



Corporate Standard Technical Working Group

Subgroup 2, Meeting #13

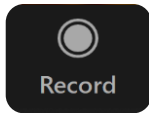
GHG Protocol Secretariat team:

Hande Baybar, Iain Hunt, Allison Leach

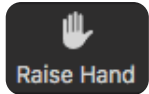
April 14th, 2026



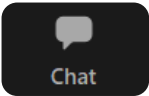
Meeting information



This meeting is **recorded**.



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



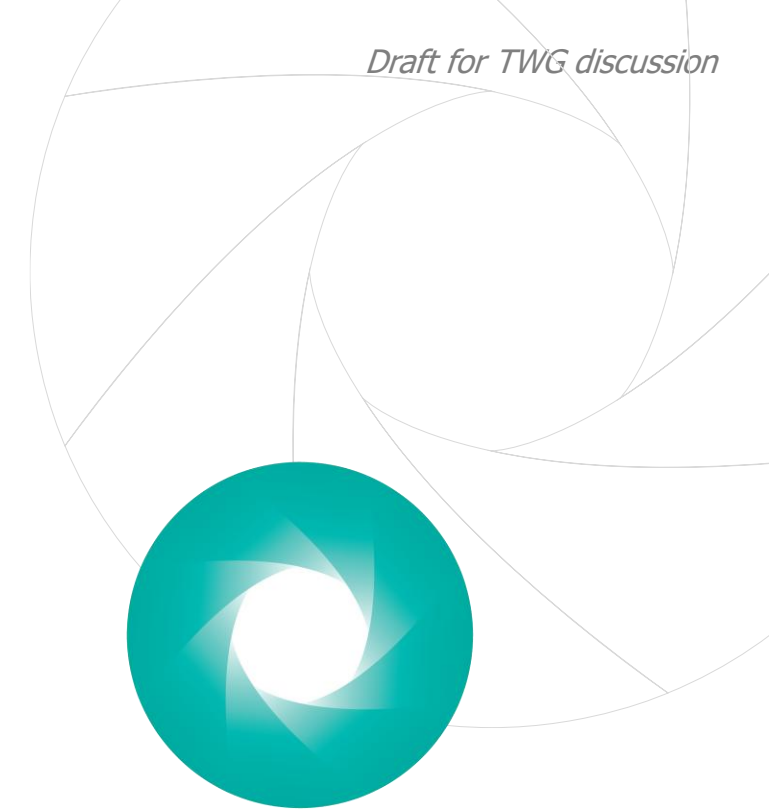
You can also use the **Chat** function in the main control.



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

Agenda

Introduction and housekeeping	10 minutes
Introduction to Phase 2: Verification and assurance	45 minutes
Meeting 12 follow-up: Revisions to package for setting organizational boundaries	25 minutes
Leased assets task force update	30 minutes
Wrap-up and next steps	10 minutes



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Housekeeping: Guidelines and procedures

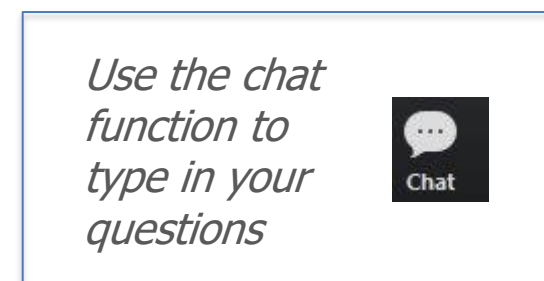
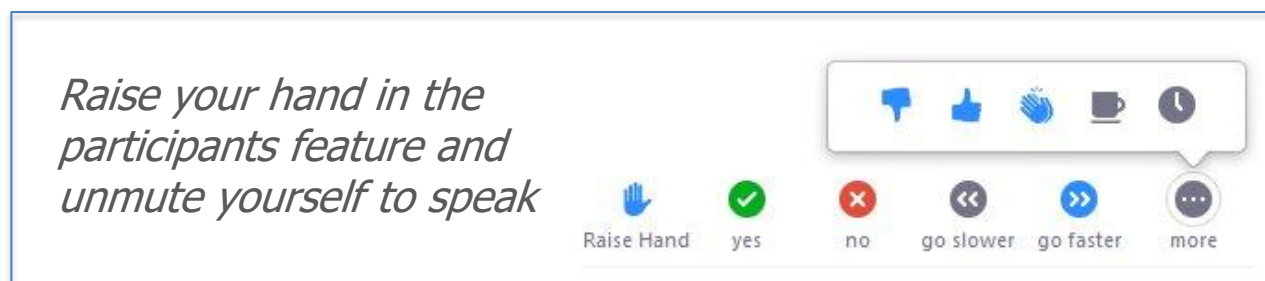
- We want to make **TWG meetings a safe space** – our discussions should be open, honest, challenging status quo, and ‘think out of the box’ in order to get to the best possible results for GHG Protocol
- Always **be respectful**, despite controversial discussions on content
- TWG members should **not 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 baybar@wbcsd.org to request the recording.

GHG Protocol Decision-Making Criteria



Note: This is a summary version. For further details, refer to the full decision-making criteria included in the annex to the Governance Overview, available at <https://ghgprotocol.org/our-governance>.

