go beyond those defined in GHG Protocol Standards.

Example: Base year recalculation and reported information

Consider the following scenario:

Company X reported 1,000 tCO₂e in their base year.

Between the base year and the current reporting year, changes in actual emissions occurred:

- Organic growth of 10%
- Mitigation activities reducing emissions intensity by 20%

In the reporting year, methodological and structural changes also occurred:

- Data improvements, with resulting calculated emissions being 5% lower
- Divestment of subsidiary contributing 200 tCO₂e

Methodological and structural changes also prompted recalculation of base year emissions.

Note: Emissions for subsidiary were constant between base year and reporting year at 200 tCO₂e.

Base year emissions = 1,000 tCO₂e

Base year emissions = 1,000 tCO₂e
Organic growth: +100 tCO₂e

Reduction in emissions intensity: -220 tCO₂e
Reporting year emissions = 880 tCO₂e

Reporting year emissions = 880 tCO₂e
Data improvements: -44 tCO₂e

Divestment: -200 tCO₂e
Reporting year emissions (updated) = 636 tCO₂e

Base year emissions = 1,000 tCO₂e
Data improvements: -50 tCO₂e

Divestment: -200 tCO₂e
Base year emissions (recalculated) = 750 tCO₂e

Required information in Company X's GHG report

Reporting year emissions	636 tCO ₂ e
Base year emissions (recalculated)	750 tCO ₂ e

Qualitative disclosure on context of changes that triggered base year recalculation (i.e., data improvements, divestment)

Discussion:




Is the required reporting information above sufficient for stakeholders to evaluate changes in Company X's emissions?


Reporting requirements for tracking emissions over time: discussion and polls

Reporting requirements across GHG Protocol Standards: summary of key elements

<ul style="list-style-type: none"> • Base year [or period] chosen • Rationale for choosing the base year <p>Base year and rationale</p> 	<ul style="list-style-type: none"> • [Base year emissions/ emissions profile over time], consistent with the recalculation policy <p>Base year emissions</p> 	<ul style="list-style-type: none"> • Including significance thresholds for structural changes and methodological changes <p>Base year recalculation policy</p> 	<ul style="list-style-type: none"> • Recalculations of base year emissions • Rationale and what changed • Comparison to original values <p>Recalculation details (New in LSR Standard)</p> 	<ul style="list-style-type: none"> • Appropriate context for any significant emissions changes that triggered base year recalculation (e.g., structural changes) <p>Context for emissions changes</p> 
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Discussion: 

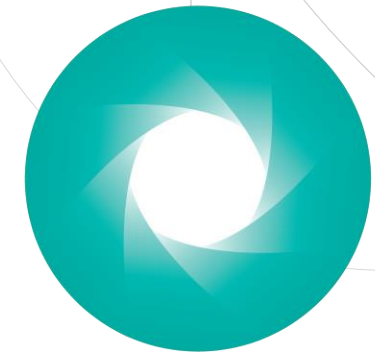
- Are current reporting requirements sufficient to enable users of GHG data to understand changes in a company's GHG inventory over a time series?
- What (if any) additional reporting elements should be considered?

Poll #2	Options 
<p>Do you support adopting a provision requiring reporting of additional details for base year recalculations (like that in the LSR Standard)?</p> <p><i>Companies shall disclose... Any recalculations of base year/period levels, including the rationale for recalculation and which assumptions and values were changed, with a comparison of updated values to original values.</i></p>	<ul style="list-style-type: none"> a. Fully support b. Support with minor edits c. Oppose d. Abstain

Note: The post-meeting feedback survey will include a question to gather further input on the discussion prompts above.

