



Forest Carbon Accounting (FCA) Technical Working Group Kickoff Meeting

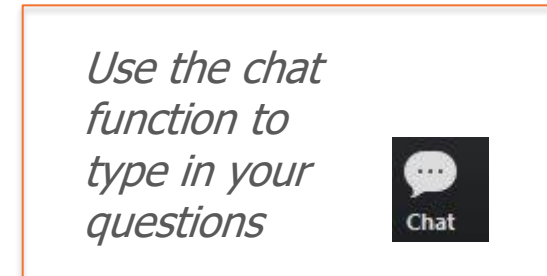
December 2024



Zoom logistics and recording of meetings

Zoom Meetings

- All participants to stay muted unless speaking (use the Raise Hand function to speak during the call)
- Please turn on your video
- Please include your full name and company/organization in your Zoom display name



Meetings will be recorded and shared with all TWG members for:

- Facilitation of notetaking
- To assist TWG members who cannot attend the live meeting or otherwise want to review the discussions

Meeting summary and recording will be shared after the meeting. Recordings will be available for a limited time after the meeting; access is restricted to TWG members only.

Housekeeping: Trust and confidentiality in TWG meetings

- We want to make **TWG meetings a safe space** – our discussions should be open, honest, challenging status quo, and ‘think out of the box’ in order to get to the best possible results for GHG Protocol
- Always **be respectful**, despite controversial discussions on content
- TWG members should **not disclose any confidential information** of their employers, related to products, contracts, strategy, financials, compliance, etc.
- In TWG meetings, **Chatham House Rule** applies:
 - “When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”
- **Compliance and integrity** are key to maintaining credibility of the GHG Protocol
 - Specifically, all participants need to follow the **conflict-of-interest policy**
 - **Anti-trust rules** have to be followed; please avoid any discussion of competitively sensitive topics*

* Such as pricing, discounts, resale, price maintenance or costs; bid strategies including bid rigging; group boycotts; allocation of customers or markets; output decisions; and future capacity additions or reductions

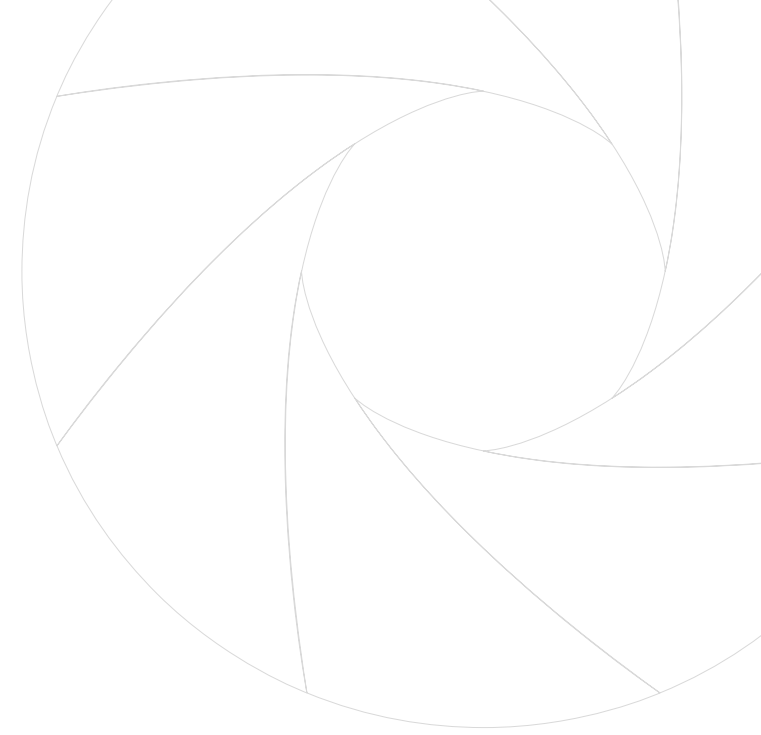
Agenda

1. Welcome & Introduction
 - 5 min.
2. GHG Protocol Overview
 - 5 min.
3. GHG Protocol Governance, Standard Setting Procedures, Policies & TWG Terms of Reference
 - 20 min.
4. Decision-making Criteria
 - 5 min.
5. FCA Deliberation Approach
 - 10 min.
6. Introductions of TWG Members
 - 15 min.

