Corporate Standard Meeting Minutes

Full TWG, Meeting #8

Date: 4 August 2026

Option 1: 08:00 – 10:30 ET / 14:00 – 16:30 CET / 21:00 – 23:30 CHN

Option 2: 16:00 – 18:30 ET / 22:00 – 00:30 CET / 05:00 – 07:30 CHN (August 5th)

Location: Virtual

Attendees

Technical Working Group Members – Session 1 attendees

1. Christina Abbott, KPMG
2. Inês Amorim, WBCSD
3. Christa Anderson, Rainforest Alliance
4. Erika Barnett, Greenhouse Gas Management Institute
5. Tatiana Boldyreva, CDP
6. Stephanie Chow-Ashton, ISO/TC207/SC7/WG4 and Glasgow Alliance for Net Zero (GFANZ)
7. Anna Dauteuil, EFRAG
8. Abhilash Desu, Science Based Targets Initiative
9. Louisa Drechsel, ISO/TC207/SC7/WG4 and TÜV SÜD
10. Rubens Ferreira, Carbonauta Ltda
11. Robert Gray, Independent
12. Ron-Hendrik Hechelmann, University of Kassel
13. Douglas Johnson, PwC China
14. Gijs Kamperman, TenneT
15. Marine Kohler, CentraleSupelec, Universite Paris-Saclay
16. Andy Law, Hong Kong Institute of Certified Public Accountants
17. Tomoo Machiba, Zeroboard
18. Felipe Martínez Rodríguez, Hydro
19. Alexis McGivern, University of Oxford
20. Philippe Missi Missi, UNFCCC Regional Collaboration Center West and Central Africa
21. Suresh Krishna Ishwara Palar, Infosys Limited
22. Barbara Porco, Fordham University
23. Joanne Richmond, CK Hutchison
24. Sheila Scott, Jacobs
25. Monika Shrivastava, JSW Cement
26. Ann Smith, ISO/TC207/SC7/WG4
27. Jane Jagd Thostrup, We Mean Business Coalition

Technical Working Group Members – Session 2 attendees

28. Samuel Anuga, University Mohammed VI Polytechnic, Morocco
29. Catherine Atkin, Carbon Accountable and Stanford CodeX Climate Data Policy Initiative
30. Rebecca Berg, Center for Climate and Energy Solutions
31. Victoria Evans, SCS Engineers
32. Ignacio Fernandez, The Climate Registry
33. Brandon McNamara, Northern Arizona University
34. Patrick Murphy, Sierra Club
35. Doug Rand, Deloitte
36. Judy Ryan, External Reporting Board, New Zealand
37. Jay Shi, Proctor & Gamble
38. Margaret Weidner, Impact Pathway

Guests

1. Ibrahim Eryazici, ISO/TC207/SC7/WG4 and Dow

GHG Protocol Secretariat

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

Documents referenced

1. Slides for the Corporate Standard Full TWG meeting on 4 August 2026

2. Consolidated Corporate Standard - Standard Development Plan, 29 July 2026

3. Working draft text on "Tracking emissions over time" – *Internal to TWG*

4. Working draft text on "Identifying and calculating emissions and managing inventory quality" – *Internal to TWG*

Item	Topic and Summary	Outcomes
1	***Welcome and housekeeping*** The Secretariat welcomed TWG members to the eighth full Corporate Standard TWG meeting and briefly reviewed key housekeeping items, along with updates on the new consolidated Corporate Standard Development Plan.	No specific outcomes.
2	***Subgroup 1: Base year selection*** The Secretariat presented the latest preliminary Subgroup 1 outcomes on the topic of base year selection. Following discussion, indicative polls were held on the topics presented.	Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.
3	***Subgroup 1: Base year recalculation*** The Secretariat presented the latest preliminary Subgroup 1 outcomes on subtopics related to base year recalculation including: • Recalculation events • Significance thresholds • Options for when data unavailable for recalculation • Timing of recalculation for structural changes Following discussion, indicative polls were held on the topics presented.	Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.
4	***Subgroup 1: GHG targets*** Due to time constraints, the planned agenda item on GHG targets was omitted, with indicative polls to be included in the Meeting 8 feedback survey.	Indicative poll questions on GHG targets will be posed in the Meeting 8 feedback survey.
5	***Subgroup 1: GHG intensity metrics*** The Secretariat presented preliminary Subgroup 1 outcomes on the topic of GHG intensity metrics. Following discussion, indicative polls were held on the topics presented.	Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.
6	***Subgroup 3: Calculation methods*** The Secretariat reviewed relevant TWG Meeting 7 indicative poll results and presented on scope 1 calculation methods, a scope 1 calculation methods hierarchy, and related accounting and reporting provisions. Following discussion, indicative polls were held.	Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.
7	***Subgroup 2: Leased assets*** The Secretariat reviewed relevant TWG Meeting 7 indicative poll results on options for categorizing emissions from leased assets and the next steps for evaluation. Following discussion, indicative polls were held on the topics presented.	Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.

8	***Wrap-up and next steps*** The Secretariat shared a summary of next steps including the schedule for upcoming meetings and the sharing of a post-meeting feedback survey.	The Secretariat will share post-meeting materials, including final slides and meeting minutes. A feedback survey will be shared with all TWG members covering meeting topics, with deadline to respond to be confirmed. Comments were requested on the working draft text titled "Tracking emissions over time" and " Identifying and calculating emissions and managing inventory quality", with comments due by Monday, August 24th. The next meeting will be a Full TWG meeting on Tuesday, September 15th at 09:00-12:00 ET / 15:00-18:00 CET / 21:00-00:00 CHN.