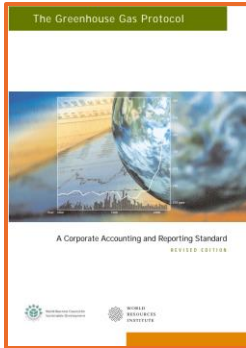
Agenda

- Introduction and housekeeping 10 minutes
- Review phase 2 progress to date 10 minutes
- Timing of base year recalculations 30 minutes
- Reporting requirements 30 minutes
- **GHG targets (introduction) 30 minutes**
- Wrap up and next steps 10 minutes



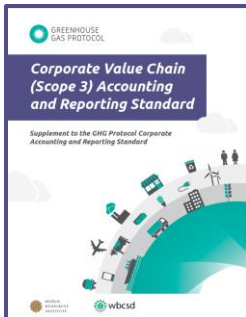
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GHG Targets: Current specifications in GHG Standards



Corporate Standard: Targets *optional*

- Chapter 11 provides guidance on GHG targets but does not specify any requirements or recommendations that companies set targets.
- *"Often, a corporate GHG emission reduction target is the logical follow-up to developing a GHG inventory."* (Chapter 11, p.74)
- *"Effective GHG management involves setting a GHG target."* (Chapter 11, p.75)



Scope 3 Standard: Targets *optional*

- *"Companies are **not required** to set a scope 3 reduction target, but **should consider** setting a target in the context of their business goals."* (Chapter 9, p.100)
- *"Companies **may** set a variety of scope 3 reduction goals including: [list of options for a single/separate targets across emissions scopes and categories]"* (Chapter 9, p.100)



Land Sector and Removals Standard: Targets *recommended*

- *"Companies **should** set targets for all relevant accounting categories in this Standard"* (Chapter 17, p.97)
- Chapter 17 provides conditional requirements/recommendations applicable if companies choose to set targets (detailed on following slide).

GHG Targets: Select requirements/recommendations from LSR Standard

Note: The below is a partial list of requirements/recommendations from the GHG Protocol Land Sector and Removals (LSR) Standard related to GHG targets, with some provisions related to LSR-specific accounting categories omitted. See LSR Standard chapter 17 (pp.94-97) for a complete list of provisions. The Corporate Standard TWG will only be considering provisions generalizable across the GHG inventory (i.e., those *not* related to LSR-specific accounting categories).

Accounting requirements

If companies choose to set target(s), they **shall** set separate targets as follows:

- Separate emissions and removals targets
- Separate product carbon storage targets
- Develop a reversals accounting policy (for removals policy)
- Adjust values for GHG credits sold

Reporting requirements

If companies choose to set targets, they **shall** disclose the following information for each of their selected target(s):

- Target boundary
- Target type
- Target base year, with justification
- Target commitment year
- Target level
- Progress in reaching the target

Recommendations

- Companies **should** set target levels aligned with the global need to reduce GHG emissions in line with 1.5°C pathways based on sector and product analyses.
- Companies **should** set targets with an overall objective of reducing total cumulative GHG emissions.
- Companies **should** set separate targets by scope.

GHG targets: specifications from relevant external programs

- **ISO 14064-1:2018** specifies GHG targets as **optional**:
 - 7.3 GHG emission reduction or removal enhancement targets: *"The organization **may** set targets to reduce GHG emissions"*
 - 7.3 also specifies **required disclosure information** if an organization reports a target and **criteria that should be considered** for target setting
- Relevant **reporting/disclosure standards** considered do **not** provide specifications on GHG targets, but **require the disclosure of information** related to targets:
 - **IFRS S2 Climate-related Disclosures**, ¶33: *"An entity shall disclose the quantitative and qualitative climate-related targets it has set ... including any greenhouse gas emissions targets"*
 - **ESRS E1 Climate Change Draft November 2025**, E1-6, ¶23 (34 amended) *"The undertaking shall disclose the GHG emission reduction targets it has set..."*
 - **GRI 102 Climate Change 2025**, 102-4-a: *"The organization shall report short-, medium- and long-term gross Scope 1, Scope 2, and Scope 3 GHG emissions reduction targets..."*

GHG Protocol decision-making criteria analysis (DRAFT): What provisions should the Corporate Standard provide on the setting of GHG targets?

