

Corporate Standard Meeting Minutes

Subgroup 2, Meeting #14

Date: 2 June 2026

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

Location: Virtual

Attendees

Technical Working Group Members

1. Christina Abbott, KPMG
2. John Altomonte, WWF-Philippines
3. Debbie Crawshawe, Department for Business and Trade, UK Government
4. Rubens Ferreira, Carbonauta Ltda
5. Anna Dauteuil, EFRAG
6. Gijs Kamperman, TenneT
7. Vincent Kong, BEAM Society Ltd
8. Bonar Laureto, EY Philippines
9. Andy Law, Hong Kong Institute of Certified Public Accountants
10. Barbara Porco, Fordham University
11. Doug Rand, Deloitte
12. Judy Ryan, External Reporting Board, New Zealand
13. Alisa Shumm, PwC
14. Ann Smith, ISO/TC 207/SC 7/WG 4 and Independent

Guests

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GHG Protocol Secretariat

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

Documents referenced

1. Slides for the Corporate Standard TWG Subgroup 2 meeting on 2 June 2026.
2. ISSB Staff Technical Recommendations on application of financial control approach to lease arrangements (*internal*)
3. Leased Assets Task Force member proposals (*internal*)

Item	Topic and Summary	Outcomes
1	<p><i>Introduction and housekeeping</i></p> <p>The Secretariat welcomed TWG members to the 14th meeting of Subgroup 2. The Secretariat provided a brief reminder on TWG housekeeping items, presented the objectives and the agenda for the meeting, and reviewed the upcoming meeting timeline.</p>	No specific outcomes.
2	<p><i>Verification and assurance</i></p> <p>The Secretariat provided a brief recap on verification and assurance, presented the proposed shortlisted options to address the topic of verification and assurance in the Corporate Standard, and invited members to comment. Indicative polls were held on how to address verification and assurance and associated reporting provisions.</p>	Outcomes from indicative polls will be reported following completion of the Meeting 14 feedback survey.
3	<p><i>Leased assets task force outputs</i></p> <p>The Secretariat provided an overview of outputs from the Leased Assets Task Force, building upon the direction of a principle-based approach to revise categorization of emissions from leased assets. The Secretariat presented four options on how emissions from leased assets could be categorized (by the lessee and the lessor), and invited members to comment. An indicative poll was held to gauge member opinions.</p>	Outcomes from indicative polls will be reported following completion of the Meeting 14 feedback survey.
4	<p><i>Other pending phase 1 items</i></p> <p>The Secretariat recapped the first pending phase 1 item on further evaluating whether the revised definition of the financial control approach applies to and is sufficient for investment entities. The Secretariat presented the proposed approach and invited members to comment.</p> <p>The second pending phase 1 item (i.e., finalizing the terminology and framing to define the proposed package for setting organizational boundaries (item #3) to clarify when the additional recommended reporting under operational control (item #3 of the package) applies) was not covered due to time constraints.</p>	The Secretariat will collect inputs via the Meeting 14 feedback survey.
5	<p><i>Wrap-up and next steps</i></p> <p>The Secretariat outlined a summary of next steps including the schedule for the upcoming Full TWG meetings.</p>	<p>The Secretariat will share final meeting materials including the slides, minutes, and recording.</p> <p>The Secretariat requested that members respond to a Meeting 14 feedback survey, including topics covered in the meeting, with the survey deadline to be confirmed.</p> <p>The next meeting will be a Full TWG meeting focusing on Subgroup 3 updates, scheduled for June 30th, 2026.</p>

Summary of discussion and outcomes

1. Introduction and housekeeping

- The Secretariat welcomed TWG members to the 14th meeting of Subgroup 2. The Secretariat provided a brief reminder on TWG housekeeping items, presented the objectives and the agenda for the meeting, and reviewed the upcoming meeting timeline. (slides 1-9)

Summary of discussion

- No discussion.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Verification and assurance