Summary of discussion and outcomes

1. Welcome and housekeeping

- The Secretariat welcomed TWG members to the eighth full Corporate Standard TWG meeting and briefly reviewed key housekeeping items, along with updates on the new consolidated Corporate Standard – Standard Development Plan. (Slides 1-13)

Summary of discussion

- A member asked how the Land Sector and Removals Standard has been considered in the consolidated Corporate Standard – Standard Development Plan update process and how it will be integrated into the process. The Secretariat noted that this topic is currently under discussion and more information will be shared when available.
- Another member asked whether separate guidance documents would be provided for all three scopes, and not only for scope 2. The Secretariat responded that this is the current plan, but the first priority is developing the Standard, including essential requirements, recommendations, and information. The four workstreams (Corporate Standard, Scope 2, Scope 3 and AMI) will be consolidated into a single standard delivered in parts. Informative guidance documents corresponding to each workstream will be developed with publication expected after the publication of the consolidated standard.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Subgroup 1: Base year selection

- The Secretariat presented the latest preliminary Subgroup 1 outcomes on the topic of base year selection. Following discussion, indicative polls were held on the topics presented. (Slides 14-19)

<u>Summary of discussion</u>

Inventory base year and target base year

- A member asked whether reference to a "base year" pertains to the inventory base year or the target base year. The Secretariat clarified that when "base year" is used without any other descriptor, it refers to the inventory base year.
- A member asked whether an organization with a target base year must disclose emissions for all years since the inventory base year or must only disclose the inventory base year, target base year, and recent years. The Secretariat noted that prior discussions considered the reporting of prior years' emissions beyond the inventory base year, with the TWG agreeing on a recommendation to report recalculated emissions for recent years, the target base year, and other years relevant to reporting objectives.

Base year as earliest relevant point in time with reliable/verifiable information

- A member asked how the recommendation to select the "earliest relevant point in time" as base year works in practice for organizations that have a long history of reporting GHG emissions, questioning the value and feasibility of going back to the earliest year in all circumstances.
    - The Secretariat noted that the qualifiers "relevant" and "reliable/verifiable data" are important and may address some of these situations, while emphasizing that the provision is framed as a recommendation only.
    - Another member suggested that additional guidance be provided for evaluating the earliest relevant point in time.
- A member asked whether a lack of data could prevent an organization from reestablishing the base year. The Secretariat explained that a later agenda item will address situations where insufficient data are available to recalculate base year emissions, including possible reestablishment of the base year where recalculation is not feasible as an option.
- A member asked whether "reliable" and "verifiable" are defined terms and whether one term, the other, or both should be used. The Secretariat noted that the terms are still under consideration in the draft text and that comments on specific wording are welcome. The member expressed support for "reliable" as there may be instances where information is verifiable but incomplete.

Disclosure when base year reestablished

- A member asked whether organizations already disclose their base year in each GHG report and questioned whether a disclosure when the base year is reestablished is necessary.
    - The Secretariat responded that while organizations already disclose the base year in each GHG report, the proposed provision would make explicit whether the base year has been reestablished since the last GHG report along with the rationale for the change, so that a reader reviewing only the current-year report can understand the change.
    - The member noted that if disclosure of the base year is already required, and if a provision on the disclosure of when the base year has been reestablished is included, such a provision would be more appropriately framed as a "shall" rather than a "should".
- A member noted that the Corporate Standard already includes a transparency principle and suggested that rather than providing detailed disclosure provisions such as this one, that more general guidance and examples should be provided to help organizations adhere to the transparency principle.
    - The Secretariat responded that while principles are intended to guide organizations in situations where specific provisions do not exist, principles do not always obviate the need for detailed provisions.
    - The member highlighted a broader concern regarding the number of new disclosure provisions and asked if a consolidated list of new disclosure provisions could be prepared. The Secretariat noted that the draft text separates reporting provisions from accounting provisions, and that the Secretariat can work on compiling these into a single list.
    - The member added that an alternative approach could be to include a single overarching disclosure requirement applicable to any instance when the reporting organization deviates from accounting recommendations.

Indicative polls:

- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Framing of text on selecting an inventory base year vis-à-vis a target base year.
  - 31 of 36 members: Fully support
  - 4 of 36 members: Support with minor edits
  - 1 of 36 members: Oppose
  - 0 of 36 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Recommend that organizations select as base year the earliest relevant point in time for which they have [reliable/verifiable] data.
  - 24 of 35 members: Fully support
  - 11 of 35 members: Support with minor edits
  - 0 of 35 members: Oppose
  - 0 of 35 members: Abstain
  - Members provided the following suggestions for minor edits: framing the statement as a requirement ("shall"), providing examples of what constitutes "relevant", and reframing "relevant" as "relevant to reporting objectives".
- The Secretariat posed an indicative poll asking the question: Do you support the following proposed provision (not yet reviewed by Subgroup 1)? Specify that organizations report whether the base year has been reestablished since the last GHG report, along with a rationale.
  - 23 of 34 members: Support as a requirement ('shall')
  - 11 of 34 members: Support as a recommendation ('should')
  - 0 of 34 members: Oppose
  - 0 of 34 members: Abstain

<u>Outcomes (e.g. recommendations, options)</u>

- Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.