Schedule of upcoming Subgroup 2 and Full TWG meetings (tentative)

Meeting type	#	Date	Time	Topics
Full TWG	5	January 20 th , 2026	Session 1: 08:00 ET / 14:00 CET / 21:00 CHN Session 2: 16:00 ET / 22:00 CET / 05:00 CHN	<ul style="list-style-type: none"> Review preliminary Subgroup 1 and 3 phase 2 outcomes Review preliminary Subgroup 2 phase 1 outcomes
Subgroup 2	12	March 3 rd , 2026	08:00 ET / 14:00 CET / 21:00 CHN	Continue package for consolidation; operational control
Subgroup 2	13	April 14 th , 2026	08:00 ET / 14:00 CET / 21:00 CHN	<ul style="list-style-type: none"> Introduce verification and assurance; continue phase 1 pending items
Subgroup 2	14	May 26 th , 2026	08:00 ET / 14:00 CET / 21:00 CHN	<ul style="list-style-type: none"> Continue verification and assurance; wrap up phase 1 discussion
Full TWG	6	June 30 th , 2026	Option 1: 08:00 ET / 14:00 CET / 20:00 CHN Option 2: 16:00 ET / 22:00 CET / 04:00 CHN	<ul style="list-style-type: none"> Review Subgroup 3 phase 2 outcomes (data and calculation methodology)
Full TWG	7	July 17 th , 2026 (Thursday)	Option 1: 08:00 ET / 14:00 CET / 20:00 CHN Option 2: 16:00 ET / 22:00 CET / 04:00 CHN	<ul style="list-style-type: none"> Review Subgroup 2 phase 2 outcomes (verification and assurance)
Full TWG	8	July 28 th , 2026	Option 1: 08:00 ET / 14:00 CET / 20:00 CHN Option 2: 16:00 ET / 22:00 CET / 04:00 CHN	<ul style="list-style-type: none"> Review Subgroup 1 phase 2 outcomes (tracking emissions over time)

Today's objectives

1. Introduction to Phase 2: **Verification and assurance**
2. Review and discuss **follow up survey results** from Subgroup 2 Meeting 12 on revisions to package for setting organizational boundaries
3. Brief update from **leased assets task force**



Agenda

Introduction and housekeeping	10 minutes
Introduction to Phase 2: Verification and assurance	45 minutes
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E. Verifications/assurance (Subgroup 2, Phase 2)

Relevant chapters: chapter 7 (Managing Inventory Quality) and chapter 10 (Verification of GHG Emissions)

- ➔ E.1. Consider introducing a **verification or assurance requirement** to the *Corporate Standard* (based on criteria such as scope coverage, level of assurance, frequency and phase-in period, and differentiation by company size or sector).
- E.2. Consider whether a **verification/assurance standard or guidance document for assurers** should be developed by the GHG Protocol.
- E.3. **Additional clarifications** in chapter 10 of the *Corporate Standard* including:
- Clearer distinctions between verification and assurance.
 - More detailed descriptions of what different levels of assurance (e.g., limited assurance, reasonable assurance) entail and related procedures performed by assurance provider.
 - Clarity regarding the concept of materiality and materiality thresholds.
 - How and when historical data should be reassured when there are structural and methodological changes.
- E.4. Additional **guidance related to data credibility and internal controls** to help companies prepare for assurance.
- E.5. Consider **reference to verification or assurance standards** in use that have been developed since the last revision of the *Corporate Standard*.
- E.6. Guidance related to **qualifications for third-party** verification or assurance **providers**.

➔ **We will focus on item E1 today**

Verification vs. assurance: High-level overview

Similarities

- **Shared objective: Increase confidence**
 - **Enhance credibility** of reported GHG information
 - **Provide confidence to users** on reported information
- **Outcome**
 - Third-party **opinion/statement** that the information is prepared in line with defined criteria and is **free from material misstatement**
- **Levels of assurance**
 - **Limited** assurance and **reasonable** assurance

Key differences

- **Process**
 - Assurance: More **principles-based** (*e.g., site visits determined by risk assessment*)
 - Verification: More **prescriptive** (*e.g., at least one site visit required*)
- **Competency of service providers**
 - Assurance: Regulation through **statutory licensing**, regulatory oversight and firm-wide quality control
 - Verification: Firm **accreditation** by National Accreditation Bodies

Verification* and assurance** aim for **similar credibility outcomes**, but **may differ** in overall **processes** and in **mechanisms** used to determine/manage service provider competency.

Please note that the framing focuses on third-party verification and assurance processes.

* Example standard: [ISO 14064-3:2019 Part 3](#): Specification with guidance for the verification and validation of greenhouse gas statements

** Example Standard: [International Standard on Sustainability Assurance 5000](#): General Requirements for Sustainability Engagements

Verification and assurance: Current GHG Protocol provisions/guidance

Standard	Corporate Standard (Chapter 10)	Scope 3 Standard (Chapter 10)	Land Sector and Removals Standard (Chapter 19)
Term used	Verification*	Assurance**	Assurance***
Verification/ Assurance coverage	Guidance only	Guidance only	Limited assurance recommendation
Reporting requirement	Optional/Recommended (when applicable)	Optional/Recommended (when applicable)	Required
Other recommend- ations	Conditional recommendations for companies choosing to obtain verification	Conditional recommendations for companies choosing to obtain assurance	Recommendations and options for GHG regulations and programs
Guidance	Types of verification (<i>internal and external</i>), materiality concept, verification process (<i>preparation, timing, selecting a verifier</i>)	Types of assurance (first-party vs. third party) levels of assurance (limited and reasonable), assurance concepts and process, assurance statement	<i>V2 publication planned for Q2 2026</i>

***Verification:** An objective assessment of the accuracy and completeness of reported GHG information and the conformity of this information to pre-established GHG accounting and reporting principles.

****Assurance:** The level of confidence that the inventory is complete, accurate, consistent, transparent, relevant, and without material misstatements.

*** LSR Standard uses a similar definition for the assurance process as the Scope 3 Standard definition

Cell indicates a deviation from the other standards

Verification and assurance: Land Sector and Removals Standard

Most recent GHG Protocol approach: LSR Standard

- Sets **disclosure requirement** including a **justification** if third-party assurance is not obtained
- Recommends **limited assurance** (at a minimum)
- Provides recommendation for **GHG regulators and programs**

19.2 Requirements

Reporting assurance

Companies **shall** disclose whether third-party assurance was performed, the level of assurance obtained, the relevant competencies of the assurance provider(s), and the opinion issued by the assurance provider. If the GHG report is not third-party assured, companies **shall** disclose and justify why third-party assurance was not obtained.

19.3 Recommendations

Assurance recommendation

Companies **should** seek third-party assurance of the GHG inventory against the *Corporate Standard* and *Scope 3 Standard*, including any land emissions, removals, and other required metrics reported in their GHG inventory against the *Land Sector and Removals Standard*. At a minimum, this **should** be a limited level of assurance.

