



Corporate Standard Technical Working Group

Subgroup 1, Meeting #14

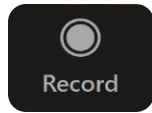
GHG Protocol Secretariat team:

Iain Hunt, Hande Baybar, Allison Leach

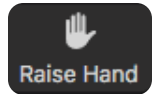
June 9th, 2026



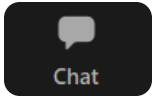
Meeting information



This meeting is **recorded**.



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



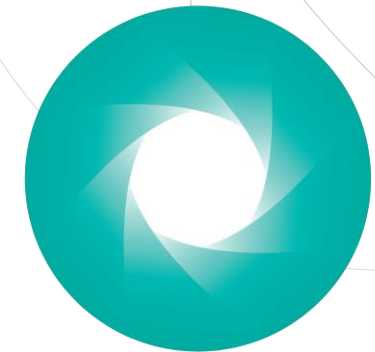
You can also use the **Chat** function in the main control.



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

Agenda

- Introduction and housekeeping 10 minutes
- Base year selection 25 minutes
- Base year recalculation 35 minutes
- GHG targets 35 minutes
- GHG intensity metrics 35 minutes
- Wrap up and next steps 10 minutes

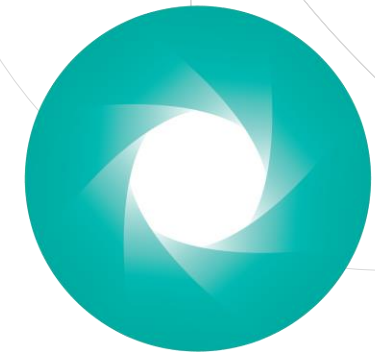


GREENHOUSE GAS PROTOCOL



Agenda

- **Introduction and housekeeping** 10 minutes
- Base year selection 25 minutes
- Base year recalculation 35 minutes
- GHG targets 35 minutes
- GHG intensity metrics 35 minutes
- Wrap up and next steps 10 minutes



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Housekeeping: Guidelines and procedures

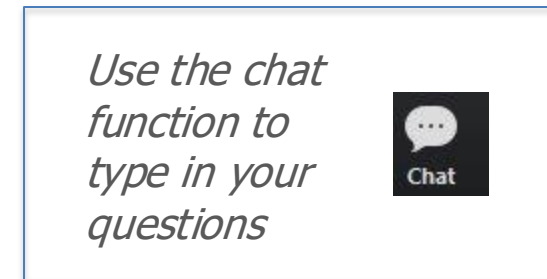
- We want to make **TWG meetings a safe space** – our discussions should be open, honest, challenging status quo, and ‘think out of the box’ in order to get to the best possible results for GHG Protocol
- Always **be respectful**, despite controversial discussions on content
- TWG members should **not 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 iain.hunt@wri.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 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	June 2, 2026	May 19, 2026
Full TWG	6	June 30, 2026 (Subgroup 3 focus)		
Full TWG	7	July 16, 2026 (Subgroup 2 focus)*		
Full TWG	8	August 4, 2026 (Subgroup 1 focus) – <i>New date</i>		
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

#	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"> • Revisit phase 2 pending items • Review draft text on tracking emissions over time

Today's meeting is the final Subgroup 1 meeting currently scheduled, with subsequent meeting planned to be in a full TWG modality.

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

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)

- D.1. Updates to requirements and guidance for **selecting a base year**.
- D.2. Updates to requirements and guidance for developing a **base year recalculation policy** and defining a **significance threshold** and related disclosure requirements.
- 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.
- D.4. Integration and update of **2005 amendment** "[Base Year Recalculation Methodologies for Structural Changes](#)" ([Appendix E](#)).
- D.5. Additional **guidance for estimating base year emissions** for acquired assets where records of emissions activities are limited or non-existent.
- D.6. Revisit **reporting requirements for base year recalculation** including whether changes due to structural changes versus methodological changes should be reported separately.
- D.7. Requirements and guidance for **tracking emissions intensity metrics over time**.
- D.8. Additional guidance on how to appropriately disclose the **reason(s) for changes in emissions over time**.
- D.9. Updates to **target-setting guidance** to bring up to date and facilitate interoperability with target setting programs (including SBTi).

[Corporate Standard Development Plan](#), Section 5: Scope of work for the standard revision

Today's objectives

- Base year selection
- Base year recalculation
- GHG targets
- GHG intensity metrics

Follow up on pending items related to phase 2 topics

1

- Primarily corresponding to current Corporate Standard Chapter 5
- *Note: Members will have the opportunity to provide comments on text following the meeting*

Review working draft text on tracking emissions over time

2

Working draft text: Tracking emissions over time

Overview of document shared

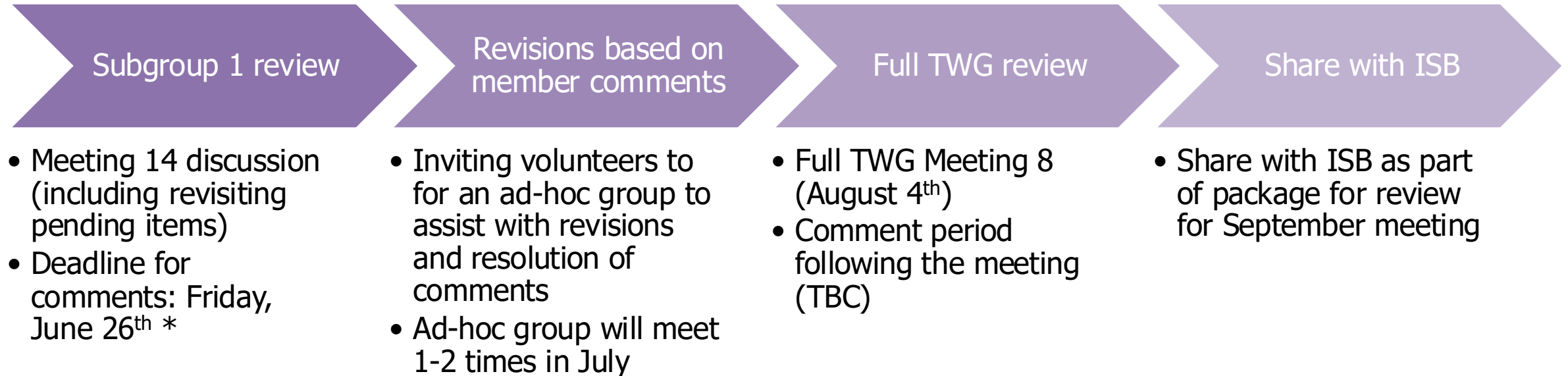
Contents:

1. Selecting and establishing a base year
2. Review and recalculation of base year emissions
3. GHG [emission reduction] targets
4. GHG intensity [metrics/performance metrics/ratios]

Notes:

- Working draft text is adapted from **existing text** in **GHG Protocol** standards and **ISO 14064-1**, with updates made to reflect **preliminary outcomes** of Subgroup 1 discussions and polls.
- Only text defining requirements (**'shall'** statements), recommendations (**'should'** statements) and options (**'may'** statements) is included.
- Working draft text for each subtopic is organized into **accounting requirements, accounting recommendations and options, reporting requirements, and reporting recommendations and options**. The final structure is **to be determined**.
- Bracketed text is used to denote **options** that are still on the table (e.g., 'shall' versus 'should' versus 'may') and for **supplemental text** that may be either included or omitted.
- Individual provisions are **indexed** (e.g., [1.1.1]) to help facilitate member feedback.
- **Footnotes** are used to provide additional information for TWG member reference.