3. Subgroup 2: Base year recalculation

- The Secretariat presented the latest preliminary Subgroup 1 outcomes on subtopics related to base year recalculation including:
  - Recalculation events
  - Significance thresholds
  - Options for when data unavailable for base year recalculation
  - Timing of base year recalculation for structural changes
- Following discussion, indicative polls were held on the topics presented. (Slides 20-36)

<u>Summary of discussion</u>

Base year recalculation: General comments

- A member noted base year recalculation can add significant assurance cost and reporting burden, and that the group should be cautious about making recalculation a "shall" requirement without clear justification.

- A member noted that IFRS has guidance that companies should not restate prior emissions due to structural changes.
- A member noted that the terms "recalculation" and "restatement" are distinct, wherein not every recalculation of emissions necessarily leads to a restatement.

Recalculation events: Insourcing/outsourcing and shifting emissions across scopes

- A member asked how an insourcing or outsourcing change would be evaluated when emissions shift between scopes and whether the change would be assessed relative to both affected scopes. The Secretariat noted that the point may need to be made more explicit in the text (e.g., how significance thresholds would be applied) and welcomed suggestions from members. The member suggested that if the proposed provision is difficult to operationalize, a qualitative disclosure could be considered instead.
- A member noted that recalculation for structural changes is a requirement ("shall") and that the proposed provision on insourcing/outsourcing provision could be inconsistent with this approach if defined as a recommendation ("should").
- A member asked what guidance would be provided on the mechanics of the proposed provision on insourcing/outsourcing, including whether an organization would simply move historical emissions from one scope to another as originally calculated, or recalculate the base year as if the current outsourced or insourced activity had existed in the base year. The Secretariat noted that the Subgroup 1 discussion had focused on the key "shall," "should," and "may" provisions, but that suggestions on further guidance are welcome.
- A member noted that organizations may not have had activity-level data in the base year to isolate a later-insourced or outsourced activity. The member questioned whether a requirement could create knock-on effects for the base year when the original data are not available at the required level of granularity. The Secretariat linked this concern to the later agenda item on options for when data are unavailable for base year recalculation.
- A member highlighted a potential challenge with data quality changing when emissions shift between scopes (e.g., data quality for scope 1 is generally higher than for scope 3).
- A member noted that they support the provision overall but that organizations should be encouraged to ensure users understand that the shift is artificial and only done for the purpose of comparisons with more recent inventories.
- A member suggested that the proposed provision on insourcing needs additional clarifying language to explain how shifts in emissions between scopes are applied to the base year, e.g., "apply these shifts to base year by subtracting emissions from later outsourced activities or adding emissions from later insourced activities".

Recalculation events: Catch-all provision

- A member asked whether a catch-all provision should be included if the standard can instead identify and list the specific events that should trigger recalculation. The Secretariat noted that the current Corporate Standard includes broader wording intended to capture uncommon but relevant events. The Secretariat invited input on whether a catch-all provision promotes completeness or creates ambiguity.
- A member asked if the same significance threshold would apply to events captured in a catch-all provision or if a separate qualitative assessment would be used. The Secretariat replied that the same significance threshold would apply.

Recalculation events: Indicative polls:

- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Specify that when insourcing or activities or other structural changes shift emissions between scopes, these shifts also apply to base year emissions.
    - 19 of 36 members: Support as a requirement ('shall')
    - 11 of 36 members: Support as a recommendation ('should')
    - 3 of 36 members: Oppose
    - 3 of 36 members: Abstain

- The Secretariat posed an indicative poll asking the question: Do you support including a catch-all statement for recalculation events not specifically listed in provision 2.1.1?
    - 22 of 36 members: Fully support
    - 8 of 36 members: Support with minor edits
    - 5 of 36 members: Oppose
    - 1 of 36 members: Abstain
    - A member noted that they oppose the catch-all provision because reliance on GHG accounting and reporting principles is sufficient in this case.

Significance thresholds: Separate application by scope

- A member noted a potential issue with applying significance thresholds separately by scope, wherein a structural change would impact emissions in all scopes. If the significance threshold were triggered for only one scope, recalculating emissions for only this scope would be inconsistent. They added that in the case of a data or methodological change that only impacts emissions from a single scope, such a provision would not be necessary. They suggested that examples could be provided in lieu of a prescriptive requirement.

Significance thresholds: Application of a single significance threshold across all types of recalculation events

- A member asked about cases where one event increases reported emissions (e.g., an acquisition) while another event decreases reported emissions (e.g., a divestment), and whether these events should be netted when evaluating the significance of the change. The Secretariat responded that Subgroup 1 did not specifically consider this. The Secretariat added that a provision could be considered specifying that any single event exceeding the significance threshold triggers a base year recalculation and welcomed suggestions from members. The member expressed their support for netting for structural changes unless the change alters the nature of the business.
- A member asked whether cumulative changes across time had been considered, for example when several smaller changes do not individually trigger recalculation in one year but together may become significant over multiple years. The Secretariat noted that the existing Corporate Standard provisions intend to address cumulative changes over time but that the draft text may need clarification on this front.
- A member noted that organizations may have many small changes and may need clarity on when cumulative changes should trigger a base year recalculation to avoid excessive or unclear recalculation burdens. The Secretariat acknowledged the practicality concern and noted that it may relate to the upcoming discussion on options that should be available for situations when data are unavailable for base year recalculation, which includes the option to acknowledge a change without recalculation for individual changes that are not significant.