- The Secretariat provided a brief recap on verification and assurance, presented the proposed shortlisted options to address the topic of verification and assurance in the Corporate Standard, and invited members to comment. Indicative polls were held on how to address verification and assurance and associated reporting provisions. (slides 10-20)

Summary of discussion

- The Secretariat provided a high-level recap of previous discussions on verification and assurance, presented the Meeting 13 feedback survey results, presented the shortlisted options for consideration, and invited members to comment.
 - Several members expressed their support for the Corporate Standard to be silent on verification and assurance, noting that providing provisions on the topic is beyond its role as an accounting and reporting standard. The Secretariat emphasized that the Standard is a voluntary framework aiming to provide a holistic understanding of the GHG emissions reporting ecosystem, which to date included topics related to but beyond accounting and reporting, such as assurance and target setting.
 - A member suggested that providing guidance on verification and assurance within the Standard may result in overstepping into jurisdictional territories. The Secretariat highlighted that providing guidance—not a requirement—on the topic would not necessarily inhibit interoperability with external mandatory programs.
 - A member noted that a 'should' statement on verification and assurance differs significantly from a 'may' statement. They added that if these provisions are merged under 'providing guidance', they would prefer to remain silent on the topic instead. Another member expressed support. The Secretariat clarified that these options are combined under the option for 'providing guidance' to gauge member views. If there is sufficient support, a follow-up discussion or poll would be held to decide between a "should" or "may" statement.
 - A member suggested that the stakeholder feedback received on the topic points towards the need for further guidance and clarifications on verification and assurance for GHG inventory preparers. They proposed that this could be addressed by providing separate guidance that sits outside the Corporate Standard. Several members expressed support.
 - A member suggested that, when evaluating the pros and cons of addressing verification and assurance in the Corporate Standard, factors such as the topic's historical coverage in the Corporate suite of Standards and alignment with ISO 14064-1 should not be the primary basis for an objective evaluation.
 - Another member suggested that discussions on how to provide guidance on verification and assurance may be addressing a problem already covered by existing standards (e.g., ISSA 5000, ISO 14064-3). Several members agreed. They recommended that the TWG focus

instead on accounting- and reporting-focused revision items. The Secretariat noted that the scope of work covers verification and assurance.

Indicative poll:

- The Secretariat conducted an indicative poll asking the following question: How should **verification and assurance topic** be addressed in the Corporate Standard?
 - Provide as guidance (should/may): 3 of 13 respondents
 - Stay silent: 10 of 13
 - Abstain: 0 of 13
 - One member opposed using a “should” statement but supported using “may,” noting that this was why they chose the option ‘stay silent’; another member agreed. The Secretariat added that the Meeting feedback survey will be presented in a way to incorporate the feedback received during the meeting.
 - Another member asked whether the option to ‘provide as guidance’ refers to including this within the Corporate Standard or in a separate document outside of it. The Secretariat clarified that the option considers including the guidance within the Standard, and proposed extending the options to also evaluate providing separate guidance outside of the Standard—to be shared in the Meeting feedback survey.
- The Secretariat provided a high-level recap of previous discussions on **disclosures on verification and assurance**, presented the Meeting 13 feedback survey results, and invited members to comment.
 - A member suggested that verification and assurance—even as guidance—should not be included in an accounting and reporting standard, and therefore, no disclosure provisions on the topic should be included. They added that assurance providers, based on the assurance standard being applied, have their own requirements for how assurance outcomes should be reported in GHG reports.
 - Another member suggested that it is clear that verification and assurance is the best practice but the question is more on whether this topic is relevant to cover in an accounting and reporting standard.
 - A member expressed concern that including disclosure provisions on verification and assurance could be interpreted as the GHG Protocol requiring verification and assurance, whereas current discussions suggest this is unlikely to be the intention.
 - A member suggested that programs requiring verification and assurance as well as the standards being applied on the topic have their own requirements on disclosure. They added that having disclosure requirements in the Corporate Standard may create conflicts. The Secretariat emphasized that the Corporate Standard is used by voluntary reporters as well as mandatory reporters and providing guidance on best practice disclosures could be useful for the former user group—as well as the user of the reported information.
 - Another member suggested that assurers would already not approve publication of a GHG report without including the assurance report. They therefore noted that, if a GHG report is verified by a third-party, the information on whether it was assured would already be accessible within the report—making additional disclosure provisions unnecessary.
 - A member suggested that disclosure on why the GHG report was not assured by a third-party does not provide added value to the user of the information. They added that the reason can be as simple as not having enough resources or not being ready. Several members agreed.