Criterion	Require targets (<i>'shall'</i>)	Recommend targets (<i>'should'</i>)	Specify targets as optional (<i>'may'</i>)	Make <u>no specification</u> (i.e., be silent) on targets
Scientific integrity	N/A	N/A	N/A	N/A
GHG accounting and reporting principles	N/A	N/A	N/A	N/A
Support decision-making that drives ambitious global climate action	Promotes corporate targets as tool for facilitating ambitious global climate action (potentially to a greater degree than just defining a recommendation).	Promotes target setting as a best practice for facilitating ambitious global climate action.	References targets as tool for corporate climate action, but does not promote/encourage targets to the same extent as a recommendation would.	Does not promote ambitious global climate action.
Support programs based on GHG Protocol and uses of GHG data	GHG Protocol is not a target setting standard; requiring targets will necessitate establishing specific requirements on targets, which may lead to conflicts with program requirements and inhibit interoperability.	Helps promote participation in target setting programs. May necessitate specific requirements/recommendations on targets, with some potential of inhibiting interoperability.	Highlights targets as a use case for GHG inventory data, without posing interoperability risks.	No interoperability risks. Does not promote target setting as a use case or encourage participation in target setting programs.
Feasibility to implement	Requirement on topic that goes beyond accounting and reporting, significant implementation challenges may be anticipated.	Recommendation on topic that goes beyond accounting and reporting, some implementation challenges may be anticipated.	Status quo in Corporate Standard, no feasibility challenges anticipated.	No feasibility challenges anticipated.



Discussion: What are pros/cons of options above for defining provisions in the Corporate Standard on the setting of GHG targets?


GHG Targets: Discussion and polls



Discussion:

How should the topic of GHG targets be addressed in the Corporate Standard (noting that it is not a target-setting standard)?

What specifications (if any) should the Corporate Standard provide on GHG targets?

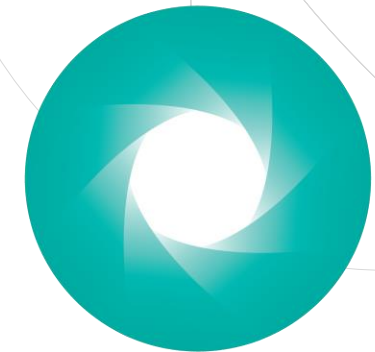
	
Poll #3	Options
<p>What specifications (if any) should the Corporate Standard provide on the setting of GHG targets?</p>	<ul style="list-style-type: none"> a. Require that companies set GHG targets (<i>shall</i> statement) b. Recommend that companies set GHG targets (<i>should</i> statement)¹ c. Specify the setting of GHG targets as optional (<i>may</i> statement)² d. Make no specification (i.e., be silent on the topic) e. Abstain

1. Targets specified as a *recommendation* in Land Sector and Removals Standard
2. Status quo in Corporate Standard and Scope 3 Standard

Contingent on the outcome of poll #3, more detailed provisions related to GHG targets will be considered in the next Subgroup 1 meeting.

Agenda

- Introduction and housekeeping 10 minutes
- Review phase 2 progress to date 10 minutes
- Timing of base year recalculations 30 minutes
- Reporting requirements 30 minutes
- GHG targets (introduction) 30 minutes
- **Wrap up and next steps 10 minutes**



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Next steps

Items to be shared by GHG Protocol Secretariat:

- Final slides and minutes from this meeting
- Recording available upon request
- Feedback survey

TWG member action items:

- Responses to feedback survey requested by **Friday, April 17th**

Next Subgroup 1 meeting

- **Tuesday, April 28th** (09:00-11:00 ET, 15:00-17:00 CET, 21:00-23:00 CHN)

Thank you!