Welcome & Introduction



Dr. Alexander Bassen
Chair, Independent Standards Board

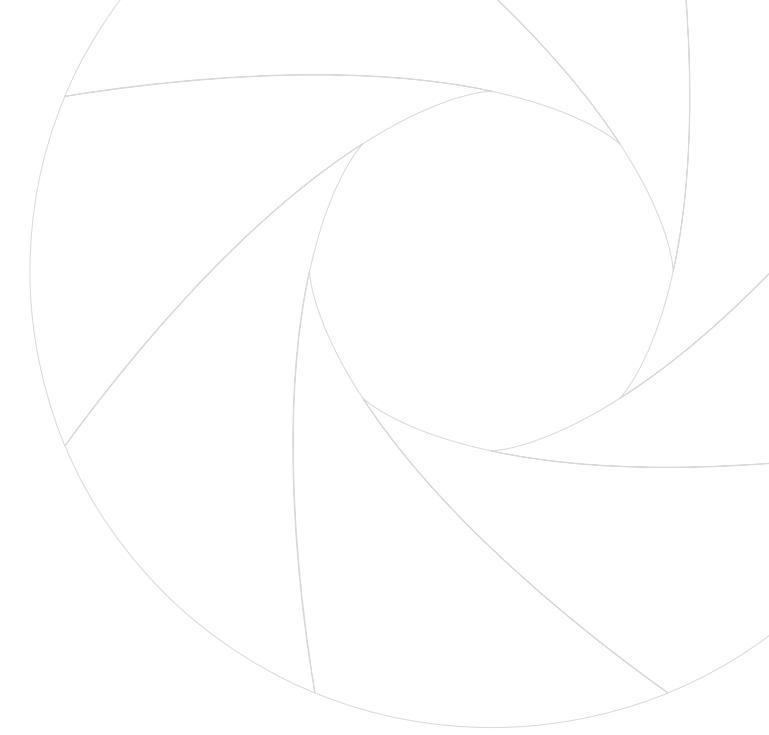


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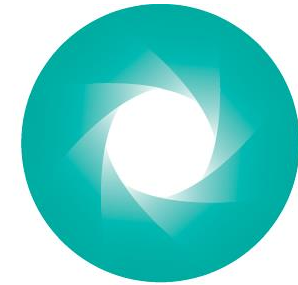
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GHG Protocol Overview



Greenhouse Gas Protocol

- Greenhouse Gas (GHG) Protocol standards and guidance enable companies, cities and countries to:
 - measure, manage and report greenhouse gas emissions from their operations and value chains
 - track progress toward their emissions targets
- GHG Protocol provides the world's most widely used GHG standards for companies
 - >10,000 companies report to CDP using GHG Protocol
 - >100,000 companies expected to report under ISSB standards using GHG Protocol
 - > 90% of Fortune 500 companies use GHG Protocol standards
- GHG Protocol develops accounting and reporting standards through inclusive global multi-stakeholder processes that include representation from businesses, academia, governments, NGOs and civil society