Indicative polls:

- The Secretariat conducted an indicative poll asking the following question: How should **disclosure on whether** the reporting organization obtained third-party verification or assurance be addressed?
 - It should be required - to provide transparency to user of information: 0 of 14 respondents

- It should be recommended or optional – left to reporter’s judgement: 4 of 14
- Stay silent: 10 of 14
- Abstain: 0 of 14
- The Secretariat conducted an indicative poll asking the following question: Should there be **disclosure on why** third-party verification or assurance was **not obtained**?
 - Yes - should be required - provides meaningful information for its users: 0 of 14 respondents
 - Yes - should be recommended or optional – left to reporter’s judgement: 1 of 14
 - No, Stay silent: 13 of 14
 - Abstain: 0 of 14

Outcomes (e.g. recommendations, options)

- Outcomes from indicative polls will be reported following completion of the Meeting 14 feedback survey.

3. Leased assets task force outputs

- The Secretariat provided an overview of outputs from the Leased Assets Task Force, building upon the direction of a principle-based approach to revise the categorization of emissions from leased assets. The Secretariat presented four options on how emissions from leased assets could be categorized (by the lessee and the lessor), and invited members to comment. An indicative poll was held to gauge member opinions. (slides 21-29)

Summary of discussion

- The Secretariat provided an overview of key financial accounting concepts on lease accounting and key external programs’ requirements and guidance on categorizing GHG emissions from leased assets. The Secretariat provided an overview of the Leased Assets Task Force process and outputs, including the proposed principles-based options to categorizing emissions from leased assets, including analysis using the decision-making criteria, and invited members to comment.
 - A member expressed support for adopting a principles-based approach for leased assets, suggesting that there are several and potentially differing exceptions to lease accounting across financial accounting frameworks. They added that right-of-use is the primary criteria for a contract to be a lease. However, there are cases where the lessor recognized the underlying leased asset on their balance sheet despite the lessee having the right-of-use.
 - Another member expressed support of a principles-based approach and gave an example from UK GAAP noting more extensive exemptions on leases.
 - A member asked to clarify whether right-of-use also covers the lessee’s ability to choose the energy source/supplier. They added that the energy source is as important as the consumption. Another member responded by suggesting that although the lessee often does not have decision power on the energy source, they have the option to lease an asset that meets with their preference.
 - Another member suggested that the lessor also has the chance to offer less GHG emission intensive assets for a lease.
 - A member expressed support for adopting a standardized approach to categorizing emissions from leased assets, suggesting that the approach should be consolidation approach-agnostic to avoid complexity for application to prevent reporters from selecting their organizational boundary based on how they prefer to categorize emissions from leased assets.
 - Another member asked whether the term ‘boundary-agnostic’ (slide 27) referred to organizational or operational boundaries. The Secretariat clarified that it refers to organizational boundaries.
 - Another member raised concerns about linking the categorization of emissions to a purely economic perspective (i.e., balance sheet recognition). They noted that financial accounting

exemptions should be considered carefully, as they are based on criteria not directly related to GHG emissions, such as the value of leased assets or the lease duration. They emphasized that leases exempt from financial reporting can still be significant from an emissions intensity perspective.