Significance thresholds: Threshold level

- A member asked about how different thresholds interact (i.e., exclusion thresholds for defining the reporting boundary, significance thresholds for base year recalculation). The Secretariat responded that a significance threshold would be applied to a reported inventory (i.e., where the exclusion threshold has already been applied).
- A member asked for more information on ESRS requirements on base year recalculation, expressing concern about potential conflicts. The Secretariat noted that ESRS does not have detailed requirements on the recalculation of base year emissions. Another member added that ESRS has higher-level cross-cutting provisions (i.e., not specific to GHG emissions) on tracking performance over time.
- A member noted that a quantitative significance threshold may not capture qualitative importance, such as an error that does not exceed the threshold but affects whether a target has been achieved. They added that qualitative assessments must be done and they are opposed to defining a prescriptive quantitative threshold in the standard.
    - The Secretariat acknowledged that qualitative criteria may need to be considered and invited comments on how the draft text should address such cases.

- Another member noted that establishing a quantitative threshold as a guideline is helpful for stakeholders to understand what the magnitude of a reasonable threshold should be.
- A member expressed concern about a 5% significance threshold for scope 3 emissions, noting that these emissions are outside of the reporting organization's control. The Secretariat noted that a later agenda item in the meeting is options for situations when data are unavailable for base year recalculation.
- A member raised concerns regarding the use of a percentage rather than a measure of absolute emissions, noting that 5% for one organization may be more than the full inventory for another organization.

Significance thresholds: Indicative polls

- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Separate application of significance thresholds by emissions scope, with recalculation only triggered for scope(s) where threshold exceeded.
    - 17 of 36 members: Support as a requirement ('shall')
    - 9 of 36 members: Support as a recommendation ('should')
    - 7 of 36 members: Oppose
    - 3 of 36 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Application of a single significance threshold across all types of events that trigger a base year recalculation.
    - 18 of 36 members: Support as a requirement ('shall')
    - 12 of 36 members: Support as a recommendation ('should')
    - 3 of 36 members: Oppose
    - 3 of 36 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Define a threshold level of 5% of total scope 1, scope 2, or scope 3 emissions as a recommended maximum significance threshold.
    - 24 of 35 members: Support
    - 6 of 35 members: Oppose
    - 5 of 35 members: Abstain
    - A member noted that they abstained because they think it's important to have a qualitative threshold.
    - A member noted that they opposed the outcome because they are opposed to writing a prescriptive quantitative threshold into the standard.

Options for when data unavailable for base year recalculation

- A member suggested that the decision tree (slide 32) should start with the question of whether the change is significant.
- A member asked how the hierarchy of options for unavailable data more broadly interacts with provisions on data quality and improving data quality over time. The Secretariat clarified that the provision is intended for circumstances where data simply do not exist to perform a recalculation for a change, such as an acquisition for which historical data cannot reliably be obtained.
- A member noted that there may be a tradeoff regarding available data, wherein an organization may have robust data that's a year old but only spend-based estimates for the current year. The Secretariat asked if the issue was specific to base year recalculation or a more general data quality consideration. The member replied that it is a broader issue, and the Secretariat noted that Subgroup 3 has led on the topic of data quality, with Subgroup 3 topics to be addressed later in the meeting.
- A member noted that when emissions are recalculated for divested assets, reporting companies are no longer able to take credit for any emission reduction efforts related to those assets. The Secretariat reminded members that the purpose of base year recalculation is to ensure that changes in reported emissions reflect actual changes to emissions and not just changes to what's

included/excluded from the boundary. The Secretariat noted that Subgroup 1 has also been considering provisions related to GHG intensity metrics to respond to stakeholder feedback for alternative ways to track performance over time, and added that claims related to investments in emission reductions may be more appropriately reported outside of the GHG inventory.
- A member commented that no-recalculation options could undermine consistency and should be carefully guarded if retained. The Secretariat noted that "acknowledging no recalculation" was the most controversial item in Subgroup 1 and was presented as the last resort option in the hierarchy rather than a preferred approach.

Options for when data unavailable for base year recalculation: Indicative polls

- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations where data is unavailable for base year recalculation? Proxy estimation as recommended option.
  - 24 of 33 members: Fully support
  - 9 of 33 members: Support with minor edits
  - 0 of 33 members: Oppose
  - 0 of 33 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations where data is unavailable for base year recalculation? Scaling from recent years' inventory as recommended estimation method.
  - 23 of 33 members: Fully support
  - 8 of 33 members: Support with minor edits
  - 1 of 33 members: Oppose
  - 1 of 33 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations where data is unavailable for base year recalculation? Reestablishing the base year as an option.
  - 25 of 33 members: Fully support
  - 5 of 33 members: Support with minor edits
  - 1 of 33 members: Oppose
  - 2 of 33 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations where data is unavailable for base year recalculation? Acknowledgement of no recalculation as an option.
  - 22 of 33 members: Fully support
  - 7 of 33 members: Support with minor edits
  - 3 of 33 members: Oppose
  - 1 of 33 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the overall hierarchy of options (slide 33) for when data is unavailable for base year recalculation?
  - 22 of 32 members: Fully support
  - 10 of 32 members: Support with minor edits
  - 0 of 32 members: Oppose
  - 0 of 32 members: Abstain

Timing of base year recalculation for structural changes:

- A member suggested replacing the phrasing "in the middle of the year" with "during the year/period".