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Appendix

Subgroup 1, Phase 2: Topics considered to date

Topic	Subtopics (topics to be discussed today in bold)	Relevant meetings
1. Selecting a base year	<ul style="list-style-type: none"> Inventory base year and target base year Rolling base year option Representativeness of base year Base period/use of multi-year averages Base year by emissions scope 	Meeting 6 Slides Minutes
2. Base year recalculation policy and significance thresholds	<ul style="list-style-type: none"> Requirement to establish a significance threshold Application of significance thresholds (by scope, types of events) Definition of a prescriptive quantitative significance threshold 	Meeting 7 Slides Minutes
3. Options for when data unavailable for base year recalculation	<ul style="list-style-type: none"> Methods for proxy estimation of base year emissions Options for when data unavailable (proxy estimation, disclosure of no base year recalculation, reestablishing the base year) 	Meeting 9 Slides Minutes
4. Emissions profile over time	<ul style="list-style-type: none"> Recalculated time series Original/historical time series (without recalculation) Target-relevant time series Emissions intensity time series 	Meeting 10 Slides Minutes
<i>Follow up on topics addressed above</i>		Meeting 11 Slides Minutes

Selecting a base year: Preliminary Subgroup 1 outcomes and poll results

Topic	Preliminary Subgroup 1 outcome	Subgroup 1 poll results	Full TWG poll results
Inventory base year and target base year	The Corporate Standard should distinguish between an inventory base year and a target base year	Support: 9 of 11 (82%) Oppose: 0 of 11 (0%) Abstain: 2 of 11 (18%)	
	Companies that have a base year established for GHG reduction targets should have the option to use the same year for their inventory base year or choose a different year	Support: 9 of 11 (82%) Oppose: 1 of 11 (9%) Abstain: 1 of 11 (9%)	Support: 45 of 47 (96%) Oppose: 1 of 47 (2%) Abstain: 1 of 47 (2%)
	Update guidance to specify that companies may choose earliest year with verifiable data or target base year as inventory base year	Support: 7 of 11 (64%) Oppose: 3 of 11 (27%) Abstain: 1 of 11 (9%)	
Rolling base year option	Eliminate the rolling base year option as currently defined in the Corporate Standard.	Support: 10 of 11 (91%) Oppose: 0 of 11 (0%) Abstain: 1 of 11 (9%)	Support: 41 of 47 (87%) Oppose: 2 of 47 (4%) Abstain: 4 of 47 (9%)
Representativeness of base year	Establish a requirement (" <i>shall</i> " statement) that a base year be representative of typical conditions or operations .	Requirement: 12 of 18 (67%) Recommendation: 6 of 18 (33%) Abstain: 0 of 18 (0%)	Support: 43 of 50 (86%) Oppose: 5 of 50 (10%) Abstain: 2 of 50 (4%)
Base period/multi-year averages	Maintain option for companies to use a multi-year average to establish a base period in lieu of a single base year.	Support: 13 of 18 (72%) Oppose: 3 of 18 (17%) Abstain: 2 of 18 (11%)	Support: 46 of 51 (90%) Oppose: 2 of 51 (4%) Abstain: 3 of 51 (6%)
Base year by emissions scope	TBD: Recommend (but do not require) that companies establish a single base year across scopes (status quo as currently specified in Scope 3 Standard)	Recommendation (status quo): 10 of 18 (56%) Requirement: 7 of 18 (39%) Optional: 1 of 18 (6%) Abstain: 0 of 18 (0%)	Support: 41 of 50 (82%) Oppose: 5 of 50 (10%) Abstain: 4 of 50 (8%)

 New poll results from Full TWG meeting 5.

