

Corporate Standard Meeting Minutes

Subgroup 1, Meeting #1

Date: 12 November 2024

Time: 09:00 – 11:00 ET / 15:00 – 17:00 CET

Location: Virtual

Attendees

Technical Working Group Members

1. Rob Anderson, Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Australia
2. Catherine Atkin, Carbon Accountable and Stanford CodeX Climate Data Policy Initiative
3. Erika Barnett, Greenhouse Gas Management Institute
4. Tatiana Boldyreva, CDP
5. Victoria Evans, SCS Engineers
6. Robert Gray, DuPont
7. Henk Harmsen, SustainCERT
8. Burkhard Huckestein, German Environment Agency
9. Dedy Mahardika, International Finance Corporation (IFC)
10. Martina Massei, Science Based Targets Initiative (SBTi)
11. Philippe Missi Missi, UNFCCC Regional Collaboration Center West and Central Africa
12. Ann Marie Moohan-Sidhu, ESGright
13. Sachin Nimablakar, Oak Ridge National Laboratory
14. Joanne Richmond, CK Hutchison
15. Vicky Sullivan, Duke Energy

Guests

None present

GHG Protocol Secretariat

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

Documents referenced

1. Slides for the Corporate Standard meeting on 12 November 2024

Item	Topic and Summary	Outcomes
1	<p><i>Introduction and housekeeping</i></p> <p>The GHG Protocol Secretariat welcomed TWG members to the first meeting of Subgroup 1. Members provided brief self-introductions. The Secretariat reviewed TWG housekeeping items introduced during the October 22nd meeting and responded to process-oriented questions submitted by TWG members prior to the meeting.</p>	<p>No specific outcomes.</p>
2	<p><i>Objectives of the Corporate Standard: Background and Context</i></p> <p>The Secretariat provided an overview of relevant background and context related to the objectives and business goals listed in the Corporate Standard including the historical context surrounding the Standard’s development, the current landscape of programs referring to the Standard, and stakeholder feedback received.</p>	<p>Consider compiling a comprehensive list of where the GHG Protocol is cited in regulations globally as part of standards revisions.</p>
3	<p><i>Use cases of the Corporate Standard and GHG inventory data</i></p> <p>The Secretariat presented a list of example uses cases of the Corporate Standard and of GHG inventory data by different stakeholders and then invited TWG members to comment on the use cases presented and also share other examples of use cases and relevant stakeholders. TWG members then engaged in an open discussion regarding applicable uses of the Corporate Standard and of GHG inventory data by different stakeholders and whether some uses should be prioritized when revising the Standard’s objectives.</p>	<p>Consider identifying highest priority use cases of GHG inventory data to inform updates to objectives.</p> <p>Consider how to address uses of GHG data beyond those supported by entity-level GHG inventories (e.g., aggregation of territorial or sector-wide emissions, product-level emissions) in Corporate Standard</p>
4	<p><i>Revisions to Corporate Standard objectives</i></p> <p>TWG members responded to an informal poll to express preliminary opinions on whether each objective and business goal currently listed in the Corporate Standard should be retained as written, modified, or eliminated, considering use cases for the Standard and GHG inventory data reviewed. Further discussion on objectives was tabled to the next Subgroup 1 meeting scheduled for December 3rd.</p>	<p>Consider whether and how to define a primary, overarching objective for the Corporate Standard.</p> <p>Breakout discussion cut due to time constraints, with associated topics to be addressed in a follow-up feedback survey in and the next Subgroup 1 meeting.</p> <p>Secretariat to circulate a follow-up feedback survey on Corporate Standard objectives that Subgroup 1 members will be asked to complete</p>
5	<p><i>Wrap-up and next steps</i></p> <p>The Secretariat shared next steps for Subgroup 1, with the next meeting scheduled for Tuesday, December 3rd at 09:00 ET.</p>	<p>Secretariat to share materials.</p> <p>TWG members asked to complete feedback survey on Corporate Standard objectives.</p>

Summary of discussion and outcomes

1. Introduction and housekeeping

- The Secretariat welcomed TWG members to the first Subgroup 1 meeting. TWG members provided brief self-introductions. The Secretariat briefly recapped housekeeping items first introduced in the first full TWG meeting on October 22nd.