Review of working draft text: Proposed process flow



Summary: Actions requested of subgroup members

1. Provide comments on draft text by Friday, June 26th
2. Volunteers invited for ad-hoc group to assist with revisions and resolution of comments

* The Secretariat is working on providing the document in a format where members can provide comments in a common file (i.e., allowing members to see comments from other members).

Agenda

- Introduction and housekeeping 10 minutes
- **Base year selection** 25 minutes
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Base year selection: Overview of current status

Key preliminary Subgroup 1 outcomes

- The Corporate Standard should **distinguish between an inventory base year* and a target base year**.
- Organizations should have **flexibility in choosing the same year or choosing different years** for the inventory base year and target base year.
- **Eliminate the rolling base year option** as it's current defined in the Corporate Standard.
- Establish a **requirement** ('shall' statement) that the base year be **representative of typical conditions or operations**.
- **Maintain option** for organizations to use a **multi-year average** in lieu of a single year for the base year.
- **Recommend** (but do not require) that organizations establish a **single base year across scopes** (status quo in Scope 3 Standard).

Key pending items

(to be discussed in following slides)

- **Revisit framing** of language related to **selecting an inventory base year vis-à-vis a target base year** (including related to recency and timing of the base year).

* The Corporate Standard is a GHG inventory standard. Any reference to a 'base year' without further qualification refers to an 'inventory base year'.

Base year selection: Working draft text (requirements)

1. Selecting and establishing a base year¹

1.1. Accounting² requirements

[1.1.1] The organization³ **shall** establish⁴ a historical base year [or base period]⁵ for GHG emissions⁶ [for comparative purposes or other intended uses of the GHG inventory⁷].

[1.1.2] In establishing the base year, the organization **shall**:⁸

- Select⁹ a base year for which verifiable GHG emissions data is available.¹⁰
- Select a base year that [reflects/is representative of] typical [conditions/operations] [(e.g., avoiding years with anomalous or one-off events)].¹¹
- Develop a GHG inventory for the base year consistent with the provisions of this document¹², quantifying base year emissions using data [reflecting/representative of] the organization's current [reporting boundary¹³/organizational and operational boundaries].¹⁴

1.3. Reporting requirements

[1.3.1] The organization **shall** [report/disclose] the following information related to the base year:²²

- The selected base year and the rationale for selecting the [particular] base year.
- GHG emissions for the base year²³, [consistent with the provisions of this document²⁴] and with the organization's base year emissions recalculation policy.



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Note: Slides with draft text incorporate screenshots from the working draft document shared with Subgroup 1 members. Footnotes from document are not included due to space limitations.

Base year selection: Working draft text (recommendations and options)

1.2. Accounting recommendations and options

[1.2.1] The organization **may** select a single year as their base year or may select an average of annual emissions over several consecutive years [in cases where a single year's data would be unrepresentative of the organization's typical emissions profile¹⁵].¹⁶

[1.2.2] The organization [**should/may**] select as base year the earliest relevant point in time for which they have [reliable/verifiable] data.¹⁷

[1.2.3] If the organization sets GHG targets, they **may** select the same year for the target base year as that established for the GHG inventory, or **may** select a different year (e.g., to align with requirements or guidelines from target setting programs). If the organization selects a different year for its target base year, they **may** reestablish the base year for the GHG inventory to align with the target base year.¹⁸

[1.2.4] The organization **should** establish a single base year for Scope 1, Scope 2, and Scope 3 emissions to enable comprehensive and consistent tracking of total corporate GHG emissions across all three scopes. However, if the organization has already established a base year for Scope 1 and Scope 2 emissions, they **may** select a more recent year for the Scope 3 base year (e.g., the first year for which the organization has complete and [reliable/verifiable] scope 3 emissions data).^{19,20} The organization **should** establish a single base year for all scope 3 categories.²¹



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Do you support the updated framing of text on selecting an inventory base year vis-à-vis a target base year [1.2.3]?

Should [1.2.2] be a recommendation ('should') or option ('may')?



Poll 1 Base year selection

1. Do you support the updated framing of text on selecting an inventory base year vis-a-vis a target base year in provision [1.2.3]?

[1.2.3] If the organization sets GHG targets, they may select the same year for the target base year as that established for the GHG inventory, or may select a different year (e.g., to align with requirements or guidelines from target setting programs). If the organization selects a different year for its target base year, they may reestablish the base year for the GHG inventory to align with the target base year. (Single choice)

- Fully support
- Support with minor edits
- Oppose
- Abstain

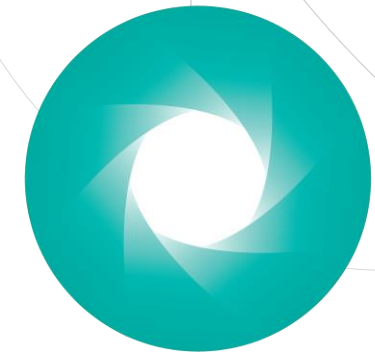
2. Should provision [1.2.2] be framed as a recommendation ('should') or option ('may')?

[1.2.2] The organization [should/may] select as base year the earliest relevant point in time for which they have [reliable/verifiable] data. (Single choice)

- Recommendation ('should' statement, status quo)
- Option ('may' statement)
- Abstain

Agenda

- Introduction and housekeeping 10 minutes
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Base year recalculation: Subtopics to review in working draft text



General provisions,
events triggering base
year recalculation



Base year recalculation
policy and significance
thresholds



Options for when data
unavailable for base
year recalculation



Timing of base year
recalculations for
structural changes



Reporting provisions
(including an emissions
profile over time)

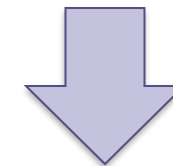
General provisions and events triggering base year recalculation: Overview of current status

Key preliminary Subgroup 1 outcomes

- No major revisions related to events that trigger base year recalculations were considered.

Key pending items (to be discussed in following slides)

- Consider base year recalculation for insourcing/outsourcing when emissions shift between scopes.
- Consistent GWP values between base year and current year (raised by Subgroup 3).



(Pending items detailed in following slides)

Insourcing/outsourcing and shifting of activities between scopes

- The Scope 3 Standard currently specifies that when **insourced/outsourced activities shift between emissions scopes** (e.g., insourced activities shifting from scope 3 to scopes 1 and 2), a **base year recalculation is *not* triggered** (see Table 9.4 below).
- For consideration:** Should updates be made to specify that when insourced/outsourced activities shift between emissions scopes, these shifts should also be applied to base year emissions to ensure a consistent time series for each scope?