Base year recalculation policy and significance thresholds: Preliminary Subgroup 1 outcomes and poll results

Topic	Preliminary Subgroup 1 outcome	Subgroup 1 poll results	Full TWG poll results
Significance threshold requirement	Require companies to establish a significance threshold as part of their base year recalculation policy.	Support: 10 of 12 (83%) Oppose: 1 of 12 (8%) Abstain: 1 of 12 (8%)	Support: 43 of 47 (91%) Oppose: 3 of 47 (6%) Abstain: 1 of 47 (2%)
	A requirement to establish a significance threshold should specify that the threshold be quantitative (rather than allowing for a qualitative and/or qualitative threshold).	Specify quantitative: 13 of 18 (72%) Allow for qualitative and/or quantitative: 5 of 18 (28%) Abstain: 0 of 18 (0%)	Support: 36 of 51 (71%) Oppose: 11 of 51 (22%) Abstain: 4 of 51 (8%)
Application of significance thresholds	Significance thresholds should apply separately across each emissions scope .	Support: 9 of 12 (75%) Oppose: 1 oppose (8%) Abstain: 2 of 12 (17%)	Support: 34 of 51 (67%) Oppose: 11 of 51 (22%) Abstain: 6 of 51 (12%)
	A single significance threshold should apply cumulatively across all types of events triggering a base year recalculation.	Support: 11 of 12 (92%) Oppose: 0 of 12 (0%) Abstain: 1 of 12 (8%)	Support: 35 of 51 (69%) Oppose: 10 of 51 (20%) Abstain: 6 of 51 (12%)
Prescriptive quantitative significance threshold	The Corporate Standard should define a prescriptive quantitative significance threshold for base year recalculation.	Support: 8 of 11 (73%) Oppose: 2 of 11 (18%) Abstain: 1 of 11 (9%)	Support: 40 of 47 (85%) Oppose: 7 of 47 (15%) Abstain: 0 of 47 (2%)
	A prescriptive quantitative significance threshold should be defined as a recommendation ("should" statement).	Support: 13 of 18 (72%) Oppose: 2 of 18 (11%) Abstain: 3 of 18 (17%)	Support: 38 of 50 (76%) Oppose: 6 of 50 (12%) Abstain: 6 of 50 (12%)
	A prescriptive quantitative significance threshold of 5% should be defined separately for each emissions scope .	<i>Scope 1 and 2:</i> Support: 8 of 12 (67%) Oppose: 1 of 12 (8%) Abstain: 3 of 12 (25%)	<i>Scope 3:</i> Support: 8 of 12 (67%) Oppose: 0 of 12 (0%) Abstain: 4 of 12 (33%)

 New poll results from Full TWG meeting 5.

Options for when data unavailable for base year recalculation: Preliminary Subgroup 1 outcomes and poll results