Timing of base year recalculation for structural changes: Indicative polls

- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations when a structural change occurs in the middle of the year? Recommendation to recalculate in the year of the structural change.
    - 26 of 31 members: Fully support
    - 4 of 31 members: Support with minor edits
    - 1 of 31 members: Oppose
    - 0 of 31 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations when a structural change occurs in the middle of the year? Recommendation to recalculate for the entire year.
    - 24 of 31 members: Fully support
    - 4 of 31 members: Support with minor edits
    - 2 of 31 members: Oppose
    - 1 of 31 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations when a structural change occurs in the middle of the year? Option to recalculate for only the portion of the year after the change.
    - 23 of 31 members: Fully support
    - 3 of 31 members: Support with minor edits
    - 5 of 31 members: Oppose
    - 0 of 31 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following provision for situations when a structural change occurs in the middle of the year? Option to recalculate in the following year or when data available.
    - 26 of 31 members: Fully support
    - 4 of 31 members: Support with minor edits
    - 0 of 31 members: Oppose
    - 1 of 31 members: Abstain

<u>Outcomes (e.g., recommendations, options)</u>

- Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.

4. Subgroup 1: GHG targets

- Due to time constraints, the planned agenda item on GHG targets was omitted, with indicative polls to be included in the Meeting 8 feedback survey. (Slides 37-43)

<u>Summary of discussion</u>

- No discussion held due to time constraints.

<u>Outcomes (e.g., recommendations, options)</u>

- Indicative poll questions on GHG targets will be posed in the Meeting 8 feedback survey.

5. Subgroup 1: GHG intensity metrics

- The Secretariat presented preliminary Subgroup 1 outcomes on the topic of GHG intensity metrics. Following discussion, indicative polls were held on the topics presented. (Slides 44-51)

<u>Summary of discussion</u>

- A member asked whether the disclosure of the denominator used may be redundant if a provision is already proposed to require consistent numerator and denominator boundaries. The Secretariat noted that the suggested reporting element on the denominator chosen and its rationale is intended as a qualitative disclosure to provide transparency on why a given denominator is being used.
- A member raised a concern that when emissions intensity metrics are reported in conjunction with absolute emissions, readers of the GHG report will be able to deduce other information such as production values, which might be sensitive information for organizations to share. The Secretariat emphasized that under the proposed approach, reporting of GHG intensity metrics will not be required, so organizations may choose not to report GHG intensities.
- A member suggested that any relevant feedback from the AMI Request for Information should be considered when deciding whether and how the Corporate Standard addresses intensity metrics.
- A member raised the interaction of GHG intensity metrics with organizational boundaries, noting that economic intensity metrics are only applicable when the financial control approach is applied. The Secretariat explained that one proposed guardrail is that the numerator and denominator boundaries shall be consistent when an organization reports an intensity metric.
- A member raised a concern from an assurance perspective, noting that physical denominators (e.g., production values) are not assured and that auditors of a GHG report will not be assuring financial information.
- A member highlighted the use of GHG intensity metrics from suppliers to calculate scope 3 emissions as a use case, noting that economic intensity metrics are most applicable in this case. They emphasized the importance of consistent boundaries for the numerator and denominator, but noted a potential issue is that while GHG emissions are recalculated, revenue data is not.
- A member suggested that inflation/deflation be factored in when considering consistency between the numerator and denominator, but that this can be done via guidance rather than establishing a requirement. They added that this can be challenging for organizations that operate in multiple currencies.
- A member noted that organizations may report GHG intensity metrics without GHG Protocol recommending it. Another member added that reporting GHG intensity metrics is already the norm, for example for financial institutions under PCAF and SBTi.
- A member expressed concern with the prescriptive approach to the preliminary Subgroup 1 outcome to provide conditional requirements/recommendations for GHG intensity metrics when these are reported. They asked if this was the remit of the Corporate Standard or AMI TWG. The Secretariat emphasized that any provisions on intensity metrics would be conditional as reporting of GHG intensity metrics is not required, and added that there would be alignment with the AMI workstream as needed.
    - The member asked what happens if an organization reports GHG intensity metrics but does not follow GHG Protocol provisions, and whether they would be in conformance with the Corporate Standard. The Secretariat noted that the organization would not be in conformance if the report GHG intensity metrics without following any related requirements in the standard.
- A member noted a possible tension between requiring consistent boundaries for the numerator and denominator and also including a reporting provision for cases where consistent boundaries are not feasible. The member suggested changing the consistency provision to a "should."
- A member supported the consistency concept but suggested the standard should also stress that boundaries should be selected to convey completeness.

Indicative polls

- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Recommend that organizations report GHG intensity metrics if relevant.
    - 28 of 35 members: Fully support
    - 3 of 35 members: Support with minor edits
    - 2 of 35 members: Oppose
    - 2 of 35 members: Abstain

- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Provide detailed provisions (conditional 'shall'/'should' statements) on the development of organization-level GHG intensity metrics.
    - 29 of 35 members: Support
    - 4 of 35 members: Oppose
    - 2 of 35 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support the following preliminary Subgroup 1 outcome? Include a provision requiring consistent boundaries for the numerator and denominator when GHG intensity metrics are reported.
    - 25 of 35 members: Fully support
    - 6 of 35 members: Support with minor edits
    - 2 of 35 members: Oppose
    - 2 of 35 members: Abstain
- Do you support the reporting elements proposed by Subgroup 1 members (listed under question 4 on slide 51)?
    - 21 of 33 members: Fully support
    - 9 of 33 members: Support with minor edits
    - 1 of 33 members: Oppose
    - 2 of 33 members: Abstain
    - A member provided as a suggestion for a minor edit the need to clarify "the nature of any boundary difference" in the second bullet of provision 4.4.2.