Box 19.1 Assurance recommendation for GHG regulations and programs

The GHG Protocol provides a voluntary accounting and reporting standard, not a GHG program or regulation. GHG programs, regulators, or other initiatives that adopt the GHG Protocol's standards, including the *Land Sector and Removals Standard*, as a basis for corporate GHG inventory accounting and reporting **should** require third-party assurance of GHG inventories where relevant to meeting program objectives.

A GHG regulation or program **may** require assurance in order to review the GHG inventory for compliance with the requirements and recommendations in GHG Protocol standards and guidance, to ensure the accuracy and completeness of reported data, and to identify opportunities for improvements to data quality and accuracy over time. GHG regulations and programs **may** consider differentiating assurance requirements based on the capacities of entities preparing corporate GHG inventories (e.g., small vs. large enterprises).



Rationale for recommending assurance: To address increased **data quality challenges** associated with land emissions while recognizing that requiring assurance is **not the role of GHG Protocol** as a standard setter.

Verification and assurance: ISO approach

ISO 14064-1:2018 approach

- **Key terms and definitions:**
 - **Verification:** "Process for evaluating a statement of historical data and information to determine if the statement is materially correct and conforms to criteria" (3.4.9)
 - **Level of assurance:** "degree of confidence in the GHG statement" (3.4.13)*
- **Verification is optional** and left to the discretion of the organization

"10. Organization's role in verification activities

The organization **may** decide to conduct a verification.

To review GHG emissions and removals information, impartially and objectively, the organization **shall** conduct a verification consistent with the needs of the intended user. Principles and requirements are described in **ISO 14064-3**.

Requirements for verification bodies are described in ISO 14065.

Requirements for the competence of validation teams and verification teams are described in ISO 14066."

* Levels of assurance defined under **ISO 14064-3:2019**:

Limited assurance: "level of assurance where the nature and extent of the verification activities have been designed to provide a **reduced level** of assurance on historical data and information"

Reasonable assurance: "level of assurance where the nature and extent of the verification activities have been designed to provide a **high but not absolute level** of assurance on historical data and information"

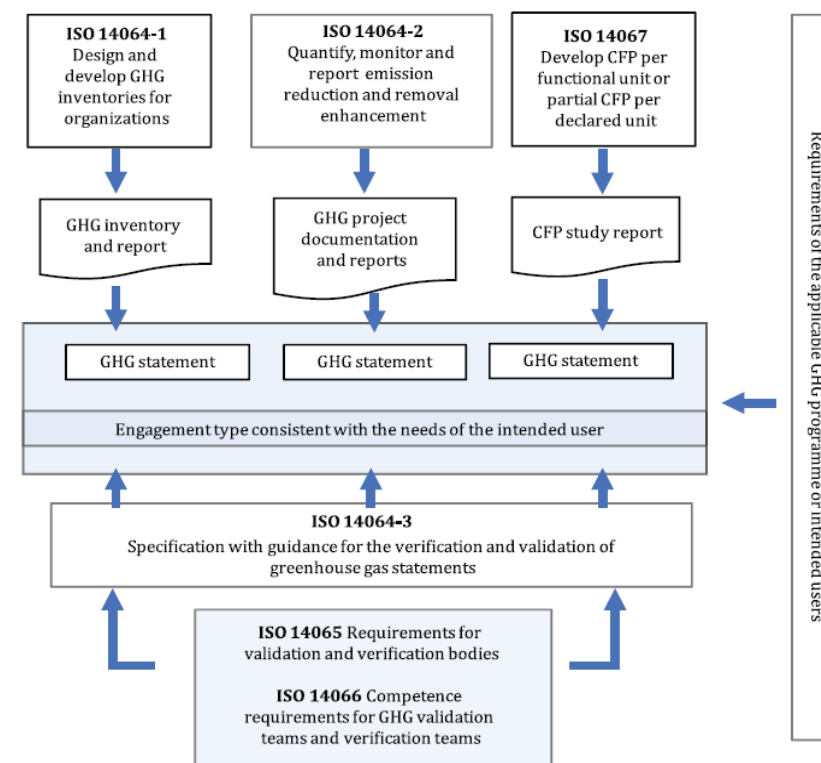







Figure 1 — Relationship among the ISO 14060 family of GHG standards

Verification and Assurance: Requirements/guidance of external programs

Program	Verification and assurance requirements/guidance
IFRS S1 & S2 	Silent <i>However, adopting jurisdictions can set assurance requirements based on their objectives</i>
EU CSRD (ESRS disclosures) 	Limited assurance is required for all emissions <i>Original text included transition to "reasonable assurance requirement" over time, which is now removed The European Commission plans to issue targeted sustainability assurance guidelines by 2026</i>
CARB SB 253 	Limited assurance is required for scope 1 and 2 emissions (starting in 2027) <i>Assurance requirements are slated for 2030. Proposed standards until then: AA1000ASv3, AICPA, ISSA 5000 (ISAE 3000 & ISA 3410 until it is in force), ISO 14064-3:2019</i>
ISO 14064-1 2018 	Verification is optional (may statement): Left to the discretion of the user <i>The reporter is required to follow 14064-3 for verification principles and requirements if it chooses to obtain verification.</i>
SBTi CNZS-C7 (Draft v2) 	Limited assurance (at a minimum) for scope 1, 2 and significant scope 3 emissions is required <i>Refers to CDP for recognized verification standards: CDP list of accepted verification standards</i>

- **Accounting/reporting standards** typically **stay silent or** provide verification/assurance as **an option** (e.g., IFRS and ISO)
- **Regulatory programs and target setting standards** set their own requirements (e.g., EU CSRD, SBTi)

Corporate Standard stakeholder feedback survey: key themes related to **verification and assurance**

- Support for **maintaining** the current approach to verification and assurance
 - **Regulators** are already implementing assurance requirements
 - Defining stricter requirements in the Corporate Standard could cause **interoperability challenges** with other programs and could create **feasibility challenges** to voluntary reporters, especially to SMEs and new reporters
- Support for **revisiting** the current approach to adopt some level of verification and assurance
 - Introducing **verification or assurance requirement** through flexible design features, such as **differentiated requirements by scope** (e.g., scopes 1 and 2 versus scope 3), **level of assurance** (limited or reasonable), reporting **frequency**, **organizational size**, **emissions thresholds**, or sector. Many suggested a **tiered or phased-in approach**, potentially linked to company size, sector, or quality certification schemes.
 - **Rationale:**
 - Need to **improve transparency, comparability, and confidence** in reported emissions data, particularly considering increased scope 3 reporting and **reliance on supplier data**
 - Inconsistencies in current assurance practices, **alignment with emerging mandatory reporting** and assurance requirements
 - **Positioning the GHG Protocol** to serve as a verification reference
 - Providing consistent **guidance for both regulated and non-regulated companies**

No proposals were received specifically calling for changes to the verification and assurance guidance in the Corporate Standard.