Draft for TWG discussion

Topic	Preliminary Subgroup 1 outcome	Subgroup 1 poll results	
Proxy estimation methods for base year emissions	Use of historical activity data and scaling based on proxy data should be specified as suitable methods for estimating base year emissions (with split opinions on other methods considered).	<i>Historical activity data:</i> Support: 15 of 15 (100%) Oppose: 0 of 0 (0%) Abstain: 0 of 0 (0%)	<i>Scaling based on proxy data:</i> Support: 10 of 15 (67%) Oppose: 5 of 15 (33%) Abstain: 0 of 15 (0%)
	TBD: Whether establishing a reliable GHG inventory for recent year(s) and the scaling based on proxy data (e.g., revenue) should be specified as the preferred method for estimating base year emissions (in the absence of historical emissions or activity data).	<i>For structural changes:</i> Support: 10 of 17 (59%) Oppose: 7 of 17 (41%) Abstain: 0 of 17 (0%)	<i>For other base year recalculation events:</i> Support: 9 of 17 (53%) Oppose: 8 of 17 (47%) Abstain: 0 of 17 (0%)
Application of proxy estimation methods as preferred option	Proxy estimation methods should be the preferred option (as opposed to reestablishing the base year or disclosure of no base year recalculation).	<i>For structural changes:</i> Support: 13 of 15 (87%) Oppose: 2 of 15 (13%) Abstain: 0 of 15 (0%)	<i>For other base year recalculation events:</i> Support: 11 of 15 (73%) Oppose: 1 of 15 (7%) Abstain: 3 of 15 (20%)
	Specification of proxy estimation methods as preferred option for situations when data is unavailable for base year recalculation should be defined as a recommendation ("should" statement).	Requirement: ("shall" statement): 4 of 17 (24%) Recommendation ("should" statement): 11 of 17 (71%) Abstain: 1 of 17 (6%)	
Disclosure of no base year recalculation as an option	TBD: Whether and in what situations is disclosure of no base year recalculation an appropriate option.	<i>For structural changes:</i> Support: 5 of 15 (33%) Oppose: 8 of 15 (53%) Abstain: 2 of 15 (13%)	<i>For other base year recalculation events:</i> Support: 4 of 15 (27%) Oppose: 7 of 15 (47%) Abstain: 4 of 15 (27%)
Reestablishing the base year as an option	Reestablishing the base year should be an available option in the case of structural changes (with split opinions in the case of other events triggering a base year recalculation events).	<i>For structural changes:</i> Support: 9 of 15 (60%) Oppose: 3 of 15 (20%) Abstain: 3 of 15 (20%)	<i>For other base year recalculation events:</i> Support: 7 of 15 (47%) Oppose: 4 of 15 (27%) Abstain: 4 of 15 (27%)
Decision tree	General agreement with draft decision tree of options for when data unavailable for base year recalculation	Fully agree: 3 of 15 (20%) Agree with minor edits: 10 of 15 (67%) Disagree: 1 of 15 (7%) Abstain: 1 of 15 (7%)	

These topics were not discussed during Full TWG meeting 5 due to time constraints.

Emissions profile over time: Preliminary Subgroup 1 outcomes and poll results

Topic	Preliminary Subgroup 1 outcome	Subgroup 1 poll results	Full TWG poll results
Recalculated time series	Requirements/recommendations related to the recalculated inventory time series should be maintained or made more stringent .	Maintain status quo: 7 of 17 (41%) Make more stringent: 8 of 17 (47%) Make less stringent: 2 of 17 (12%) Abstain: 0 of 17 (0%)	
	Define a recommendation that companies report recalculated emissions for recent years (e.g., last 1-3 years)	Support: 14 of 14 (100%) Oppose: 0 of 14 (0%) Abstain: 0 of 14 (0%)	Support: 37 of 50 (74%) Oppose: 11 of 50 (22%) Abstain: 2 of 50 (4%)
	Define a recommendation that companies report recalculated emissions for other years relevant to reporting objectives	Support: 12 of 15 (80%) Oppose: 1 of 15 (7%) Abstain: 2 of 15 (13%)	Support: 37 of 50 (74%) Oppose: 11 of 50 (22%) Abstain: 2 of 50 (4%)
Original/historical time series (without recalculation)	Define a recommendation that companies report original/historical emissions (i.e., without recalculation) for prior years relevant to reporting objectives	Support: 13 of 16 (81%) Oppose: 3 of 16 (19%) Abstain: 0 of 16 (0%)	Support: 31 of 50 (62%) Oppose: 15 of 50 (30%) Abstain: 4 of 50 (8%)
Target-relevant time series	Define a recommendation that companies report information related to a target-relevant time series (e.g., recalculated emissions for target base year) if relevant (i.e., if a company has active targets)	Support: 13 of 14 (93%) Oppose: 1 of 14 (7%) Abstain: 0 of 14 (0%)	Support: 45 of 50 (90%) Oppose: 3 of 50 (6%) Abstain: 2 of 50 (4%)
Emissions intensity time series	TBD: Whether to maintain status quo of optional reporting of emissions intensity metrics (<i>Note: emissions intensity metrics will be addressed further in a future Subgroup 1 meeting</i>)	Required reporting: 4 of 17 (24%) Recommend reporting: 4 of 17 (24%) Optional reporting (status quo): 9 of 17 (53%)	



New poll results from Full TWG meeting 5.