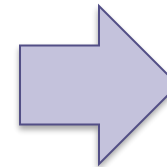
Table [9.4] Criteria for determining whether to recalculate base year emissions due to changes in outsourcing or insourcing

	<i>The company previously reported emissions from the activity</i>	<i>The company did not previously report emissions from the activity</i>
The company has a single base year or GHG target for total scope 1 + 2 + 3 emissions	No Recalculation	Recalculate (if the cumulative effect of outsourcing or insourcing is significant)
The company has separate base years or GHG targets for individual scopes (1, 2, or 3) or individual scope 3 categories	Recalculate (if the cumulative effect of outsourcing or insourcing is significant)	Recalculate (if the cumulative effect of outsourcing or insourcing is significant)

GWP values used in the base year and current year (from Subgroup 3)

Subgroup 3 has been considering the topic of global warming potential (GWP) values, and has reached outcomes including:

- *Majority support* for maintaining the **recommendation** ('should' statement) to use GWP values from the **most recent IPCC Assessment Report (AR)**
- *Split opinions* on whether there should be a requirement ('shall' statement) or recommendation ('should' statement, status quo) that the **same GWP values be used for the base year as used for the current year**, but with the **most support for a recommendation**.



- **Require that the same GWPs are used for the inventory and base year**
- **Recommend that the same GWPs are used for the inventory and base year – status quo**
- Abstain, I need more information to respond

Proposal for consideration: Maintain the current approach (recommending the same GWP values be used for the base year and current year inventories), noting that whether the base year is recalculated depends on the significance of the methodological change.

Base year recalculation (general provisions and recalculation events): Working draft text

2.1. Accounting requirements

[2.1.1] The organization **shall** recalculate base year emissions when the following changes (either a single change or several cumulative changes) occur and have a significant impact [(defined using a significance threshold)²⁶] on the inventory:

- Structural changes in the reporting organization, such as mergers, acquisitions, divestments, outsourcing, and insourcing²⁷ [except in cases where operations acquired, divested, insourced, or outsourced did not exist in the base year²⁸].
- Changes in calculation methodologies or improvements in data accuracy.
- Discovery of significant errors.
- Change in the categories or activities included in the inventory [except in cases where a different base year is established for new categories included²⁹].
- [Any other changes that would otherwise compromise the consistency and relevance of the reported GHG emissions information³⁰].

2.2. Accounting recommendations and options

[2.2.1] The organization **should** recalculate emissions for recent years (e.g., last 1-3 years)³³ and other historical years relevant to the organization's reporting objectives³⁴, consistent with the organization's base year recalculation policy and the provisions in this document that apply to the recalculation of base year emissions.



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Also share any comments on the topic of events triggering base year recalculation including related to:

- **Insourcing/outsourcing of activities and shifting of emissions across scopes**
- **GWP values for base year and current year**

Note: Only a subset of text from sections 2.1 and 2.2 is included on this slide. Additional text is included on subsequent slides.



**Poll 2:
Base year recalculation
(general provisions)**

1. Do you support including a provision specifying that when insourced/outsourced activities shift between emissions scopes, that these shifts should also be applied to base year emissions? (Single choice)

- Support as a requirement ('shall')
- Support as a recommendation ('should')
- Oppose
- Abstain

2. Do you support maintaining a provision recommending ('should' statement) that the same GWP values be used for the base year inventory and current year inventory (noting that whether the base year is recalculated depends on the significance of the methodological change)? (Single choice)

- Fully support
- Support with minor edits
- Oppose
- Abstain

Base year recalculation policy and significance thresholds: Overview of current status

Key preliminary Subgroup 1 outcomes

- Requirement for organizations to set a **quantitative significance threshold** as part of their base year recalculation policy.
- The Corporate Standard should define a **recommended prescriptive quantitative significance threshold**.
- Significance thresholds should apply **separately for each emissions scope**.
- A **single significance threshold** should apply across **all types of events** triggering a base year recalculation.

Key pending items (to be discussed in following slides)

- Revisit **threshold level** corresponding to a recommended prescriptive quantitative significance threshold (note: there was initial support for a 5% threshold for scope 1&2 and for scope 3).
- **Revisit separate application of significance thresholds for each emissions scope**, including whether to define this as a **requirement** ('shall') or **recommendation** ('should').
- **Revisit application of a single significance threshold across all types of events triggering a base year recalculation**, including whether to define this as a **requirement** ('shall') or **recommendation** ('should').

Significance thresholds: Revisiting pending items

- **Threshold level for a prescriptive quantitative significance threshold**

- Subgroup 1 members indicated initial **majority support for 5% threshold** for each of scope 1, scope 2, and scope 3 emissions, but voiced the topic requires **further consideration**.
- **SBTi** (Corporate Net Zero Standard v2) requires a significance threshold of **5%, applied separately to each emissions scope**.*
- Related preliminary outcomes from Subgroup 3 and the Scope 3 TWG: Establishment of **thresholds for justifiable exclusions**: 1% for scope 1, 1% for scope 2, 5% for scope 3.



For consideration today:

- Do you still support a 5% threshold as a recommended maximum threshold level (for scope 1, scope 2, and for scope 3)?

- **Application of thresholds by emissions scope**

- Members of both Subgroup 1 and the full CS TWG indicated **majority support** for specifying that significance thresholds be applied **separately by emissions scope**.
- However, members also raised **concerns** with the proposed provision, citing cases when **emissions in given scope are small proportion** of total scope 1+2+3, and whether a significant change in one scope triggers recalculation of emissions in that scope only or across the full scope 1+2+3 inventory.



For consideration today:

- Should this provision be defined as a requirement ('shall') or recommendation ('should'), or should it be reconsidered?
- When a significant change occurs in a single emissions scope, should recalculation be performed for that scope only or across the full scope 1+2+3 inventory?

- **Application of thresholds by type of event triggering a base year recalculation**

- Members of both Subgroup 1 and the full CS TWG indicated **majority support** for specifying that a **single significance threshold be applied across all types of events** triggering a base year recalculation (i.e., significance thresholds are *not* applied separately for structural changes versus methodological changes).



For consideration today:

- Should this provision be defined as a requirement ('shall') or recommendation ('should')?

* Bullet updated from draft slides shared during meeting. Draft slides were based on second consultation draft of the SBTi Corporate Net Zero Standard v2, which defined a 5% significance threshold for scope 1, 5% for scope 2, and 10% for scope 3. The final version of the Corporate Net Zero Standard v2 was released on June 11th.