Note: Feedback requesting additional guidance and clarifications will be provided for discussion at the Subgroup 2 Meeting 14.

Verification and assurance: Decision making criteria analysis

Criterion	Verification/assurance as requirement (shall statement)	Verification/assurance as recommendation (should statement)	Verification/assurance as an option (may statement)	Stay silent on verification and assurance
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	Pro: Strongly promotes informed decision-making	Pro: Promotes informed decision-making	Pro: Raises awareness to promote informed decision-making	Con: No additional support for informed decision-making
Support programs based on GHG Protocol and uses of GHG data	Pro: Promotes interoperability with external programs requiring V/A; provides confidence to the user of GHG data Con: Significant challenge to GHGP's policy neutral positioning ;	Pro: Promotes interoperability with external programs by allowing them to set their requirements in line with their objectives while encouraging the reporter to build confidence in the disclosed GHG data through V/A as best practice Con: Potential challenge to GHGP's policy neutral positioning	Pro: Does not stay silent on V/A and raises awareness on next steps while providing flexibility to external programs to set their requirements and recommendations, and maintaining policy neutral positioning	Pro: Promotes GHGP's policy neutral positioning, giving programs referencing GHGP full flexibility to weigh in; Avoids any conflicting requirement or guidance with external reporting and V/A standards Con: Does not raise awareness on building confidence for the user of GHG data
Feasibility to implement	Con: Significant feasibility challenges for voluntary reporters especially with the current direction to require scope 3 reporting; creates confusion in the absence of specific V/A requirements	Pro: Prevents significant feasibility challenges by providing flexibility to the user to obtain V/A as best practice (LSR Standard Status quo) Con: Could create confusion in the absence of specific V/A requirements	Pro: Avoids feasibility challenges (Closest to the Corporate Standard status quo)	Pro: Does not pose any feasibility challenges by leaving the consideration and decision completely to the reporter

Discussion & Poll: Verification and assurance



Group
Discussion

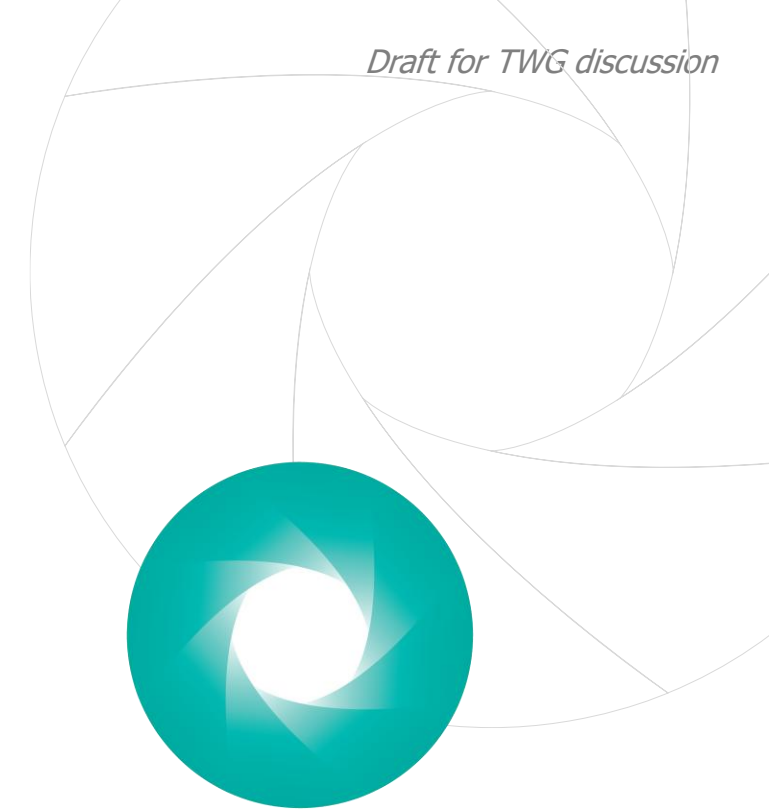


Poll question

1. How should **verification and assurance be addressed** in the Corporate Standard?
 - **Requirement:** Organizations *shall* obtain third-party verification/assurance
 - **Recommendation:** Organizations *should* obtain third-party verification/assurance
 - **Optional:** Organizations *may* obtain third-party verification/assurance
 - **Stay silent** on verification and assurance
 - Abstain (please explain in the chat)
2. Do you agree with establishing a **reporting requirement (“shall” statement)** requiring companies to disclose whether they obtained third-party verification or assurance and, if so, to provide details (e.g., level of assurance), or, if not, to justify not doing so? (*current approach in LSR Standard*)
 - **I agree**
 - **I disagree** (please explain in the chat)
 - Abstain (please explain in the chat)

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**Our focus today will be on
item #3**

