

Independent Standard Board – Meeting #9 Summary

Date: 28 April 2025

Time: 08:00 – 11:00 ET / 14:00 – 17:00 CET

Location: Virtual

Attendees

Members

Alex Bassen, Chair
Anthony Cheung
Inhee Chung
Danny Cullenward
Pieter Gagnon
Suzanne Greene

Owen Hewlett
Christina Hood
Stuart Jefford
Heather Keith
Viola Lutz

Observing Entities

Bastian Buck (GRI)
Alberto Carillo Pineda (SBTi)
Pedro Faria (EFRAG)

Bing Leng (ISSB)
Amir Sokolowski (CDP)

GHG Protocol Secretariat

Hande Baybar
Pankaj Bhatia
Alejandra Bosch
David Burns
Natalia Chebaeva
Alexander Frantzen
Claire Hegemann
Iain Hunt

Oliver James
Maia Kutner
Allison Leach
Ralf Pfitzner
Matt Ramlow
David Rich
Amir Safaei
Richard Waite

Agenda and Decisions

Item	Topic and Summary	Decisions
1	<i>Welcome and Introduction</i> The Chair welcomed all members.	The ISB was not asked to make any decisions.
2	<i>Land Sector & Removals: Agricultural Leakage</i> The ISB subgroup on agricultural leakage presented an overview of their discussions, which took place over three meetings, and the ISB subgroup’s proposal to the full ISB. A spokesperson from the ISB subgroup highlighted the areas of consensus in the subgroup and	Decision: The ISB adopted the ISB Agricultural Leakage Subgroup proposal via e-vote:

	<p>outstanding areas of disagreement related to the five key questions deliberated by the full ISB and subsequently the subgroup:</p> <ol style="list-style-type: none"> 1. Is accounting for and reporting agricultural leakage required or recommended? 2. What quantification approach is used to quantify land carbon leakage? 3. What triggers land carbon leakage quantification? 4. Is leakage aggregated (i.e., "netted") with other emissions and removals in the reporting? 5. How should leakage emissions be included in targets? <p>The ISB Chair opened the floor for discussion on the remaining points of disagreement. The members reached consensus on amendments to the ISB subgroup proposal for addressing the five key questions. The members adopted the amended proposal via electronic vote following the meeting.</p>	<p>For: 10 Against: 1 Abstentions: 0</p>
3	<p><i>Corporate Standard: Phase 1 Outcomes</i></p> <p>Pulse check topics 1a and 1b: <i>Adopting comparability objective in the Corporate Standard and operationalizing it through standardization</i></p> <p>The Secretariat presented the Corporate Standard TWG recommendation that a comparability objective be adopted in the Corporate Standard, including the rationale according to the GHG Protocol decision-making criteria and level of support from TWG members. The Secretariat noted that the TWG has also discussed the adoption of a comparability principle, but has not yet reached an agreed upon recommendation. In addition to a pulse check on whether to adopt a comparability objective, the Secretariat requested a pulse check on the extent to which there should be greater standardization and limiting of optionality to operationalize such an objective. Following discussion by ISB members and Observing Entities, a pulse check poll indicated <i>majority support</i> from ISB members for continuing in the direction of adopting a comparability principle. Another pulse check poll indicated <i>majority support</i> from ISB members for operationalizing a comparability principle through considering the pros and cons of comparability versus flexibility on a case-by-case basis while generally moving in the direction of greater standardization.</p> <p>Decision topic 2a: <i>The financial control approach should be revised to align with financial accounting by requiring companies that choose the financial control approach to use the same consolidation method as in their financial disclosures.</i></p> <p>The Secretariat presented the Corporate Standard TWG recommendation that the financial control consolidation approach should be revised to achieve alignment with financial accounting, including the rationale according to the GHG Protocol decision-making criteria and level of support from TWG members. The Secretariat noted that this principle-based revision will enable alignment with financial accounting, with further details on text revisions and operationalizing this principle still under development by the Corporate Standard TWG. ISB members expressed unanimous support for revising the financial control consolidation approach to align with financial accounting by requiring companies that choose the financial control approach to use the same consolidation method as in their financial disclosures.</p>	<p>Decision:</p> <p>The following recommendation was provisionally adopted (topic 2a): "The financial control approach should be revised to align with financial accounting by requiring companies that choose the financial control approach to use the same consolidation method as in their financial disclosures."</p> <p>Votes for: 10 of 11 Votes against: 0 of 11 Abstentions: 1 of 11</p> <p>The following recommendation was provisionally adopted (topic 3a): "Scope 3 reporting shall be required in the Corporate Standard." (<i>What the specific scope 3 requirement is and who it applies to will be decided in future meetings.</i>)</p> <p>Votes for: 10 of 11 Votes against: 0 of 11</p>