<u>Outcomes (e.g., recommendations, options)</u>

- Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.

6. Subgroup 3: Calculation methods

- The Secretariat reviewed relevant TWG Meeting 7 indicative poll results and presented on scope 1 calculation methods, a scope 1 calculation methods hierarchy, and related accounting and reporting provisions. Following discussion, indicative polls were held. (Slides 52-66)

<u>Summary of discussion</u>

Specific topics on scope 1 calculation methods

- A member asked whether a large organization using thousands of emission factors would need to report every emission factor, and whether source-level disclosure may be more useful than reporting every emission factor.
    - The Secretariat replied that the existing language is based on the Scope 3 Standard and that the wording may be vague. The Secretariat invited views on whether the disclosure should focus on sources, methods, quality, and/or exact factors.
    - Members noted that emission factors may be licensed or proprietary, that a full listing of emission factors may create disclosure overload, and that information useful to auditors may not be the same as information useful to the public. Some members also expressed feasibility concerns regarding the added reporting burden.
    - A member shared that their organization transparently discloses the emission calculation methodology and all emission factors used, and confirmed that their inventory is audited every year. Another member questioned the utility of the detailed disclosure for users. The member replied that the full emission factor disclosure brings transparency and gives confidence to the users in the quality of data.

- Members suggested alternatives to reporting every emission factor, including disclosing calculation methods, sources of emission factors, data source quality, accessible data, and an aggregated view of which sources cover which share of total emissions.

- A member asked for more information on the Subgroup 3 discussion about a proposed reporting requirement on the use of artificial intelligence (AI).
    - The Secretariat replied that the discussion considered the range of ways that AI can be used to develop an inventory (ranging from AI-based GHG software to asking a chatbot for emission factors). The Secretariat continued that the reporting requirement was motivated by improving transparency to help users of the data understand how AI was used, which provides information about the quality of the inventory.
    - A member replied that they do not understand why disclosure about the use of AI is needed, as reporters already disclose detailed information to auditors.
    - A member noted that AI use can range from a simple review or code generation tool to a black-box software platform, and that singling out AI may be premature and/or unnecessary. They continued by suggesting that the standard could simply require disclosure of emission methodologies and assumptions. The Secretariat replied that Subgroup 3 thought it was important to capture the increasing use of AI-based software and welcomed comments on the draft text.
    - A member suggested that guidance be provided on the appropriate use of AI rather than a disclosure requirement. Another member agreed, again noting that the framing of the reporting requirement is too broad. They continued by suggesting that companies are not currently required to report the software used, just the method and emission factor sources. *[Secretariat note: The current reporting requirement in the Corporate Standard is "Methodologies used to calculate or measure emissions, providing a reference or link to any calculation tools used."]*
- A member asked about heating value (i.e., calorific value) consistency in cases where companies receive emission factors from multiple suppliers, which may be using different heating values. The Secretariat replied that the intent is not to use the exact same heating value, but rather to promote the consistent use of the same heating value within an inventory.
- **Indicative polls:**
    - The Secretariat posed an indicative poll asking the question: Do you support the following Subgroup 3 preliminary outcomes? **Draft text on scope 1 calculation methods** on the topics of heating values, artificial intelligence, and oxidation factors (see slide #56).
        - 18 of 31 members: Fully support
        - 6 of 31 members: Support with minor edits
        - 6 of 31 members: Oppose
        - 1 of 31 members: Abstain

Scope 1 calculation methods, hierarchy, and recommendations

- The Secretariat presented draft definitions of scope 1 calculation methods, a scope 1 calculation method hierarchy, and several accounting and reporting recommendations for scope 1.
- A member asked how trade-offs between currentness and quality of the data should be considered, such as using current-year spend data versus older physical data. They continued that guidance on this is needed in the market. The Secretariat asked whether the member would prioritize quality data over currentness; the member confirmed that they would.
- A member asked about the scope 1 calculation method hierarchy for mobile combustion emissions, asking if the recommendation is that organizations also collect distance data in addition to volume of fuel. They continued that most organizations collect volume of fuel and use that to calculate CO2, CH4, and N2O emission factors, and they expressed concern about the added burden of collecting additional data points.