Base year recalculation policy and significance thresholds: Working draft text

2.1. Accounting requirements

[2.1.3] The organization **shall** develop a base year recalculation policy that includes the following elements and apply it in a consistent matter:

- Defines quantitative³¹ significance threshold(s) for structural, methodological, and other changes that trigger base year recalculation.
- Clearly articulates the basis for each type of change that triggers recalculations.³²

2.2. Accounting recommendations and options

[2.2.2] The organization **should** define and apply quantitative significance threshold(s) as follows:

- (a) • Apply significance thresholds separately for scope 1, scope 2, and scope 3 emissions (i.e., a change to the organization's base year emissions that exceeds the significance threshold for any of the emissions scopes triggers a recalculation of [all] base year emissions).³⁵
- (b) • Apply a single significance threshold across structural, methodological, and other types of changes (i.e., cumulative changes of different types that exceed the significance threshold trigger a recalculation of base year emissions).³⁶
- (c) • Set significance threshold levels at [5%³⁷] or less of the organization's total scope 1, scope 2, or scope 3 emissions in the base year.³⁸



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Also share any comments on the topic of significance thresholds including related to:

- **Application of thresholds by scope (a)**
- **Application of thresholds by type of event triggering recalculation (b)**
- **Threshold level (for recommended maximum threshold) (c)**

Note: Only text on the topic of significance thresholds from sections 2.1. and 2.2 is included on this slide. Text on other topics from these sections is covered in other slides.



Poll 3: Significance thresholds

1. Do you support a threshold level of 5% for scope 1 and scope 2 (for a recommended maximum significance threshold for base year recalculation)? (Single choice)

- Support
- Oppose
- Abstain

2. What value should be established as the threshold level for scope 3 (for a recommended maximum significance threshold for base year recalculation)? (Single choice)

- 5% (prior Subgroup 1 preliminary outcome)
- 10% (SBTi requirement for target base year)
- Other (please indicate in chat)
- Abstain

3. How should the proposed provision that significance thresholds be applied separately for each emissions scope be implemented? (Single choice)

- Requirement ('shall' statement)
- Recommendation ('should' statement)
- The provision should be reconsidered
- Abstain

4. If significance thresholds are applied separately by emissions scope, what scope of emissions should be recalculated when a significance threshold for a given scope is exceeded? (Single choice)

- Recalculate emissions only for the scope(s) where the significance threshold was exceeded
- Recalculate emissions for the full scope 1 + scope 2 + scope 3 inventory
- Abstain

5. How should the proposed provision that a single significance threshold be applied across structural, methodological, and other types of changes that trigger a base year recalculation be implemented? (Single choice)

- Requirement ('shall' statement)
- Recommendation ('should' statement)
- Abstain

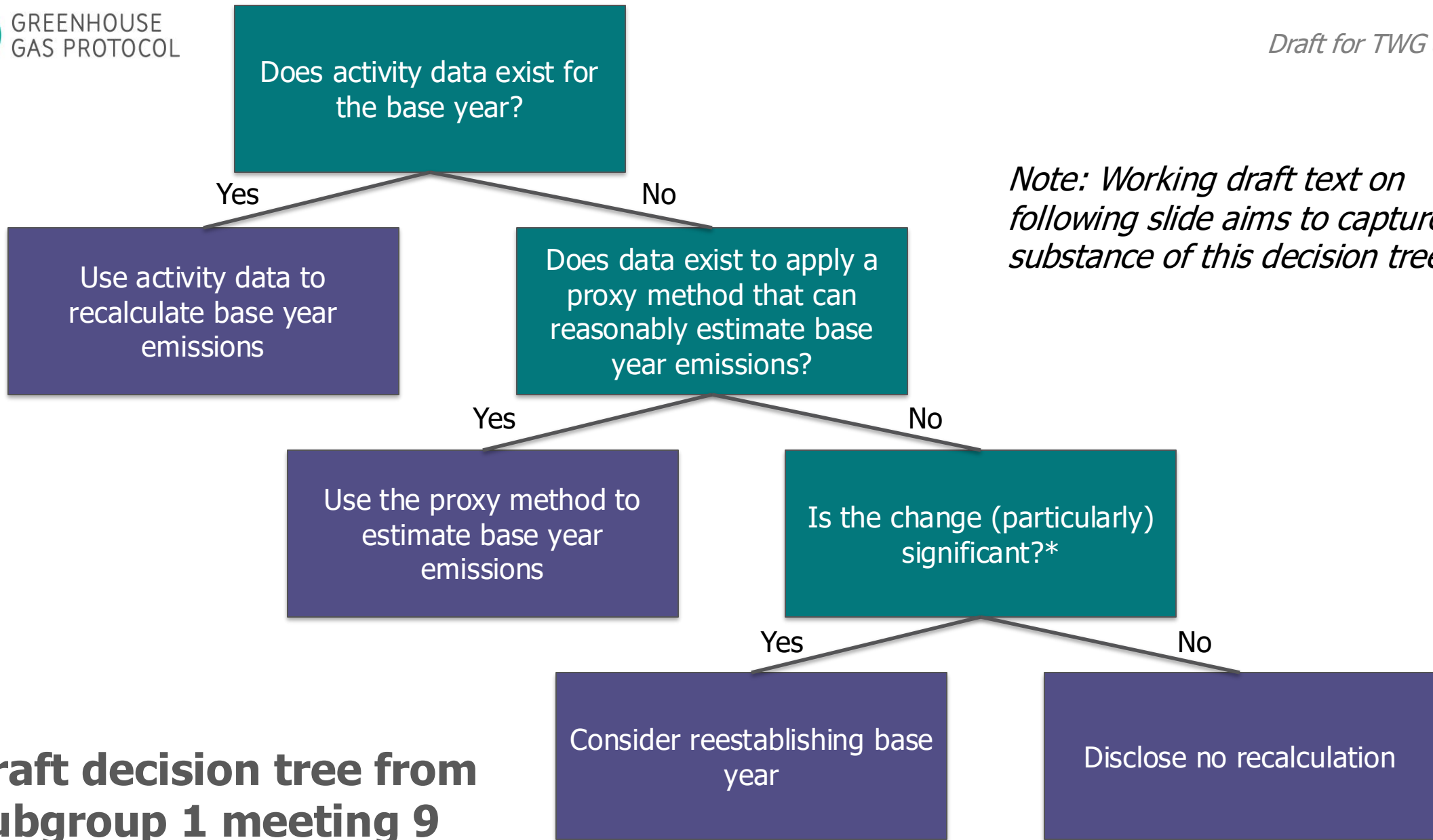
Options for when data unavailable for base year recalculation: Overview of current status

Key preliminary Subgroup 1 outcomes

- **Proxy estimation methods** (or 'backcasting') should be the **preferred option** for when sufficient data is unavailable for base year recalculation (for both structural and methodological changes).
- **Establishing a reliable GHG inventory for recent year(s) and then scaling to the base year based on proxy data** (e.g., revenue) is a **suitable approach** for estimating base year emissions.
- **Reestablishing the base year to a more recent year** should be specified as an option in the case of structural changes.
- General support for a **draft decision tree**.

Key pending items (to be discussed in following slides)

- Whether establishing a reliable GHG inventory for recent years(s) and then scaling to the base year based on proxy data should be specified as the **preferred proxy estimation method**.
- **Applicability of reestablishing the base year to a more recent year** as an option (including for methodological and other changes).
- If/when **disclosing that no base year recalculation was performed** should be specified as an option.