<p>Observing entities noted that revising the financial control approach to align with financial consolidation principles is consistent with the direction taken by most external programs. The ISB provisionally adopted the following recommendation: "The financial control approach should be revised to align with financial accounting by requiring companies that choose the financial control approach to use the same consolidation method as in their financial disclosures."</p> <p>Information topic 2b: <i>Optionality in consolidation approaches</i></p> <p>The Secretariat provided a high-level summary of the TWG's initial assessment of whether to maintain optionality in consolidation approaches in the Corporate Standard, including key arguments for and against, and the level of preliminary support from TWG members. A majority of TWG members supported maintaining optionality between the revised financial control and operational control approaches, while removing the equity share approach. The Secretariat did not conduct a pulse check on this topic but invited the ISB members and observing entities to submit their questions and concerns regarding this directional update in writing after the meeting.</p> <p>Decision topic 3a: <i>Scope 3 reporting shall be required in the Corporate Standard</i></p> <p>The Secretariat presented the Corporate Standard TWG recommendation that a scope 3 reporting requirement be adopted in the Corporate Standard, including the rationale according to the GHG Protocol decision-making criteria and level of support from TWG members. The Secretariat noted that the requirement would align with that in the Scope 3 Standard, with further details being developed in the Corporate Standard and Scope 3 TWGs. ISB members and observing entities expressed general support for requiring scope 3 in the Corporate Standard. Through a poll, the ISB provisionally adopted the following recommendation: "Scope 3 reporting shall be required in the Corporate Standard."</p> <p>Decision topic 3b: <i>All significant scope 3 emissions shall be required (i.e., based on magnitude)</i></p> <p>The Secretariat presented the Corporate Standard TWG recommendation that a scope 3 requirement be defined on the basis of magnitude of emissions (i.e., "significant" emissions), including the rationale according to the GHG Protocol decision-making criteria and level of support from TWG members. The Secretariat noted that the Scope 3 TWG independently recommended requiring scope 3 based on a quantitative exclusion threshold and that the specific threshold is still under discussion by the TWG. Several ISB members and observing entities expressed support for a prescriptive and quantitative metric but noted concern about the use of the word "significant" given its different meaning across external programs. ISB members further discussed the matter, and a poll found <i>majority support</i> for requiring significant scope 3 emissions, though short of the threshold for approval, and the topic will be revisited at a future ISB meeting.</p> <p>Pulse check topics 4a and 4b: <i>4a) Different scope 3 requirements should be defined for different types of companies; 4b) Different scope 3 requirements should be defined by GHG Protocol (as opposed to external programs)</i></p>	<p>Abstentions: 1 of 11</p>
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	<p>The Secretariat presented the Corporate Standard TWG recommendation, noting that topic 4b is a strategic decision to be made by the ISB, and was therefore considered on a limited basis in the TWG. ISB members and Observing Entities discussed the matter. Pulse check polls were conducted and a majority of ISB members abstained, indicating that more information and discussion are needed before voting on this topic.</p>	
4	<p><i>Scope 3: Phase 1 Outcomes</i></p> <p><i>Agenda item postponed until 7 May 2025, 08:00 – 13:00 ET / 13:00 – 14:30 CET.</i></p> <p><i>The session was held as an optional information session as there was no quorum (6 of 11 members and two Observing Entities in attendance). A recording was made available to all members and Observing Entities.</i></p> <p>The Secretariat presented the current status of Scope 3, Subgroup A discussions on disaggregated reporting of scope 3 emissions based on data specificity and will present further revisions to the disaggregated reporting approach, including possible verification and uncertainty additions, to the ISB in July.</p> <p>The Secretariat presented an update on Subgroup B’s discussions on scope 3 boundary setting and will present all proposed revisions on this topic to the ISB in July.</p> <p>The Secretariat also presented interim considerations of subgroups B and C on facilitated emissions. This topic will also be presented in greater detail to the ISB in July.</p>	<p>The ISB was not asked to make any decisions.</p>
5	<p><i>All Other Business</i></p> <p>AOB session was not held</p>	<p>N/A</p>
	<p><i>***Meeting adjourned at 11:00 ET / 17:00 CET***</i></p>	