GREENHOUSE
GAS PROTOCOL



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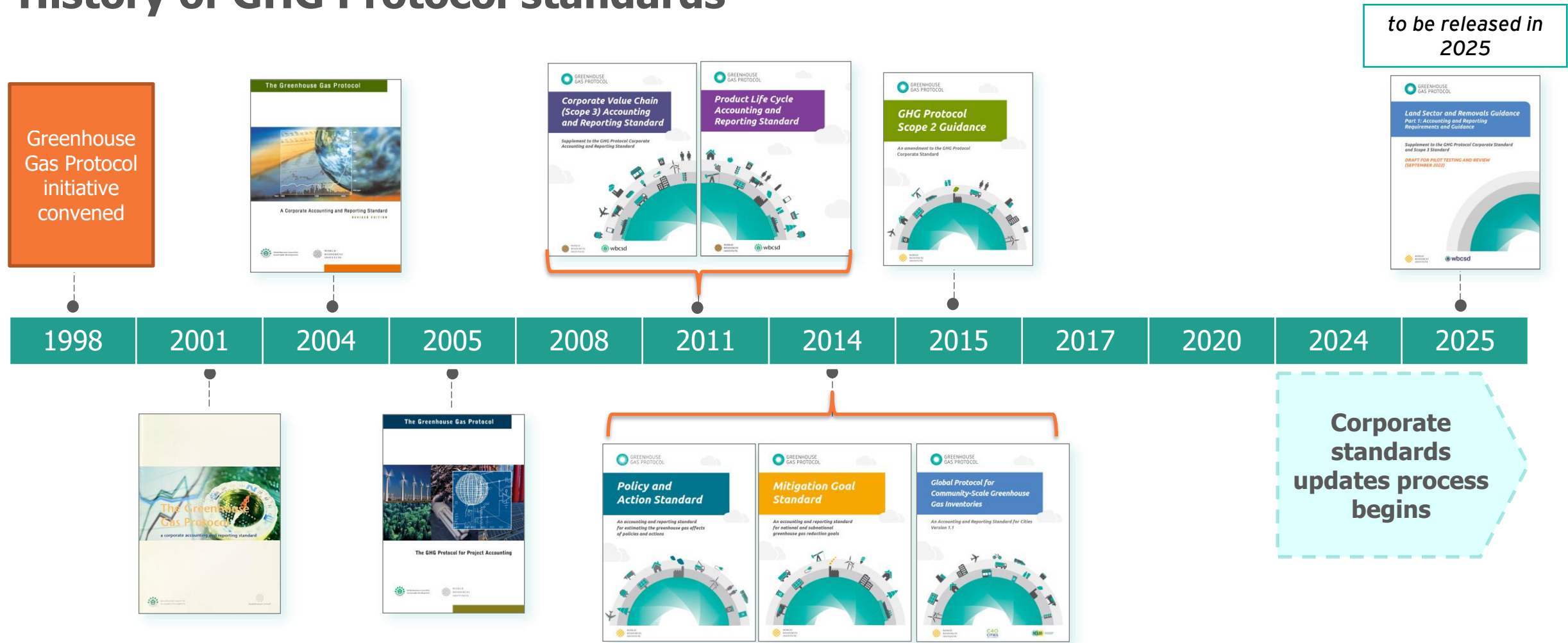


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History of GHG Protocol standards



GHG Protocol provides the GHG accounting foundation that underpins key standards, regulations, and target setting programs



Voluntary climate disclosure standards and reporting platform



Mandatory climate disclosure



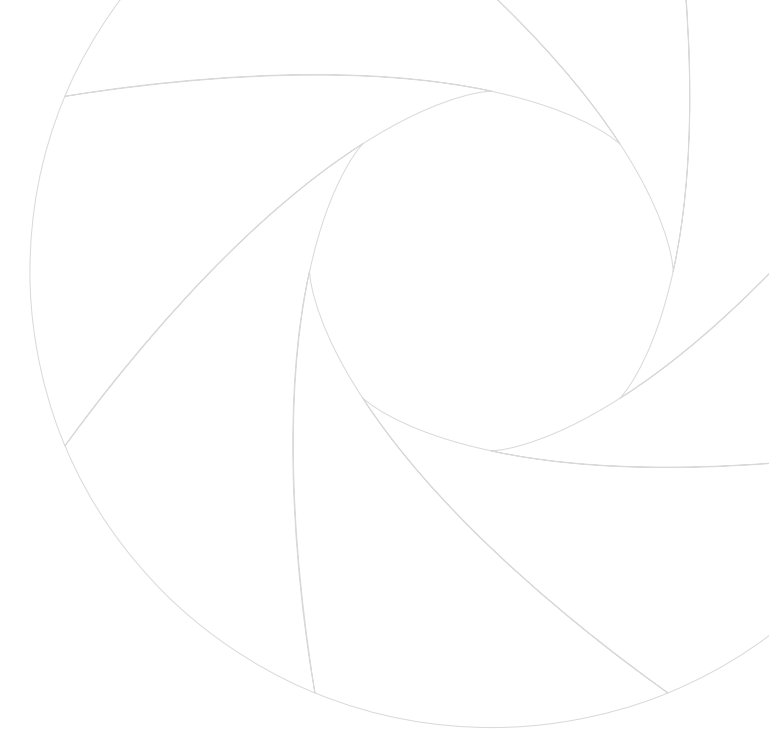
Target setting



GHG accounting standard setting



GHG Protocol Governance, Standard Setting Procedures, Policies & TWG Terms of References