Note: Working draft text on following slide aims to capture the substance of this decision tree.

Draft decision tree from Subgroup 1 meeting 9

*Phrasing "(particularly) significant" used as level of significance implied exceeds that defined by significance threshold. Question may also be framed in terms of changes with a material impact on base year emissions or consistent emissions profile over time.

Options for when data unavailable for recalculation: Working draft text

2.2. Accounting recommendations and options

[2.2.3] If sufficient emissions data, activity data, or emission factors are not available to recalculate base year emissions, then:³⁹

- (a) • The organization **should** estimate base year emissions if data exists to produce a reasonable proxy estimate.⁴⁰ To estimate base year emissions, the organization [**should/may**] establish a reliable GHG inventory for recent year(s) and then scale based on proxy data (e.g., revenue) to the base year.⁴¹
- (b) • If a reasonable proxy estimate cannot be developed and the change would significantly compromise the relevance of the base year inventory and consistency of the time series, the organization **may** reestablish the base year to a more recent year.⁴²
- (c) • If the impact of an individual change is insignificant, the organization **may** acknowledge the change without recalculation, and this acknowledgement [**shall/should**] be disclosed.⁴³



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes (including appropriate reflection of decision tree on prior slide)
- Comments on bracketed text (including bracketed options)

Also share any comments on options for when data is unavailable for base year recalculation including:

- **Estimation methods (a)**
- **If/when reestablishing the base year is appropriate (b)**
- **If/when disclosure of no recalculation is appropriate (c)**

Note: Only text related to options for when data is unavailable for base year recalculation from section 2.2 is included on this slide. Text on other topics from this section is covered in other slides.



**Poll 4:
Options for when
data unavailable for
recalculation**

**1. Should the following text in [2.2.3] be defined as a recommendation ('should') or option ('may')?
To estimate base year emissions, the organization [should/may] establish a reliable GHG inventory for recent year(s) and then scale based on proxy data (e.g., revenue) to the base year. (Single choice)**

- Recommendation ('should')
- Option ('may')
- Abstain

2. Do you support the working draft text in [2.2.3] as appropriately reflecting the decision tree on slide 30 previously supported by Subgroup 1 members? (Single choice)

- Fully support
- Support with minor edits
- Oppose
- Abstain

Timing of base year recalculations for structural changes: Overview of current status

Key preliminary Subgroup 1 outcomes

- Overall support for **maintaining current Corporate Standard provisions** including:
 - **Recommending** (‘should’ statement) the recalculation of base year emissions **in the year that the structural change occurred**.
 - **Allowing** (‘may’ statement) the recalculation of emissions **the following year** (after the change occurred).
 - **Recommending** (‘should’ statement) the recalculation of emissions **for the entire year** (rather than just the period after the change occurred).
 - **Allowing** (‘may’ statement) the recalculation **for only the period after the change occurred** in the year of the structural change, with recalculation for the full year performed the following year.

Key pending items (to be discussed in following slides)

- Review **minor edits** to current provisions based on Subgroup 1 member comments.

Timing of recalculations for structural changes: Working draft text

2.2. Accounting recommendations and options

[2.2.4] If a significant structural change occurs in the middle of the year, then:⁴⁴

- The organization **should** recalculate base year emissions in the year that the structural change occurred [if feasible to do so⁴⁵].
- The organization **should** recalculate base year emissions for the entire year rather than for the remainder of the reporting period after the structural change occurred [to avoid having to recalculate base year emissions again in the succeeding year⁴⁶]. The organization **should** also recalculate current year emissions for the entire year to maintain consistency with the base year recalculation.
- Alternatively, the organization **may** recalculate base year and current year emissions for only the portion of the year after the structural change occurred, and then recalculate emissions for the full year in the following year.
- If it is not possible to make a recalculation in the year of the structural change (e.g., due to a lack of data for an acquisition), the organization **may** recalculate emissions in the following year [or when data for a full year is available⁴⁷].



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Note: Only text on the topic of timing of base year recalculations for structural changes from section 2.2 is included on this slide. Text on other topics from this section is covered in other slides.

Reporting specifications (including an emissions profile over time): Overview of current status

Key preliminary Subgroup 1 outcomes

- **Recommend** ('should' statement) reporting of **recalculated emissions for recent years** (e.g., last 1-3 years).
- **Recommend** ('should' statement) reporting of **recalculated emissions for other historical years** relevant to reporting objectives.
- **Recommend** ('should' statement) reporting of **original/historical emissions** for historical years relevant to reporting objectives.
- **Recommended** reporting of a **target-relevant time series** (i.e., recalculated emissions for target base year).
- Adopt a reporting requirement like that in the Land Sector and Removals Standard for **disclosing additional details on base year recalculations**.

Key pending items (to be discussed in following slides)

- None identified, review of working draft text only

Reporting provisions (and emissions profile over time): working draft text

2.3. Reporting requirements

[2.3.1] The organization **shall** [disclose/report] the following information related to base year recalculations:^{48,49}

- The base year recalculation policy including the significance threshold(s) for structural changes and methodological changes that trigger base year recalculation.
- Appropriate context for any significant changes that triggered base year recalculations.
- Any recalculations of base year emissions, including the rationale for recalculation and which assumptions and values were changed, with a comparison of updated values to original values.⁵⁰

2.4. Reporting recommendations and options

[2.4.1] The organization **should** [disclose/report] the following information related to tracking emissions over time:

- Recalculated emissions for recent years and other historical years relevant to the organization's reporting objectives.⁵¹
- [Original/historical] emissions (i.e., without recalculation) for [the base year, recent years, and any other] prior years relevant to reporting objectives.⁵²
- A target-relevant time series (e.g., recalculated emissions for the target base year) if relevant (i.e., if the organization has active GHG targets).⁵³



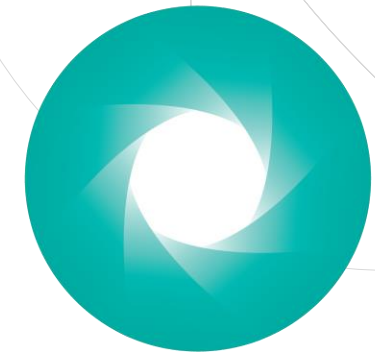
Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Agenda

- Introduction and housekeeping 10 minutes
- Base year selection 25 minutes
- Base year recalculation 35 minutes
- **GHG targets 35 minutes**
- GHG intensity metrics 35 minutes
- Wrap up and next steps 10 minutes



GREENHOUSE GAS PROTOCOL



GHG targets: Overview of current status

Key preliminary Subgroup 1 outcomes

- Specify a **recommendation** ('should' statement) that organizations set GHG targets.