  - The Secretariat replied that the scope 1 calculation method hierarchy is proposed as a recommendation ("should" statement), where companies are recommended to use the first calculation method for which they have primary data. In the case of mobile combustion, the best practice is to calculate methane and nitrous oxide emissions using distance rather than volume, hence the hierarchy order. However, the reporter could still choose to use volume of fuel for calculating methane and nitrous oxide emissions.
- A member expressed reservations about the reporting recommendations that suggest reporters disclose any alternative scope 1 methods used, along with the rationale. They noted that the provision would likely result in generic explanations that would not provide useful information. The Secretariat invited members to suggest edits to the draft text. The member replied that they thought the reporting recommendation is not necessary.
- A guest observed that some terms definitions in the proposed scope 1 methods revisions are different than the terms and definitions used by ISO 14064-1 (e.g., "calculation method" versus "quantification model").
- **Indicative polls:**
  - The Secretariat posed an indicative poll asking the question: Do you support the following Subgroup 3 preliminary outcomes? **Scope 1 calculation method definitions** for the following scope 1 methods: Direct measurement, mass balance, stoichiometry method, fuel carbon content method, fuel energy content method, fuel-based method, distance-based method, process-specific method, fugitive emission rate method, spend-based method, remote sensing method.
    - 21 of 28 members: Fully support
    - 5 of 28 members: Support with minor edits
    - 0 of 28 members: Oppose
    - 2 of 28 members: Abstain
  - The Secretariat posed an indicative poll asking the question: Do you support the following Subgroup 3 preliminary outcomes? **Scope 1 calculation method hierarchy** for the following scope 1 categories: stationary combustion emissions, mobile combustion emissions, process emissions, fugitive emissions.
    - 19 of 28 members: Fully support
    - 6 of 28 members: Support with minor edits
    - 0 of 28 members: Oppose
    - 3 of 28 members: Abstain
  - The Secretariat posed an indicative poll asking the question: Do you support the following Subgroup 3 preliminary outcomes? **"Should" statement on scope 1 calculation method hierarchy**.

    Draft accounting recommendation: *The organization **should** use the first method for which primary activity data is available in the scope 1 calculation method hierarchy, by scope 1 category.*
    - 21 of 28 members: Fully support
    - 4 of 28 members: Support with minor edits
    - 0 of 28 members: Oppose
    - 3 of 28 members: Abstain
  - The Secretariat posed an indicative poll asking the question: Do you support the following Subgroup 3 preliminary outcomes? **Recommending calculation-based approaches** (over direct measurement when measurement technology is not already available) for scope 1.

    Draft accounting recommendations: *If the organization is already collecting direct measurement emissions data for another purpose (e.g., for facility-level regulatory reporting), then the organization **should** report the same emissions data in its greenhouse gas*

inventory. If the organization is not already collecting direct measurement emissions data, then the organization ***should*** *use the best available scope 1 calculation method.*
    - 22 of 28 members: Fully support
    - 3 of 28 members: Support with minor edits
    - 0 of 28 members: Oppose
    - 3 of 28 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support a **reporting requirement on methods** used to calculate scope 1 emissions (not yet reviewed by Subgroup 3)?

  Draft reporting requirement: *Methodologies used to calculate or measure scope 1 emissions, providing a reference or link to any calculation tools used.*
    - 17 of 30 members: Fully support
    - 10 of 30 members: Support with minor edits
    - 0 of 30 members: Oppose
    - 3 of 30 members: Abstain
- The Secretariat posed an indicative poll asking the question: Do you support **reporting recommendations** for a rationale for and list of **alternative methods** used?

  Draft reporting recommendations: *If the best available scope 1 method was not used, a rationale for choosing an alternative method. Any scope 1 methods used that are not in the scope 1 calculation method hierarchy.*
    - 20 of 30 members: Fully support
    - 5 of 30 members: Support with minor edits
    - 2 of 30 members: Oppose
    - 3 of 30 members: Abstain

Outcomes (e.g., recommendations, options)

- Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.

7. Subgroup 2: Leased assets

- The Secretariat reviewed relevant TWG Meeting 7 indicative poll results on options for categorizing emissions from leased assets and the next steps for evaluation. Following discussion, indicative polls were held on the topics presented. (Slides 67-71)

Summary of discussion

- The Secretariat recapped the options presented in Meeting 7 for categorizing emissions from leased assets and presented the latest indicative poll results which indicated split opinions.
- A guest asked whether the package for setting organizational boundaries (which recommends the financial control approach and, if that does not provide fair representation, the operational control approach as an option) could be applied to leased assets in the same way rather than developing a standardized approach specifically for leased assets. They further asked whether the intention behind the options under consideration is to provide flexibility for reporters to categorize emissions from leased assets as scope 3 upstream leased assets emissions, or whether the objective is to determine how the emissions should be categorized as scope 1 and scope 2 versus scope 3.
    - The Secretariat clarified that the options under consideration aim to consistently and accurately categorize emissions from all leased assets across scopes 1, 2 and 3, where relevant, and are not limited to emissions being categorized as upstream leased assets.

- A member suggested that the rationale for each of the three options under consideration should be more clearly linked to the decision-making criteria. They noted that further work is needed to achieve this and shared their views on the analysis of the options:
    - Option A (i.e., standardized method based on balance sheet recognition) analysis does not sufficiently address adherence to the principles of consistency (over time and between organizations) and relevance, and it has feasibility risks.
    - Option B (i.e., standardized method based on right-of-use) analysis may be overstating interoperability with financial reporting—which is not directly covered by the decision-making criteria. If it were to become a criterion, then the significant overlap of the right-of-use concept with financial accounting (e.g., IFRS 16 lease accounting) should be recognized as a pro rather than a con.
    - Option C (i.e., different method per consolidation approach) analysis does not fully acknowledge the comparability trade-offs and how the option interacts with the provisional TWG outcome recommending the financial control approach.
  - The Secretariat responded by outlining the next steps: The Leased Assets Task Force will consider feedback from TWG Meetings 7 and 8 to finalize its proposal, including the recommended option(s) with the rationale based on the decision-making criteria. The Secretariat added that the proposal will be brought to the full TWG for final discussion in the autumn.
- A member suggested that Option A may provide the best information based on balance sheet recognition. However, they noted that a key question is whether GHG reporting practitioners will have access to sufficient data, given that financial reporting experts, rather than GHG practitioners, are typically responsible for leases. They continued by asking whether there is a shared understanding of the data availability to support the adoption of each option. They indicated that, based on considerations of data availability and relevance, they lean towards Option C.
- **Indicative poll**: The Secretariat posed an indicative poll asking the question: Please **rank the options** for categorizing emissions from **leased assets** from most preferred to least preferred.