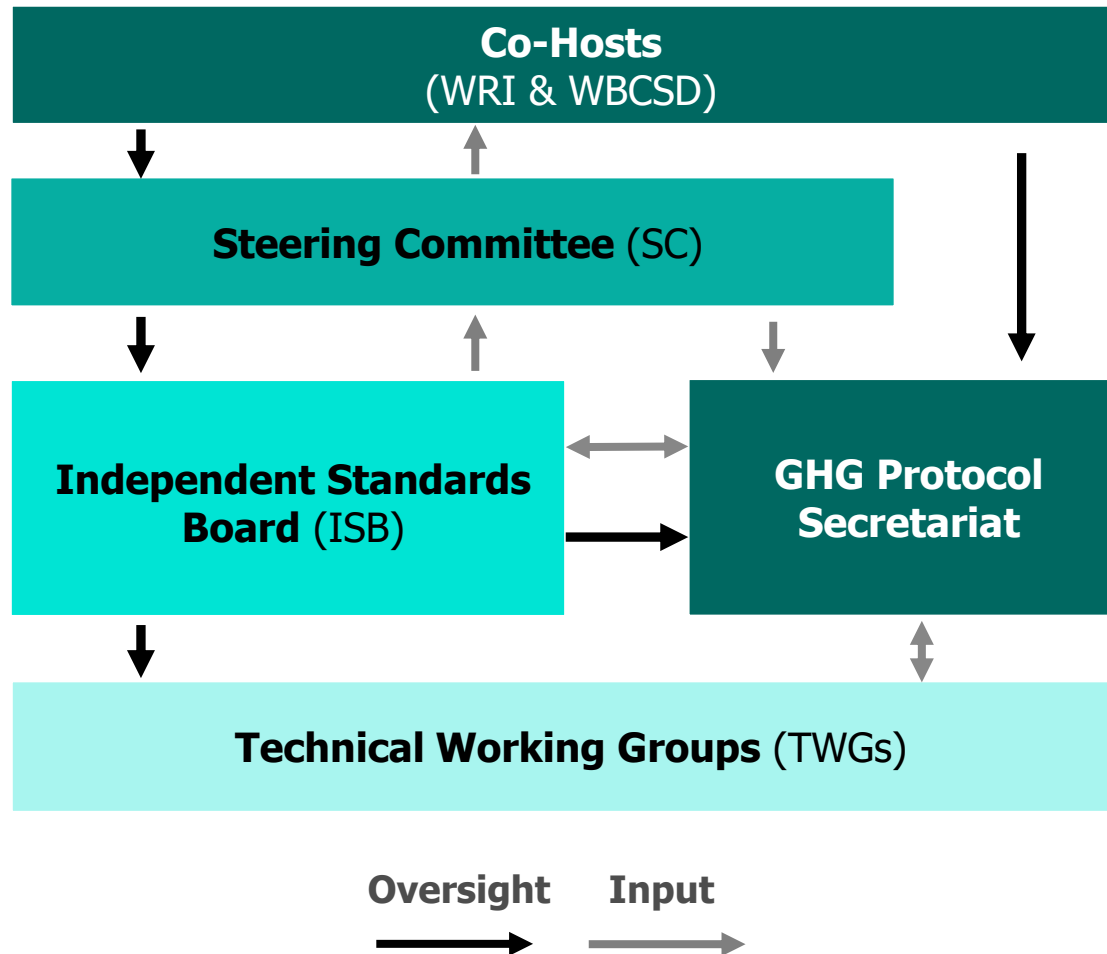


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GHG Governance Structure



Steering Committee (SC)