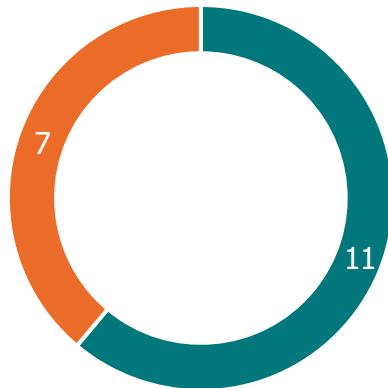
Key pending items (to be discussed in following slides)

- Confirm overall approach to providing **more detailed specifications on GHG targets**
 - Split opinions, but with the **most support for referencing general criteria/considerations** (e.g., 'should/may consider') and **referring to external programs**
- Review **which criteria/specifications** should be included
 - **Majority support** for including criteria/specifications related to: Target boundary, type of target, target timeframe, target level
- Confirm overall approach to providing **reporting provisions on GHG targets**
 - Split opinions, but with the **most support for requiring the reporting of information related to GHG targets**
- Review **what information should be specified** in reporting provisions
 - **Majority support** for including reporting elements related to: Target boundary, target base year, type of target, progress in reaching target

GHG targets (general specification): Meeting 13 poll results

Subgroup 1 members expressed **majority support** for **recommending** that organizations set GHG targets.

What general specification should the Corporate Standard provide on the setting of GHG targets? (n=18)



- Recommendation ('should')
- Optional ('may')
- Abstain

Member comments in favor recommending targets:

- Reporting emissions without a forward-looking target is of limited value, as the real value of emissions reporting is in driving climate action.
- Information on targets is useful for investors and other stakeholders.
- Promote best practice.
- A recommendation allows companies to adopt fully quantitative targets as they mature in capacity and readiness.

Member comments in favor of specifying targets as optional

- Targets are specified as optional in ISO 14064-1.
- GHG Protocol is not a target setting body.

GHG targets (detailed specifications): Meeting 13 poll results

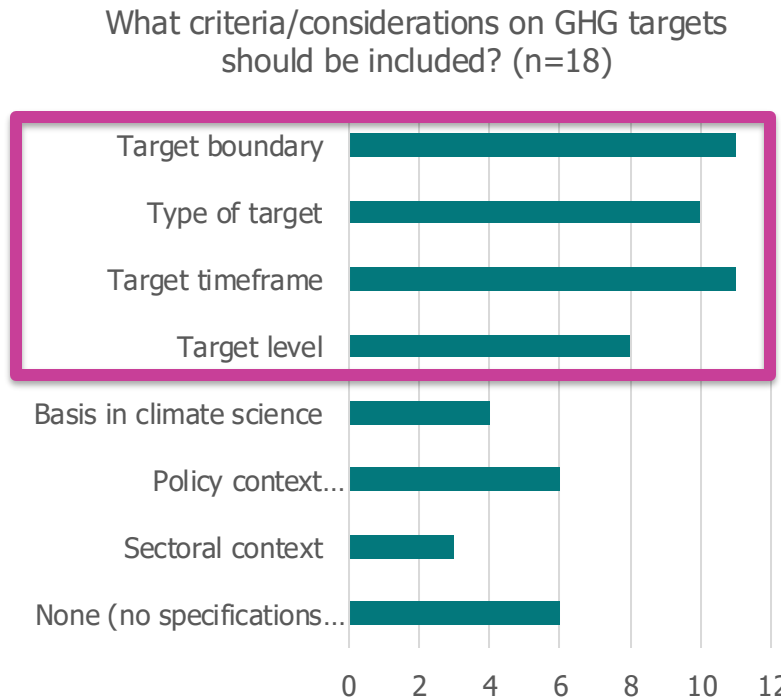
Subgroup 1 members expressed **split opinions** on how to provide more detailed specifications on targets, but with the most support for referencing **general criteria/considerations** and **referring to external programs**.*

Subgroup 1 members expressed **majority support** for including the following criteria/considerations: target boundary, type of target, target timeframe, target level.
(Note: Responses in favor of providing no specification were subtracted when calculating % support)

Summary of member comments:

- Providing 'general criteria/considerations' aligns with ISO 14064-1.
- GHG Protocol should avoid overly-prescriptive specifications on targets. Existing list of criteria is useful for guidance but should not be mandated in full.
- 'Sectoral context' should include the pathway applied in setting targets.

What overall approach should the Corporate Standard take to providing more detailed specifications on GHG targets?	
Include detailed provisions ('shall'/'should')	4 (22%)
Reference general criteria/considerations	9 (50%)
Refer to external programs	9 (50%)
Be silent	2 (11%)
Abstain	0 (0%)
<i>Total responses</i>	<i>18</i>



* Respondents were allowed to select more than one option. To be considered further today: Support for referencing general criteria/considerations *and* referring to external programs.

Detailed provisions on GHG targets: GHG Protocol and ISO standards

The GHG Protocol **Corporate Standard** and **Scope 3 Standard** include recommendations, options, and additional guidance for setting GHG targets.

The GHG Protocol **Land Sector and Removals (LSR) Standard** provides **conditional requirements and recommendations**, applicable when companies choose to set targets.

ISO 14064-1:2018 specifies **general criteria** "that should be considered" for setting GHG targets.

For example, the Scope 3 Standard (chapter 9) includes guidance on:

- Setting a **single target/separate targets** by scope and category
- **Target type** (absolute or intensity)
- **Target completion date:** "In general, companies **should** set long-term targets..."
- **Target level:** "In general, companies **should** set an ambitious target that reduces emissions significantly below... business as usual"
- **Use of offsets or credits**

Examples (LSR Standard chapter 17):

- "Companies **shall** set separate targets for emissions, independent of any removals, while optionally setting removal targets"*
- "Companies **should** set target levels aligned with the global need to reduce GHG emissions in line with 1.5°C pathways"
- "Companies **should** set separate targets by scope"

* LSR-specific requirement, will not be considered by the Corporate Standard TWG.

ISO 14064-1:2018 (7.3):

"For setting the target, the following criteria **should be considered**:

- climate science;
- reduction potential;
- international, national context;
- sectorial context (e.g. voluntary sectorial commitment, cross-sectorial effect)."

Note: ISO 14060 – Net Zero Aligned organizations is under development, providing requirements on GHG targets.

Targets are **optional** in CS and S3

Targets are **recommended** in the LSRS

Targets are **optional** in ISO 14064-1

GHG targets: Working draft text (accounting specifications)

3.1. Accounting requirements

[No accounting requirements proposed⁵⁴]

3.2. Accounting recommendations and options

[3.2.1] The organization **should** set targets to reduce GHG emissions [in the context of GHG inventory objectives].⁵⁵

[3.2.2] If the organization chooses to set GHG reduction targets, they **should** consider the following:^{56,57}

- Target boundary (emissions scopes, categories, etc. included in the target)
- Target type (i.e., absolute target, intensity target)
- Target timeframe (target base year, completion year, duration of the target)
- Target level (the numerical value of the reduction target)

[3.2.3] If the organization chooses to set GHG reduction targets, they **should** refer to the latest versions of relevant target setting standards [e.g., the Science Based Targets Initiative Corporate Net Zero Standard, ISO 14060 Net Zero Aligned Organizations] for additional guidance.⁵⁸



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

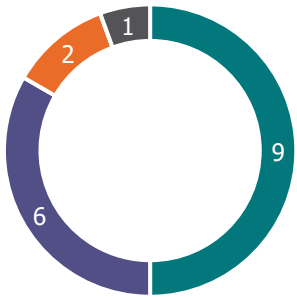
Do you agree with the overall approach of providing general criteria/considerations [3.2.2] and referring to external programs [3.2.3]?