- A member shared a resource from a leasing association providing a sectoral perspective on accounting for emissions from leased assets, including an evaluation of the simplified ESRS requirements on the topic: [Simplification of EU Sustainability Rules – Emissions Reporting for Lessors Clarified Following Leaseurope Action | Leaseurope](#).
- A member shared their interpretation of Option B – a standardized approach based on right-of-use. They noted that it can be understood as a decision tree that first focuses on the party using the asset (i.e., right-of-use), who categorizes the associated emissions as scope 1 and 2. Consequently, the other party would categorize those emissions as scope 3. They provided an example from the real estate industry, noting that current practice is for real estate lessors, who often do not use the asset, to account for associated emissions as scope 3, and asked whether this approach is expected to change. The Secretariat clarified that the main difference between Option A and Option B (standardized approaches) is how the lessor would account for emissions from their leased assets (i.e., scope 1&2 or scope 3).
- Another member noted that Option B may be seen by some as disconnected from financial accounting principles (i.e., not based on balance sheet recognition), particularly when applying the financial control approach. They asked for the group's input on whether a link to balance sheet line items can be maintained if the lessor categorizes emissions from leased assets recognized on their balance sheet as scope 3.
 - Another member responded that this could be considered compatible with financial statements, as long as the relevant scope 3 category clearly captures those emissions.
- A member noted that the current approach in the Corporate Standard is based on outdated financial accounting rules for leases and suggested that Option A (standardized approach based on balance sheet recognition) and Option A+ (two step approach with an additional step for the lessee) follow a similar approach (i.e., whether the asset is on the balance sheet).
- A member asked for example cases where the lessee has right-of-use of the leased asset but does not recognize it in their balance sheet. The Secretariat referred to slide 23 and noted that examples include the lease accounting exemptions (e.g., low value and short-term leases) presented on slide 23. Another member elaborated on the examples presented on the slide.
 - Another member suggested that emissions from leases exempt under financial accounting could, in some cases, be significant, and in such cases should be accounted for under scope 1 and 2 to provide a fair representation. The Secretariat confirmed that Option A+ intends for the lessee to assess their exempt leases and, where they are relevant in terms of fair representation, to account for the associated emissions under scope 1 and 2 rather than scope 3.
- A member noted that they need to further evaluate the options and provide their feedback via the Meeting follow-up survey.
- **Indicative poll:** The Secretariat conducted an indicative poll asking the following question: Which option do you support for categorizing emissions from leased assets? (see slide 26 for details on proposed options)
 - Option A (Standardized approach – balance sheet recognition): 2 of 12 respondents
 - Option A+ (Two step approach for lessee): 2 of 12
 - Option B (Standardized approach – right-of-use): 5 of 12
 - Option C (Different method per consolidation approach): 1 of 12

- Abstain: 2 of 12

Outcomes (e.g. recommendations, options)

- Outcomes from indicative polls will be reported following completion of the Meeting 14 feedback survey.

4. Other pending phase 1 items

- The Secretariat recapped the first pending phase 1 item on further evaluating whether the revised definition of the financial control approach applies to and is sufficient for investment entities. The Secretariat presented the proposed approach and invited members to comment. The second pending phase 1 item (i.e., finalizing the terminology and framing to define the proposed package for setting organizational boundaries (item #3) to clarify when the additional recommended reporting under operational control (item #3 of the package) applies) was not covered due to time constraints. (slides 30-36)