- Provides strategic guidance on direction
- Appoints ISB, provides oversight, ratifies decisions

Independent Standards Board (ISB)

- Appoints TWG members, reviews and approves new or revised standards and guidance

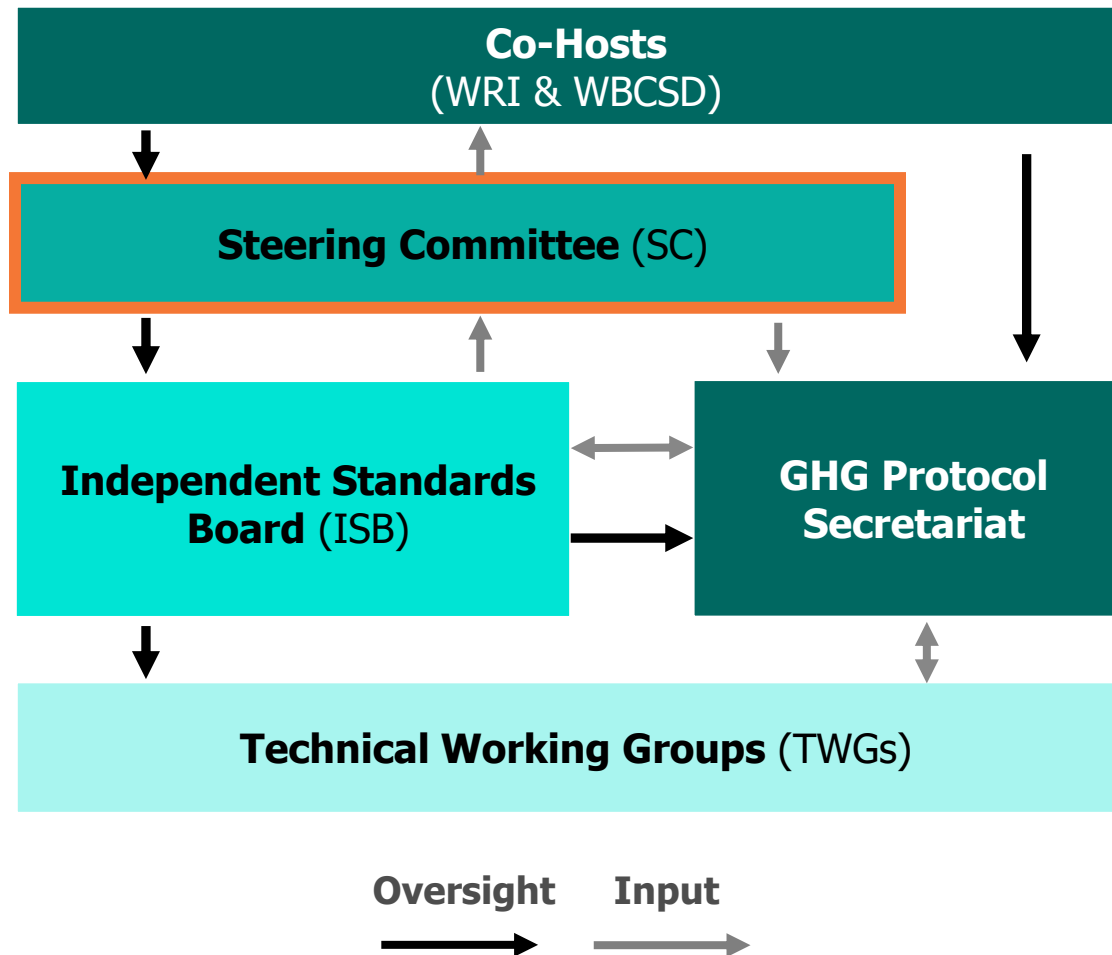
GHG Protocol Secretariat

- Manages the standards development process in alignment with the GHG Protocol mission/vision

Technical Working Groups

- TWGs provide recommendations and feedback on key issues and draft materials by Secretariat