Do you agree with the criteria listed in [3.2.2]? Should others be added?

Reporting on GHG targets: Meeting 13 poll results

Subgroup 1 members expressed **split opinions** on how to specify reporting provisions on GHG targets, but with the most support for a requirement ('shall').

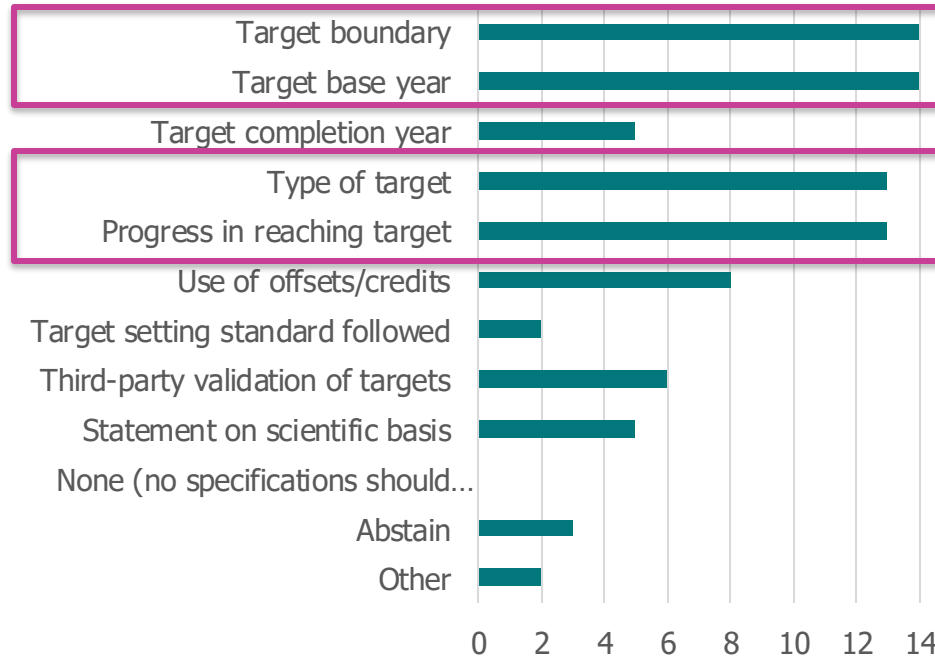
What overall approach should the Corporate Standard take to specifying reporting provisions on GHG targets? (n=18)



- Requirement ('shall')
- Recommendation ('should')
- Optional ('may')
- No specification (be silent)
- Abstain

Subgroup 1 members expressed **majority support** for including reporting provisions on the following: Target boundary, target base year, type of target, progress in reaching target.

What information should be specified in reporting provisions on GHG targets? (n=18)



Summary of member comments:

- Information on targets should only be required when the company has set targets.
- Detailed disclosure requirements should be avoided, as this is better left to jurisdictions.
- Companies should disclose if they followed an external program for target setting. If they did not, they should provide a statement on scientific basis.
- Companies should specify source of target (self-developed, mandatory program, voluntary program).
- Focus on the essentials: that companies report targets, disclose progress against them, and explain material deviations.
- If company does not report a target, they should provide reasons for this.
- Corporate Standard should require disclosure of how target was derived, how/when targets are reviewed/ revised, and alignment with international frameworks.

GHG targets: Working draft text (reporting specifications)

3.3. Reporting [requirements/recommendations and options]

[3.3.1] If the organization chooses to set GHG target(s), its [shall/should⁵⁹] [disclose/report] the following information for each target:⁶⁰

- Target boundary
- Target base year
- Type of target
- Progress in reaching the target



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Do you agree with the reporting elements listed? Should others be added (e.g., target completion year)?

Should reporting elements be defined as requirements ('shall') or recommendations ('should')?



**Poll 5:
GHG targets**

1. Do you support the following approach to providing detailed specifications on targets? Provide general criteria/considerations [3.2.2] and referring to external programs [3.2.3]. (Single choice)

- Support
- Oppose
- Abstain

2. Do you support a requirement ('shall' statement) to report information on GHG targets? (Single choice)

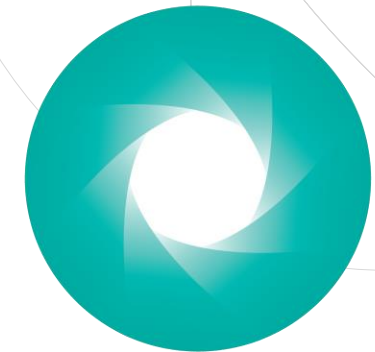
- Support
- Oppose
- Abstain

3. Do you support including a reporting element on target completion year (in addition to those supported by a majority of Subgroup 1 members in meeting 13: target boundary, target base year, type of target, progress in reaching target)? (Single choice)

- Support
- Oppose
- Abstain

Agenda

- Introduction and housekeeping 10 minutes
- Base year selection 25 minutes
- Base year recalculation 35 minutes
- GHG targets 35 minutes
- **GHG intensity metrics** 35 minutes
- Wrap up and next steps 10 minutes



GREENHOUSE GAS PROTOCOL

GHG intensity metrics: Overview of current status

Key preliminary Subgroup 1 outcomes

- Overall **support for recommended reporting** of GHG intensity metrics
 - At the company/organization-level
 - At the product level
- The Corporate Standard should provide **detailed specifications** (conditional 'shall'/'should' statements) applicable when organizations choose to report (organization-level) GHG intensity metrics.

Key pending items (to be discussed in following slides)

- **How to specify recommended reporting** of GHG intensity metrics (i.e., recommended for all reporters or recommended when relevant).
- What **detailed specifications** (conditional 'shall'/'should' statements) should be applicable when organizations choose to report GHG intensity metrics

Reporting of GHG intensity metrics: Meeting 13 poll results

Subgroup 1 members expressed **majority support** for **recommending the reporting of GHG intensity metrics** at both the **company/organization** level and at the **product** level.

(When 'responses for 'recommended for all' and 'recommended if relevant' are summed).

<i>How should reporting of GHG intensity metrics be specified in the Corporate Standard?</i>	<i>At the company/ organization level?</i>	<i>At the product level?</i>
Required ('shall')	3 (18%)	2 (12%)
Recommended for all ('should')	7 (41%)	8 (47%)
Recommended if relevant ('should')	3 (18%)	5 (29%)
Optional ('may')	3 (18%)	1 (6%)
No specification (be silent)	0 (0%)	1 (6%)
Abstain	1 (6%)	0 (0%)
<i>Total responses</i>	<i>17</i>	<i>17</i>

Summary of member comments:

- Consider including examples of contexts where reporting of intensity metrics would be considered relevant (e.g., supporting targets, interpret performance).
- Support reporting of intensity metrics for all reporters, depending on decision-usefulness to users of GHG report.
- Reporting of intensity metrics is most applicable at the product level and should be optional at the organization level.
- Intensity metrics should *not* be emphasized over absolute emissions (i.e., absolute reductions should be prioritized).