Summary of discussion

- The Secretariat provided responses to questions related to the TWG process submitted prior to the meeting via a general feedback form.
- One TWG member submitted a question on the rating scale used to apply the GHG Protocol decision-making criteria to evaluating options, noting that the example slides presented to the Corporate Standard TWG used a 3-tier scale whereas those presented to the Scope 2 TWG used a 5-tier scale. The Secretariat clarified that the deviation was not intentional and that while a simple representation was used to present the application of the decision-making criteria to the TWG, a more granular rating scale might be used in practice.
- A TWG member submitted a question asking if a platform to facilitate informal communication between members will be set up. The Secretariat responded that the Secretariat will not play any role in facilitating an informal communication channel among TWG members, but that TWG members may choose to set a platform on their own. They may invite Secretariat staff to join the platform, but the Secretariat will not commit to actively monitoring or responding to any communications via such a platform.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Objectives of the Corporate Standard: background and context

- The Secretariat provided an overview of background and context relevant to updating objectives and business goals listed in the Corporate Standard. This included:
 - Historical context surrounding the development of the Corporate Standard and how the landscape for GHG accounting and reporting has evolved to the present day (slides 22-24)
 - A review of policies, programs, standards and frameworks that reference the Corporate Standard (slides 25-34)
 - A summary of stakeholder feedback received related to objectives (slides 35-38)
 - A overview of objectives and business goals cited across the GHG Protocol suite of corporate standards (slide 17-21 and 39-46)
- The Secretariat emphasized that the Corporate Standard TWG will be exclusively focused on entity-level GHG inventory accounting as differentiated from GHG project or intervention accounting.

Summary of discussion

- Noting that the Corporate Standard currently refers to the Kyoto Protocol, a TWG member asked if the Standard should also reference the Paris Agreement. Another TWG member inquired if new GHG disclosure requirements adopted in regulations should be enumerated in the Standard. The Secretariat noted that references to external policies, programs, etc., will need to be brought up-to-date, while recognizing that the landscape is expected to continue to evolve.
- One TWG member suggested that objectives, purpose, goals and targets be specified according to SMART criteria (specific, measurable, ambitious, realistic and terminated).
- After sharing a list of policies, programs, standards and frameworks that reference the Corporate Standard (meeting slide 26), the Secretariat asked TWG members to share any other examples that they are aware of. Examples cited by TWG members included:
 - The Partnership for Carbon Accounting Financials (PCAF)
 - The Transition Plan Taskforce Disclosure framework now under IFRS

- The European Union Directive on corporate sustainability due diligence (EU CSDDD)
- The Australian Accounting Standards Board's Climate-related Disclosures Standard
- The Singapore Stock Exchange
- The U.S. Department of Energy's Better Climate Challenge
- US Federal Greenhouse Gas Accounting and Reporting Guidance
- The US Environmental Protection Agency's Energy Star program
- Sectoral and local GHG accounting standards, such as BSKO in Germany
- One TWG member noted that a study was done to map programs in Asia referencing the GHG Protocol and offered to retrieve this for the TWG.
- Some TWG members suggested differentiating between different types of programs and resources (e.g., between reporting/disclosure programs, target setting programs, GHG inventory guidance).
- One TWG member noted the importance of being aware that entity-level GHG accounting methods are not applicable to all programs, particularly national and sectoral programs.
- Some TWG members expressed support for compiling a comprehensive list of where the GHG Protocol is cited in regulations globally as part of standards revisions.
- TWG members were polled to gauge their self-assessed experience/familiarity with key standards and programs. For each program listed, at least some TWG members expressed that they were experienced/familiar with it.

Outcomes (e.g. recommendations, options)

- Consider compiling a comprehensive list of where the GHG Protocol is cited in regulations globally as part of standards revisions.

3. Use cases of the Corporate Standard and of GHG inventory data

- The Secretariat described a conceptual process flow for considering revisions to Corporate Standard objectives, starting with taking stock of uses by different stakeholders of the Standard and of GHG inventory data (slides 48-49). The Secretariat presented examples of use cases (slides 50-52) and invited TWG members to comment.

Summary of discussion

- When prompted to comment on examples provided of uses of the Corporate Standard and of GHG inventory data by different stakeholders and to suggest additional examples, TWG members contributed the following:
 - Reporting organizations use the Corporate Standard not only to develop a GHG inventory but to also track emissions over time, noting that inventory development is not static and that methodologies and data sources change over time.
 - GHG data may be used by financial institutions to help inform lending and investment decisions.
 - Inventory data can be used to set KPIs and prepare credible climate transition plans linked to financial instruments such as sustainability linked bonds and loans.
 - Suggestion that both direct users of the Standard (reporting organizations) and indirect users (external stakeholders who use GHG data) need to be considered. The Secretariat clarified that the intent of the discussion on uses of the Standard and GHG inventory data is to consider both of these.
 - The category of reporting programs is vague and should be broken out further, in particular delineating the role of mandatory reporting programs, including stock exchanges. Policymakers and governments should also be broken out further, recognizing that governments may play a variety of roles.
 - TWG members expressed differing opinions on whether tool providers should be considered direct users of the Corporate Standard or whether they are just an intermediary and users of tools are ultimately the ones applying the Standard.
- Considering the variety of potential users and use cases, TWG members suggested establishing priority users and use cases to focus on including:

- Investors, policymakers, and customers represent the key users of a company's GHG inventory data.
- Use of the Standard in regulatory programs should be given special emphasis.
- TWG members raised the issue of GHG data needs by stakeholders that differ from those satisfied by entity-level GHG inventories produced following the Corporate Standard, such as territorial or sectoral aggregation of emissions, emissions trading programs, and product-level emissions.
- TWG member contributions in favor of considering GHG data needs beyond entity-level inventories suggested the following:
 - The needs of climate policy decision makers, whose role has grown in importance since the last update of the Corporate Standard, are not being sufficiently addressed. Policymakers may define legal definitions of, for example, climate policy-aligned organizations and use GHG inventory data to evaluate whether companies are aligned with national climate policy objectives. Methodologies in the Corporate Standard might not be applicable to some of these use cases, with the multi-counting of emissions in scope 2 and scope 3 not being appropriate for aggregating emissions on a territorial or sectoral basis. This should be addressed in the Corporate Standard.
 - Ensure that scope 1 emissions be consistent with a territorial approach to help meet needs of stakeholders interested in territorial or sector-wide emissions.
 - Consider having companies report emissions breakdowns as required by the UNFCCC.
 - Customers are interested first in a company's GHG inventory as a measure of the company's overall performance as a way to compare suppliers, but will then be interested in product-level GHG data.
 - Linkages between entity and product-level GHG data are also being influenced by policy, such as CSRD and CSDDD in the EU, that are driving requirements related to ESG impacts (including emissions) across the global value chain.
 - Presently, companies have to navigate multiple accounting systems for GHG emissions, such as GHG Protocol, LCA, California Cap and Trade, EU ETS, and CBAM. GHG Protocol could play a valuable role in enabling an encompassing accounting system.
- TWG member contributions opposed to considering GHG data needs beyond entity-level inventories suggested the following:
 - Emphasize that the Corporate Standard is intended for only entity-level GHG emissions accounting and is not directly applicable for territorial emissions to avoid stakeholder misconceptions.
 - Private sector GHG data is only a part of nationally determined contribution (NDC) submissions.
 - Focus on interoperability with territory or sector-wide emissions data needs may dilute from primary purpose of being the gold standard for corporate GHG inventories.
 - Recognition that GHG Protocol can coexist with other accounting standards that have different purposes in a robust ecosystem. GHG Protocol shouldn't inhibit innovation by trying to be all-encompassing. Rather than focusing on establishing an all-encompassing accounting system, GHG Protocol can do more to promote interoperability across different uses of data through facilitating high-quality, digitally tagged data. A TWG member commented that digitally tagging of data can help promote interoperability across different uses of data.

Outcomes (e.g. recommendations, options)

- Consider identifying highest priority use cases of GHG inventory data to inform updates to objectives.
- Consider how to address uses of GHG data beyond those supported by entity-level GHG inventories (e.g., accounting for emissions on a territorial, sectoral, or product basis) in Corporate Standard, either through providing guidance to help users map between different types of GHG data or by adding language emphasizing that the Corporate Standard is intended for entity-level GHG accounting only and clarifying use cases that GHG inventories are not intended for.

4. Revisions to Corporate Standard objectives

- The Secretariat implemented two informal polls using the Zoom polling feature to gauge TWG member opinions on whether the current objectives and business goals listed in the Corporate Standard should be retained, modified, or eliminated based on current uses of the Standard and of GHG inventory data. Due to time constraints, a planned breakout discussion to identify additional potential objectives to consider stakeholder needs not adequately addressed by current objectives was omitted, with TWG member input on the topic to be provided by an asynchronous follow-up survey.

Summary of discussion

- The Secretariat launched an informal poll using the Zoom polling feature to gauge member options on whether each Corporate Standard objective should be retained, modified, or eliminated based on current uses of the Standard and of GHG inventory data, with results shown below.

Objective	Retain	Modify	Eliminate
To help companies prepare a GHG inventory that represents a true and fair account of their emissions, through the use of standardized approaches and principles	69%	31%	0%
To simplify and reduce the costs of compiling a GHG inventory	46%	38%	15%
To provide business with information that can be used to build an effective strategy to manage and reduce GHG emissions	46%	46%	8%
To provide information that facilitates participation in voluntary and mandatory GHG programs	46%	46%	8%
To increase consistency and transparency in GHG accounting among various companies and GHG programs	50%	42%	8%