Subgroup 2 topic covered at Full TWG meeting 5

Proposed revisions for setting organizational boundaries

Package item #	Example text	Notes
1. <i>Require consolidation based on control</i>	Companies shall account for and report their consolidated GHG emissions based on control . Control can be defined in terms of financial control and/or operational control .	Equity share approach eliminated
2. <i>Recommend financial control</i>	Companies should apply the financial control consolidation approach, whereby companies account for and report on all required GHG emissions from entities under the reporting company's financial control (i.e., included in their consolidated financial statements).	Financial control revised to align with financial accounting with a GAAP-agnostic principle-based definition
3. <i>Recommend add-on reporting under operational control where relevant</i>	Additionally, when financial control fails to provide a [fair representation] of their GHG emissions, companies should separately account for and report on all required scope 1 and scope 2 emissions from entities, operations, and assets under the reporting company's operational control that are not under financial control	Operational control under revision to provide further clarity for consistent application while maintaining its purpose
4. Maintain operational control as a standalone option where relevant	Companies may apply the operational control consolidation approach in lieu of financial control , whereby companies account for and report on all required GHG emissions from entities, operations, and assets under the reporting company's operational control .	
5. Disclosure requirement on rationale for the approach applied	Companies shall disclose the chosen consolidation approach. Companies choosing not to apply the recommendations to consolidate emissions (item #2 and #3) shall disclose their rationale for choosing a different approach . The rationale should include the outcomes of a screening assessment comparing the entities, operations, and assets under the reporting company's financial control and operational control.	Providing flexibility for reporters while promoting transparency for the user of GHG data

Pink text indicates items pending final discussion based on Full TWG Meeting 5 and Subgroup 2 Meeting 12 follow up survey outcomes.

Item #3
Overview

Recommend add-on operational control where relevant * (reminder)

Current text in Corporate Standard (ch. 3)

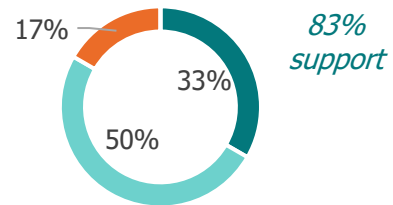
"When using the control approach to consolidate GHG emissions, companies **shall choose** between **either the operational control or financial control** criteria."

Working draft text

"Additionally, when financial control fails to provide a [fair representation] of their GHG emissions, companies **should** separately account for and report on all required scope 1 and scope 2 emissions from entities, operations, and assets under the reporting company's operational control that are not under financial control"

Level of support

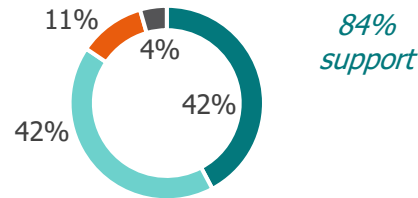
Subgroup 2



83% support

- Yes, I strongly support
 - Yes, I support with minor edits
 - No, I strongly oppose
 - Abstain
- 18 responses

TWG



84% support

- Yes, I fully support the item
 - Yes, I support the item with minor edits
 - No, I strongly oppose the item
 - Abstain
- 45 responses

Rationale

- Financial control and operational control boundaries **may diverge significantly** in some cases
- To ensure **complete emissions disclosure**, separate add-on reporting of emissions **outside the financial control boundary**—but associated with **operationally controlled entities or assets**—may be needed where excluding them would result in an **incomplete emissions profile** (based on completeness and relevance principles) and **inhibit informed decision-making**

Note: Text in pink indicates items pending final discussion during this meeting.

* Operational control approach is **under revision** to **provide further clarity for consistent application** while maintaining its purpose.

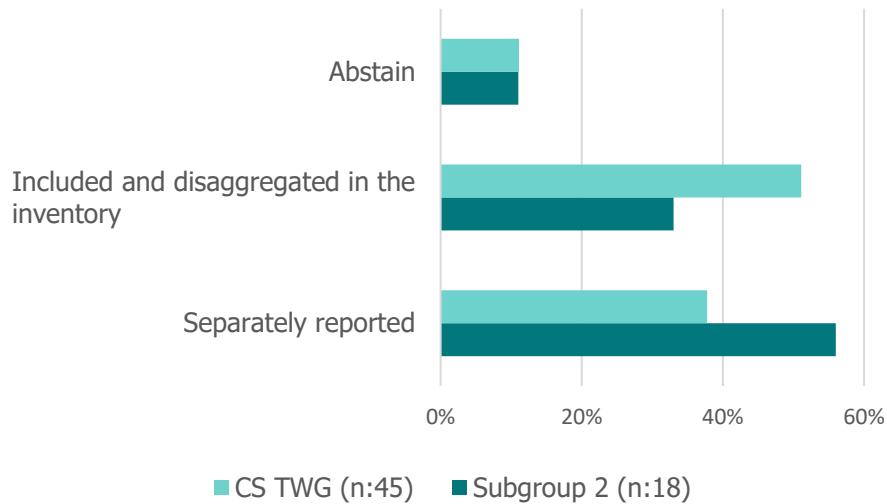
Follow-up survey results on additional reporting on operational control

Full TWG and SG2 feedback on reporting structure to apply additional reporting recommendation based on operational control

Subgroup 2 (Meeting 11) & Full TWG (Meeting 5)

Split opinions

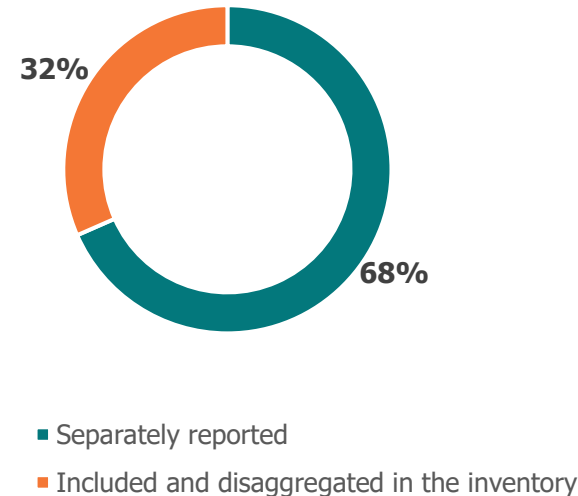
More support for including in inventory



LATEST: Subgroup 2 (Meeting 12)

Majority support

Separate reporting



19 members

Recommendation to be presented to ISB:

Recommended additional reporting under operational control will be reported **separately** from the inventory

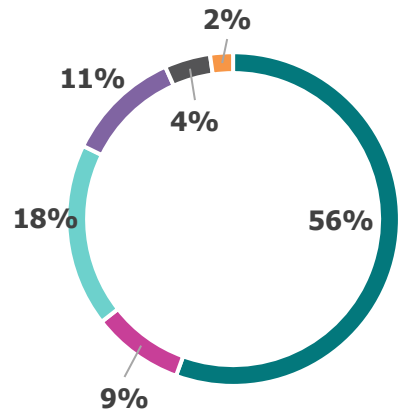


Do you have any additional questions or comments?