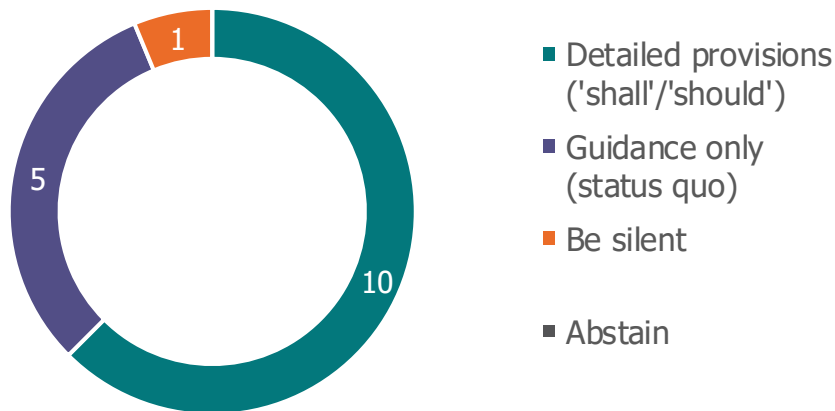
For consideration:

Would you support a provision recommending the reporting of GHG intensity metrics (at the company/organization level and/or product level) when relevant to reporting objectives?

Specifications for company/organization level GHG intensity metrics: Meeting 13 poll results

Subgroup 1 members expressed **majority support** for providing detailed provisions (conditional 'shall'/'should' statements) applicable when intensity metrics are reported.

What general approach should the Corporate Standard take to providing specifications on the development of GHG intensity metrics at the company/organization-level (for cases when companies report intensity metrics)? (n=16)



Member suggestions for provisions on GHG intensity metrics (from meeting discussion and feedback survey):

- The numerator (GHG emissions) and denominator (physical activity or economic output) should have consistent boundaries.
- Disclosure requirements to provide users of the GHG report sufficient information (e.g., methodological transparency, rationale for denominator chosen, data sources).
- Consistency of denominator across reporting periods, treatment of boundary changes, attribution analyses.
- Prioritization of physical versus economic intensity metrics.

Other comments from members

- Support for retaining general guidance as more detailed provisions may need to be sector-specific, but sector-agnostic guardrails are worth exploring and may be implemented as more detailed provisions.
- Sector-specific metrics have already been developed by other actors (e.g., SBTi), GHG Protocol should provide general guidance only as a complement, rather than develop duplicative or conflicting provisions.
- Applicable sections of other GHG Protocol, ISO, and external standards should be referenced.

GHG intensity metrics: Working draft text

4.1. Accounting requirements

[4.1.1] If the organization chooses to report GHG intensity [metrics/performance metrics/ratios], the numerator (GHG emissions) and denominator (unit of physical activity or economic value) **[shall/should]** have consistent boundaries.⁶²

4.2. Accounting recommendations and options

[No accounting recommendations and options proposed, subject to further discussion⁶³]

4.3. Reporting requirements

[No reporting requirements proposed, subject to further discussion⁶⁴]

4.4. Reporting recommendations and options

[4.4.1] The organization **should** report GHG intensity [metrics/performance metrics/ratios] [if relevant to reporting objectives]. GHG intensity [metrics/performance metrics/ratios] **may** be reported at the organization level or at the product level.⁶⁵

Note: Working draft text in this section is incomplete and may be expanded upon with additional conditional provisions applicable when the organization chooses to report GHG intensity metrics.



Discussion

Please share any comments on working draft text including:

- If text sufficiently reflects preliminary Subgroup 1 outcomes
- Comments on bracketed text (including bracketed options)

Do you support a recommendation to report GHG intensity metrics if relevant to reporting objectives? [4.4.1]

Also share any suggestions for conditional provisions that apply when (organization-level) GHG intensity metrics are reported including:

- **Accounting requirements or recommendations for the development of credible GHG intensity metrics (4.1, 4.2)**
- **Reporting requirements or recommendations (4.3, 4.4)**



**Poll 6:
GHG intensity
metrics**

1. Do you support a recommendation to report GHG intensity metrics if relevant to reporting objectives?

[4.4.1] The organization should report GHG intensity metrics if relevant to reporting objectives. GHG intensity metrics may be reported at the organization level or at the product level. (Single choice)

- Fully support
- Support with minor edits
- Oppose
- Abstain

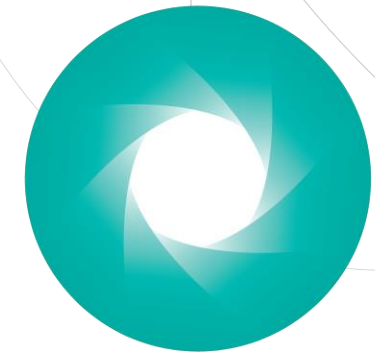
2. Do you support a provision on ensuring consistent boundaries for the numerator and denominator when GHG intensity metrics are reported?

[4.1.1] If the organization chooses to report GHG intensity metrics, the numerator (GHG emissions) and denominator (unit of physical activity or economic value) [shall/should] have consistent boundaries. (Single choice)

- Support as a requirement ('shall')
- Support as a recommendation ('should')
- Oppose
- Abstain

Agenda

- Introduction and housekeeping 10 minutes
- Base year selection 25 minutes
- Base year recalculation 35 minutes
- GHG targets 35 minutes
- GHG intensity metrics 35 minutes
- **Wrap up and next steps 10 minutes**



GREENHOUSE GAS PROTOCOL

Next steps

Items to be shared by GHG Protocol Secretariat:

- Final slides, minutes, and recording from this meeting
- Feedback survey
- Working draft text document (version to collect comments in common file)

TWG member action items:

- Respond to feedback survey (deadline Friday, June 26th)
- Provide comments on working draft text (deadline Friday, June 26th)
- Volunteers invited for ad-hoc group to assist with reviewing and resolving comments on working draft text (please email to express interest by Friday, June 19th)

Next meetings (all full TWG meetings)

- Tuesday, June 30th (focused on Subgroup 3 topics)
- Thursday, July 16th (focused on Subgroup 2 topics)
- Tuesday, August 4th (focused on Subgroup 1 topics) – ***New date***

Thank you!

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Change log

Slide #s	Change	Details
23	Updated slide	Slide updated to fix typo on 3 rd bullet of provision 2.1.1.
26	Updated slide	Slide updated to reflect the content of the final version of SBTi's Corporate Net Zero Standard v2, released on June 11 th (subsequent to the meeting).
53	Updated slide	Date to volunteer for ad-hoc group extended to Friday, June 19 th .