Summary of discussion

- The Secretariat recapped the first pending phase 1 item on whether the revised financial control approach definition applies to investment entities subject to consolidation exceptions under financial accounting. This included a high-level overview of how the relevant rules and exceptions differ across IFRS and US GAAP. The Secretariat explained that a few Subgroup 2 members had further assessed this issue and proposed that the revised definition of the financial control approach is sufficient and should be consistently applied by investment entities to maintain alignment with financial disclosures, and invited members to comment.
 - A member shared their experience engaging with investment groups on current practice. They noted that the industry generally considers portfolio emissions—regardless of whether there is control (i.e., consolidation in financial statements)—to be captured together under the same scope or category. They added that ownership percentages in investees often change, which under the proposed approach could result in the same investee’s emissions shifting between scope 1-2 and scope 3. They suggested this would not be seen as an ideal approach.
 - Another member asked whether fully aligning GHG emissions consolidation with financial consolidation would address this concern. In response, the member suggested that the industry may prefer a different approach, where financial consolidation is not the primary determining factor, and an exception allows all portfolio emissions to be captured under scope 3, category 15.

Outcomes (e.g. recommendations, options)

- The Secretariat will collect inputs via the Meeting 14 feedback survey.

5. Wrap-up and next steps

- The Secretariat outlined a summary of next steps including the schedule for upcoming meetings. (slides 37-39)

Summary of discussion

- No discussion raised.

Outcomes (e.g. recommendations, options)

- The Secretariat will share final meeting materials including the slides, minutes, and recording.
- The Secretariat requested that members respond to a Meeting 14 feedback survey, including topics covered in the meeting, with the survey deadline to be confirmed.

- The next meeting will be a Full TWG meeting focusing on Subgroup 3 updates, scheduled for June 30th, 2026.

Summary of written submissions received prior to meeting

- The Secretariat received no comments from Subgroup 2 members on the meeting materials prior to the meeting.

Subgroup 2 Meeting 13: Complete poll results

- The Secretariat invited Subgroup 2 members to respond to Subgroup 2 Meeting 13 indicative poll questions both live in the meeting and via a feedback survey after the meeting. This section reflects final indicative poll results, combining both live meeting polls and feedback survey responses. Written feedback was incorporated into the meeting slides.
- 20 responses were received, combining live meeting poll results and the feedback survey.
- The Secretariat posed an indicative poll and survey question asking: How should the **verification and assurance topic be addressed** in the Corporate Standard??
 - Respondents expressed ***split opinions***.
 - **Requirement:** Organizations shall obtain third-party verification/assurance: 0 of 20 respondents
 - **Recommendation:** Organizations should obtain third-party verification/assurance: 6 of 20
 - **Optional:** Organizations may obtain third-party verification/assurance: 5 of 20
 - **Stay silent** on verification/assurance: 9 of 20
 - Abstain: 0 of 20
- The Secretariat posed an indicative poll and survey question asking: Should the Corporate Standard require, recommend, or optionally allow companies to **disclose whether** they obtained third-party **verification or assurance**?
 - Respondents expressed ***split opinions***.
 - **Require** disclosure (shall) - current approach in LSR Standard: 4 of 16 respondents
 - **Recommend** disclosure (should): 3 of 16
 - Provide disclosure **as an option** (may): 1 of 16
 - **Stay silent** on disclosure related to verification/assurance: 7 of 16
 - Abstain: 1 of 16
- The Secretariat posed an indicative poll and survey question asking: Should the Corporate Standard require, recommend, or optionally allow companies to **disclose a rationale if they did not obtain** third-party **verification or assurance**?
 - Respondents expressed ***split opinions***.
 - **Require** disclosure (shall) - current approach in LSR Standard: 2 of 16 respondents
 - **Recommend** disclosure (should): 1 of 16
 - Provide disclosure **as an option** (may): 3 of 16
 - **Stay silent** on disclosure related to verification/assurance: 9 of 16
 - Abstain: 1 of 16
- The Secretariat posed an indicative poll and survey question asking: What **terminology** would you recommend using to clarify the cases in which the additional recommended reporting based on operational control should apply? (see slide 26 for proposed options)
 - Respondents expressed ***split opinions***.
 - **Option C** (when financial control **fails to provide** a fair representations...): 7 of 19

- **Option C.1** (if it **enables organizations to provide** a fair representation...): 11 of 19
- Abstain: 1 of 19