Follow-up survey results on additional reporting on operational control

Split opinions on alternative terminology to apply additional reporting recommendation based on operational control

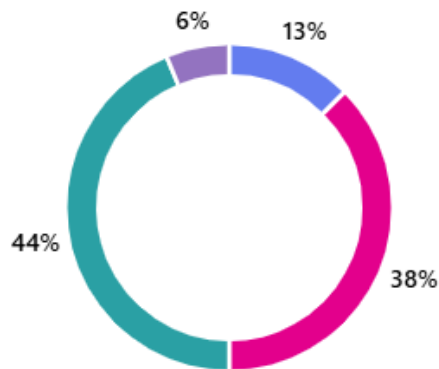
Full TWG Meeting 5



- Fair and complete representation
- Fair representation
- Complete representation
- Other
- Sufficient representation
- Abstain

45 members

Subgroup 2 Meeting 12



- Option A - fair and complete representation
- Option B - relevant and complete representation
- Option C - fair representation (*define "fair" as aligned with the GHG Protocol principles*) - New option
- Abstain (please explain in the open-text question at the end of the survey)

16 members

TWG member feedback

Support for "fair and complete"

- Fair and complete **avoids ambiguity**

Fair presentation

- Alignment with **financial accounting and external programs**

Other suggestions

- Reference to **CS principles** (i.e., relevant and complete) already captures "fair and complete" and would help **avoid introducing new terminology** that may be used differently by other external programs (e.g., "fair presentation" used in IFRS S1)

Subgroup 2 key concern:
Ensure adoption/promotion of ALL GHGP principles, not partial

Terminology options for recommending additional operational control

Key take aways from discussions to date:

- The terminology should **encompass all GHG Protocol accounting and reporting principles**, reference to a subset of principles could create loopholes (e.g., non-representative reporting)
- Use **consistent concept/term** as external programs, including financial accounting and mandatory sustainability reporting frameworks, providing a clear definition to **avoid ambiguity**
- Using negative phrasing **“fails to provide”** could **create challenges** to justify, especially for assurance

Option A (Meeting 12)

Fair and complete

*“Additionally, when financial control fails to provide a [fair and complete representation] of their GHG emissions, companies **should** separately account for and report on all required scope 1 and scope 2 emissions from entities, operations, and assets under the reporting company’s operational control that are not under financial control”*

Pro: Consistency with external programs by using term **“fair”**

Con: May create **confusion** as definitions for the same term across different standards can vary (e.g., “fair presentation*” concept used in IFRS S1)

Option B (Meeting 12)

Relevant and complete

*“Additionally, when financial control fails to provide a [relevant and complete representation] of their GHG emissions, companies **should** separately account for and report on all required scope 1 and scope 2 emissions from entities, operations, and assets under the reporting company’s operational control that are not under financial control”*

Pros: Maintain **integrity of CS principles** and ensure their consistent application; **Avoid confusion** of introducing new terms which may be used in varying context by other programs

Option C (new, post Meeting 12 survey)

Fair

*“Additionally, when financial control fails to provide a [fair representation] of their GHG emissions, companies **should** separately account for and report on all required scope 1 and scope 2 emissions from entities, operations, and assets under the reporting company’s operational control that are not under financial control”*

Pros: Maintain **integrity of CS principles** and ensure their consistent application; use **consistent term (fair)** with external programs while providing a clear definition: *Define “fair” as representation adhering to the GHG Protocol principles.*

* “...**Fair presentation** requires disclosure of **relevant information** about sustainability-related risks and opportunities that could **reasonably be expected** to affect the entity’s prospects, and their **faithful representation in accordance with the principles** set out in this Standard...” (IFRS S1, para 13)

Terminology options for recommending additional operational control

Key take aways from discussions to date:

- The terminology should **encompass all GHG Protocol accounting and reporting principles**, reference to a subset of principles could create loopholes (e.g., non-representative reporting)
- Use **consistent concept/term** as external programs, including financial accounting and mandatory sustainability reporting frameworks, providing a clear definition to **avoid ambiguity**
- Using negative phrasing “**fails to provide**” could **create challenges** to justify, especially for assurance

Key take aways have been incorporated in the following options:

Option C (current phrasing)

Fair representation

*"Additionally, when financial control fails to provide a **fair representation** of their GHG emissions, companies **should** separately account for and report on all required scope 1 and scope 2 emissions from entities, operations, and assets under the reporting company's operational control that are not under financial control"*

Pros: Maintain **integrity of CS principles** and ensure their consistent application; use **consistent term (fair)** with external programs while providing a clear definition by *defining "fair" as representation adhering to the GHG Protocol principles.*

Con (new): Challenges around **justifying a negative statement** "failure to provide a fair representation"

Option C.1 (suggested updated phrasing)

Fair representation

*"Additionally, **if it enables organizations ~~financial control fails~~** to provide a **fair representation** of their GHG emissions, companies **should** separately (*i.e., as additional information not to be included in the inventory values*) account for and report on all required scope 1 and scope 2 emissions from entities, operations, and assets under the reporting company's operational control that are not under financial control."*

Pros: Maintain **integrity of CS principles** and ensure their consistent application; use **consistent term (fair)** with external programs while providing a clear definition: *Define "fair" as representation adhering to the GHG Protocol principles.*

Which option do you support in terms of phrasing? (suggested minor edits can be shared via survey)

- Option C (current phrasing)
- Option C.1 (suggested updated phrasing)
- Abstain



Text in **green** indicates latest additions and **red** indicates deletions applied to Option C.