- Some TWG members suggested reconsidering the phrasing “true and fair” in the first objective listed in the Corporate Standard, noting that:
 - “True and fair” comes from financial accounting. It has a specific meaning, but this is not defined in the Corporate Standard.
 - “True and fair” should be changed as it’s a foundation in UK law and only used in commonwealth countries.
 - “True and fair” is not a universally understood concept. “Understandability” should also be considered, and is a principle in GRI and IFRS.
- Some TWG members proposed establishing a single primary objective, with the following suggestions:
 - A single primary objective could be to provide requirements for accurate, complete, comparable, etc. emissions inventories for companies. While other potential objectives are important, they are all built on the foundation of having an inventory.
 - A single foundational objective should reference GHG accounting and reporting principles.
 - As an alternative to listing all accounting and reporting principles, which will also be under review, the phrasing “faithfully represents” could be used. This phrasing is used in IFRS.
- The Secretariat launched another informal poll using the Zoom polling feature to gauge member opinions on whether each business goal listed in the Corporate Standard should be retained, modified, or eliminated based on current uses of the Standard and of GHG inventory data, with results shown below.

Business goal	Retain	Modify	Eliminate
Managing risks and identifying reduction opportunities	50%	43%	7%
Public reporting and participation in voluntary programs	50%	36%	14%
Participating in mandatory reporting programs	64%	36%	0%
Participating in GHG markets	43%	29%	29%
Recognition for early voluntary action	25%	42%	33%

- Due to time constraints, a planned breakout discussion to identify new objectives and business goals to address uses of the Corporate Standard and GHG inventory data not sufficiently covered currently did not take place. Questions on this topic will be provided in a follow up survey.

Outcomes (e.g. recommendations, options)

- Consider whether and how to define a primary, overarching objective for the Corporate Standard.
- Breakout discussion on proposing new objectives and business goals and identifying misuses of the Standard and of GHG inventory data cut due to time constraints, with topics to be addressed via asynchronous feedback survey and in the following Subgroup meeting.
- The Secretariat will circulate a follow up survey on Corporate Standard objectives that Subgroup 1 members will be asked to complete (deadline to be confirmed).

5. Wrap-up and next steps

- The Secretariat summarized next steps (slide 59), with the next meeting of Subgroup 1 scheduled for Tuesday, December 3rd at 09:00 ET / 15:00 CET.

Summary of discussion

- The Secretariat provided a summary of next steps including:
 - Scheduling of next Subgroup 1 meeting for Tuesday, December 3rd at 09:00 ET / 15:00 CET with the intent of finalizing the discussion of updating Corporate Standard, including consideration of comparability between inventories from different reporting organizations.
 - Materials from this meeting will be shared by the Secretariat including final slides, meeting minutes, the meeting recording, with sharing of the recording being time limited (expiration date to be communicated when recording is shared).
 - A discussion paper on Corporate Standard objectives will be shared ahead of the December 3rd meeting.
 - A feedback survey to follow up on today's meeting discussion on Corporate Standard objectives will also be shared.
- The Secretariat invited final questions/comments from TWG members, which included the following:
 - One TWG member asked when to expect to have revised language ready to review. The Secretariat responded that some draft text on objectives may be ready for review by the December 3rd meeting, but that more discussion on the topic is required.
 - One TWG member asked when principles are to be considered, and the extent to which the TWG will take a top-down versus a bottom-up approach to revising objectives, principles, and methods/requirements. The Secretariat responded that Subgroup 1 is initially taking a top-down approach, first considering objectives and then principles, but potentially with some iteration with revisions to principles requiring further adjustments to objectives. Subgroups 2 and 3 are taking on more specific GHG accounting topics to start and there will be opportunity to integrate outputs from their work to also facilitate some bottom-up approaches to the TWG's work.

Outcomes (e.g. recommendations, options)

- Next Subgroup 1 meeting scheduled for Tuesday, December 3rd at 09:00 ET / 15:00 CET.

- Secretariat to share the following materials with Subgroup 1 members: final slides, minutes, and recording from November 12th meeting, discussion paper on Corporate Standard objectives, feedback survey on Corporate Standard objectives.
- TWG members to complete feedback survey on Corporate Standard objectives (deadline to be communicated).

Summary of written submissions received prior to meeting

- One TWG member submitted feedback related to the content of the meeting via a general feedback form, suggesting the following:
 - Set out the purpose of the Corporate Standard as compared to other documents in the suite as part of the introduction to the text, considering whether the Corporate Standard is the overarching “conceptual framework” establishing principles, key concepts and approaches, and with other documents (e.g., Scope 2 Guidance, Scope 3 Standard) providing more detailed guidance on specific GHG accounting topics. Such a two-tiered structure would emulate IFRS and normal legislative structures.
 - Reconsider terminology related to objectives and business goals, considering usage of the term “purpose” rather than “objectives” of the Standard and usage of the term “uses” of the Standard rather than “business goals”.
- The Secretariat responded to this feedback during the meeting, noting that harmonization between documents in the corporate standards suite is part of the standard revisions agenda and that the Corporate Standard is intended to be the master document containing overarching requirements.