	Option A (standardized method: balance sheet)	Option B (standardized method: right-of-use)	Option C (different method: per consolidation approach)
Most preferred	8	11	8
Second preferred	11	8	5
Least preferred	7	6	12
Abstained	3	3	3
Total count	29	28	28

  - I A member expressed that Option B is their most preferred option. They added that Option C is their second preferred option, noting that it largely aligns with ESRS, subject some caveats.

Outcomes (e.g., recommendations, options)

- Outcomes from indicative polls will be reported following completion of the Meeting 8 feedback survey.

8. Wrap-up and next steps

- The Secretariat shared a summary of next steps including the schedule for upcoming meetings and the sharing of a post-meeting feedback survey. (Slides 72-74)

Summary of discussion

- No TWG member comments were received.

<u>Outcomes (e.g., recommendations, options)</u>

- The Secretariat will share post-meeting materials, including final slides and meeting minutes.
- A feedback survey will be shared with all TWG members covering meeting topics, with deadline to respond to be confirmed.
- Comments were requested on the working draft text titled "Tracking emissions over time" and "Identifying and calculating emissions and managing inventory quality", with comments due by Monday, August 24th.
- The next meeting will be a Full TWG meeting on Tuesday, September 15th at 09:00-12:00 ET / 15:00-18:00 CET / 21:00-00:00 CHN.

Summary of written submissions received prior to meeting

TWG Meeting 7: Complete poll results

The Secretariat invited all Corporate Standard TWG members to respond to indicative poll questions both live during 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.

Poll question	Responses
Leased assets *(Subgroup 2)*	
Which option do you support for categorizing emissions from leased assets? (slide 21)	• Option A *(standardized – balance sheet recognition)* : 14 of 49 • Option B *(standardized – right-of-use)* : 11 of 49 • Option C *(different method per consolidation approach)* : 16 of 49 • Abstain: 8 of 49
Consolidation package *(Subgroup 2)*	
Do you support the following preliminary Subgroup 2 outcome? Definition of package item #3 on additionally recommending operational control	• Fully support: 29 of 49 • Support with minor edits: 9 of 49 • Oppose: 7 of 49 • Abstain: 4 of 49
Do you support the following preliminary Subgroup 2 outcome on package item #5? Recommend organizations to conduct and report the outcomes of a screening assessment comparing the entities, operations and assets under the reporting organization's financial control and operational control	• Support: 38 of 47 • Oppose: 6 of 47 • Abstain: 3 of 47
Do you support the following preliminary Subgroup 2 outcome?	• Support: 36 of 47 • Oppose: 1 of 47 • Abstain: 10 of 47

Current financial control approach definition is sufficient to be adopted by investment entities.	
***Verification and assurance** (Subgroup 2)*	
How should disclosure of whether verification/assurance was obtained be specified in the Corporate Standard?	• Requirement ('shall'): 15 of 48 • Recommendation ('should'): 15 of 48 • Optional ('may'): 3 of 48 • Be silent: 15 of 48 • Abstain: 0 of 48
Do you support the following preliminary Subgroup 2 outcome? Do not include a provision specifying that organizations report why verification/assurance was not obtained (when they choose not to obtain verification/assurance).	• Support: 39 of 47 • Oppose: 7 of 47 • Abstain: 1 of 47
***Scope 1 data quality** (Subgroup 3)*	
Do you support the following preliminary Subgroup 3 outcomes? **Require** disaggregated reporting of scope 1 emissions by **revised data quality tiers** (i.e., calculated using primary data, calculated using secondary data, unclassified).	• Fully support: 23 of 46 • Support with minor edits: 11 of 46 • Oppose: 10 of 46 • Abstain: 2 of 46
***Scope 1 calculation methods** (Subgroup 3)*	
Do you support the **draft text and definitions** on identifying and calculating GHG emissions? 1. *The organization **shall*** undertake an exercise to identify its scope 1 emission sources in the following activity types: stationary combustion, mobile combustion, process emissions, fugitive emissions, [and land emissions].* 2. *The organization **should** identify the appropriate scope 1 calculation method using the best available data.* 3. *The organization **should** select activity data and emission factors, as applicable, that are the most representative in terms of technology, time, and geography; most complete; and most reliable.* 4. *The emission factor **shall** match the units of the activity data and the calculation method selected.* 5. *The organization **should** use site-specific data.* 6. *The organization **may** use accessible data.*	• Fully support: 30 of 47 • Support with minor edits: 13 of 47 • Oppose: 2 of 47 • Abstain: 2 of 47
Which of the following options do you support for **monetary activity data**? Option A: Physical units only	• Option A (physical units only): 19 of 45

Option B: Allow monetary activity data; prohibit spend-based emission factors	• Option B (allow monetary activity data; prohibit spend-based emission factors): 21 of 45 • Abstain: 2 of 45
Do you support a **disclosure requirement for monetary conversion factors**? *The organization **shall** report any conversion factors used to convert scope 1 monetary activity data to physical units.*	• Fully support: 29 of 45 • Support with minor edits: 3 of 45 • Oppose: 5 of 45 • Abstain: 8 of 45