Agenda

Introduction and housekeeping	10 minutes
Introduction to Phase 2: Verification and assurance	45 minutes
Meeting 12 follow-up: Revisions to package for setting organizational boundaries	25 minutes
Leased assets task force update	30 minutes
Wrap-up and next steps	10 minutes



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Update from task force on leased assets – Progress update

- Task Force consists of **6 volunteer members**
- Kick-off, brainstorming and planning **meetings** were held
- **Deliverable:** Presenting proposed approach to categorizing emissions from leased assets at Subgroup 2 Meeting 14 (next meeting)

Starting point for task force considerations

- **Stakeholder feedback received**
 - Leased assets-related feedback received to global stakeholder survey
- **Evolved lease concepts in financial accounting**
 - From **finance and operating lease** classifications **to a control-based approach: “Right of use”** of an asset
- **Subgroup 2 discussions to date**
 - Lease assets-related **challenges raised** during TWG discussions

Direction

- **Adopting a principles-based approach**
 - **Framework-agnostic approach:** If the applicable financial reporting framework recognizes a **contract as a lease** (i.e., a right-of-use exists), **emissions from using the asset should be attributed to the lessee** (both under financial control and operational control approaches)



Discussion:

Please share question and comments on **adopting a principles-based approach** to evaluating emissions from leased assets

Update from task force on leased assets – discussion

Task Force members identified key scenarios to consult Subgroup 2 input to support their work on **classifying emissions from landlord provided services**

Scenario 1

- Multi-tenant **office building**
- **Tenant rents whole floor** of five-floor building.
- HVAC is provided by a central system consuming **natural gas, controlled by the lessor.**
- The **tenant can only operate a thermostat, not the boiler.**



Discussion:

Do you agree with the following categorization:

*Landlord **consumes NG in owned and operated asset** and therefore should account for the it as **scope 1***

(Current direction: the lessee will report the consumed heat/cooling as Scope 2)

Update from task force on leased assets – discussion

Task Force members identified key scenarios to consult Subgroup 2 input to support their work on **classifying emissions from landlord provided services**

Scenario 2

- Multi-tenant **office building**
- **Tenant rents whole floor** of five-floor building.
- **Landlord purchases electricity** and **bills the tenant** using a sub meter.

Scope 3 Standard (pg. 69):

*"Scope 1 and scope 2 are defined to **avoid double counting by two or more companies** of the same emission within the same scope."*



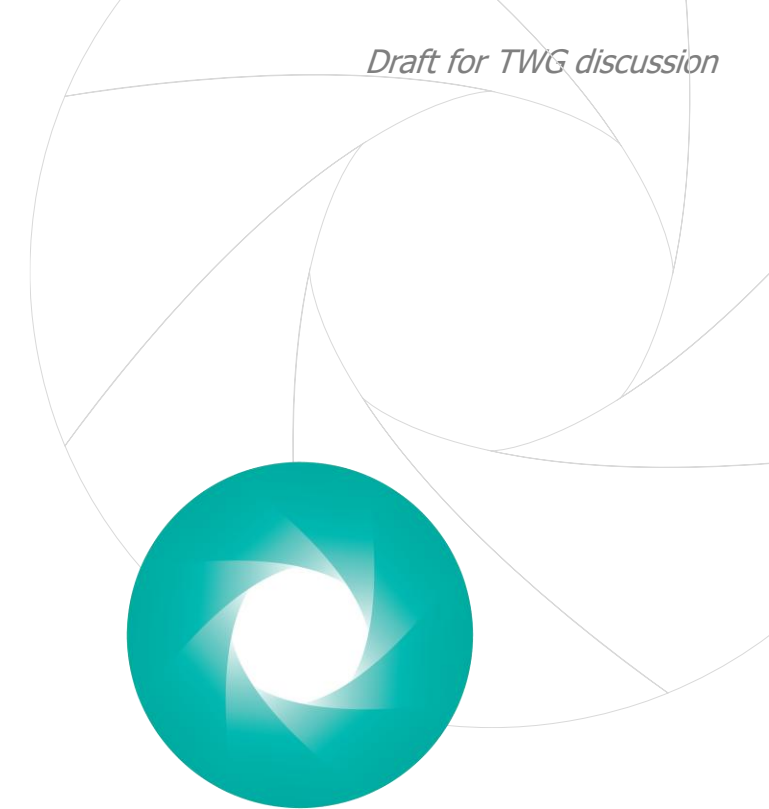
Discussion:

How should the **landlord** account for the emissions associated with **purchased electricity**?

- A. Landlord purchases electricity at owned and operated asset and therefore should account for the it as **scope 2**
- B. Landlord purchases electricity to provide a service to the tenant and therefore should account for associated emissions as **scope 3 category 13** downstream leased assets

Agenda

Introduction and housekeeping	10 minutes
Introduction to Phase 2: Verification and assurance	45 minutes
Meeting 12 follow-up: Revisions to package for setting organizational boundaries	25 minutes
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Next steps

Items to be shared by GHG Protocol Secretariat

- Final slides, minutes, and recording from this meeting
- Feedback survey

TWG member action items

Respond to meeting follow up survey
(deadline to be confirmed)

Next meeting date

- Next **Subgroup 2** meeting is scheduled for Tuesday, May 26th, 2026.

Thank you!

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Change log

This slide documents any changes between the draft version shared with TWG members prior to the meeting, and the final version presented on April 14th, 2026.

Slide #	Change	Details
12	Revised	Clarifying high-level key differences between assurance and verification
16	Revised	Terminology clarification

Appendix



GREENHOUSE GAS PROTOCOL



WORLD
RESOURCES
INSTITUTE



World Business
Council
for Sustainable
Development

Full Package

Proposed package for setting organizational boundaries

Preliminary outcome

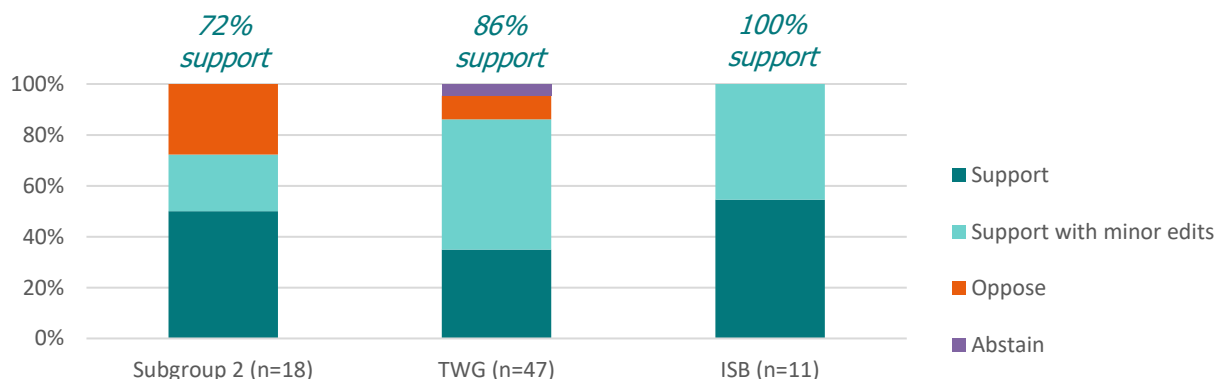
1. *Require* consolidation based on **control**
2. *Recommend* **financial control**
3. *Recommend* **add-on reporting** under **operational control** where relevant
4. Maintain **operational control** as a **standalone option** where relevant
5. **Disclosure requirement** on rationale for applying a different approach

Note: Revisions also include updates to the definitions of financial control and operational control.

Rationale

- Maintain optionality to **support diverse applications** of the standard
- **Promote standardization** and **enhance comparability** of GHG information
- Recommend a **best practice approach** for companies to disclose a **complete picture of emissions** and **promote transparency**

Level of support*



Implications

- Recommended best practice approach **more complex** than status quo
- Continued **coordination with external programs** needed to promote **interoperability**
- Some **optionality maintained**, not all reporters expected to adopt recommended best practice approach
- Equity share approach **eliminated**

* Updated level of support from TWG and ISB.

Overview: Subgroup 2 phase 1 topics and progress

Topic	Subgroup 2 recommendations (preliminary)	Full TWG outcome	ISB pulse check
Optionality in consolidation	Maintain optionality for consolidation approaches between financial control and operational control	Majority support	Support: 10 of 12 Oppose: 1 of 12 Abstain: 1 of 12
Proposed package for consolidation (Updated)	<ol style="list-style-type: none"> Require consolidation based on control Recommend financial control Recommend operational control add-on for scope 1 and 2 emissions that are under operational control, but not financial control based on [complete/fair presentation principle] Maintain operational control as a stand-alone option that companies may apply Require disclosure on rationale for choosing a different approach 	Majority support	Support: 11 of 11 (5 with minor edits) Oppose: 0 of 11 Abstain: 0 of 11
Operational control revision	Operational control should be maintained, and the definition should be fully revised	Majority support	Support: 10 of 12 Oppose: 1 of 12 Abstain: 1 of 12
	Working draft text defining operational control as the basis for the revision direction	Majority support	Support: 11 of 12 Oppose: 0 of 12 Abstain: 1 of 12
Financial control revision	Financial control approach should be revised to align with financial accounting	Unanimous support	Provisionally approved
	Working draft text defining the financial control approach as the basis for the revision direction	Majority support	Support: 11 of 12 Oppose: 0 of 12 Abstain: 1 of 12

Additional reporting on operational control: **example**

CASE: A company;
 - has 2 joint ventures (JV); **JV X** (40% equity) and **JV Y** (50% equity)
 - is also appointed as operator of **Entity A**, both JVs and the entity (*no equity*) are under its operational control but not financial control.

Operation	Scope 1+2 emissions	Parent company share (where applicable)
JV X	150,000 t CO ₂ e	60,000 t CO ₂ e
JV Y	70,000 t CO ₂ e	35,000 t CO ₂ e
Entity A	100,000 t CO ₂ e	100,000 t CO ₂ e



Example disclosure: How will **these emissions** be captured under both options in question?

Emissions categorization		Included and disaggregated within the inventory	Separately reported as additional information
INVENTORY	Scope 1 and 2 (inventory)		
	Financial control	-	-
	Financial and operational control	-	-
	Operational control	320,000	0
	Scope 3 (inventory)	0	195,000
Additional information: Scope 1 and 2 emissions under operational control (not inventory)		N/A	320,000

Please note that the reporting company will have other scope 1, 2 and 3 emissions. For this example's purposes, the focus is on emissions from the highlighted operations.

Additional reporting on operational control: Decision making criteria analysis

Criterion	Included in the inventory (Option A) (disclosed as part of scope 1 and 2 emissions inventory with disaggregation)	Separately reported (Option B) (won't be included in inventory scope 1 and 2 emissions, but will be disclosed as additional information elsewhere in the report)
Scientific integrity	N/A	N/A
GHG accounting and reporting principles	Pros: Promotes relevance, transparency and completeness Cons: May inhibit consistency across reporters adopting financial control approach but not the recommended additional operational control	Pros: Promotes relevance, completeness, transparency and consistency across companies
Support decision-making that drives ambitious global climate action		
Support programs based on GHG Protocol and uses of GHG data	Pros: Promotes interoperability with external programs for scope 1 and 2 reporting Cons: Risk of inconsistent scope 3 reporting ; inhibits comparability overall, especially between companies only applying financial control and applying both financial and operational control recommended reporting	Pros: Promotes greater standardization and interoperability with external programs (financial control as primary basis); maintains the inventory organizational boundary (scope 1-2-3) integrity, promoting comparability ; promotes transparency and allows for further separate disclosure of emissions under operational control only to inform the decision maker
Feasibility to implement	Con: Added feasibility challenges associated with disaggregating emissions across 3 categories	Cons: Added feasibility challenges due to providing additional information separate from the inventory; separate information provision may be confusing for less informed/advanced stakeholder groups