Steering Committee



- Provides strategic guidance on the goals and direction of GHG Protocol, including advising the Co-Hosts on the optimal organizational set-up and governance structure
- Approves the GHG Protocol strategy, including its overarching mission, vision, short- and long-term strategic goals
- Appoints ISB members
- Decides whether new standards or revisions are needed
- Ratifies the decisions of the ISB to publish final standards

Steering Committee Members



Wataru Baba



Yamide Dagnet



Craig Hanson



Richard Manley



Julia Maris



Geraldine Matchett
Chair



Katie McGinty



Ovais Sarmad
Vice-Chair

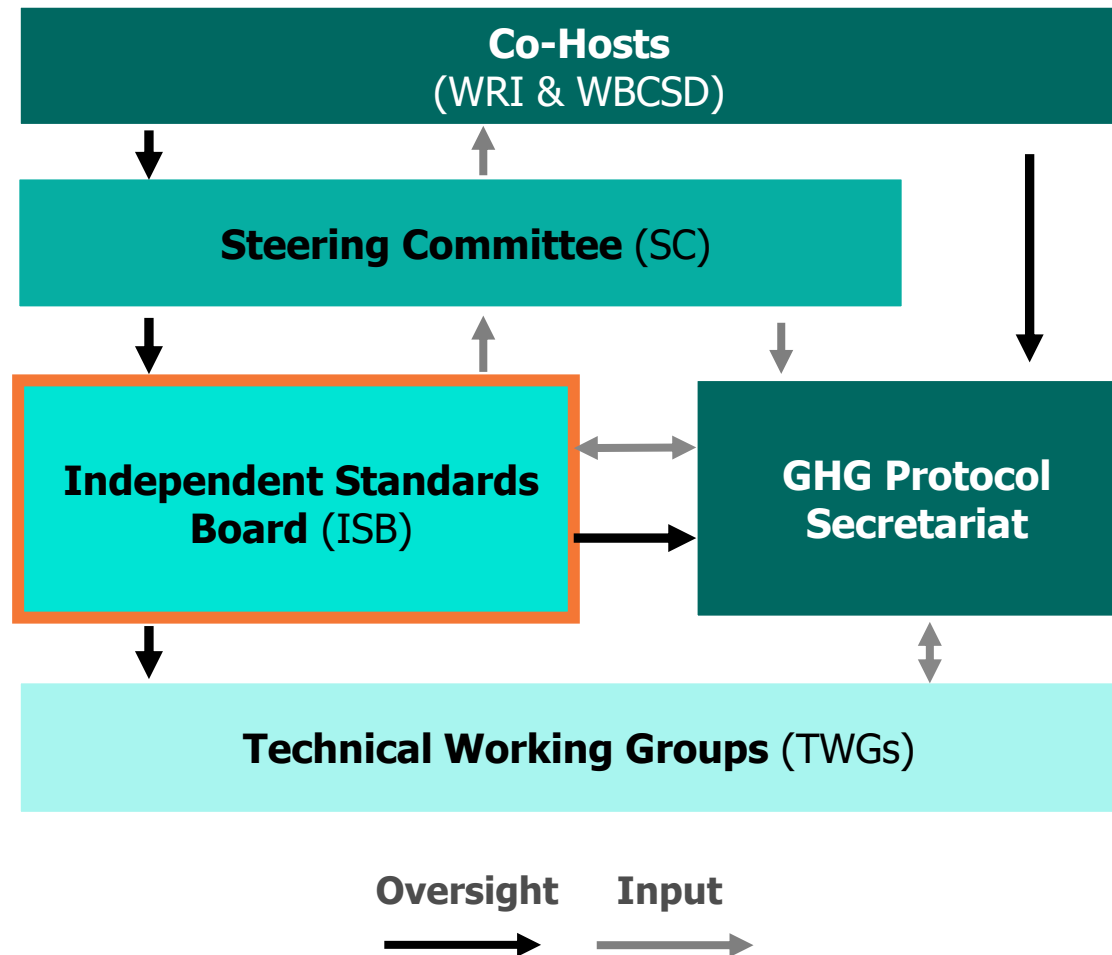


Dominic Waughray



Yongping Zhai

Independent Standards Board



- Oversees the standards development process
- Advises the SC on the need for, objectives and scope of new and/or revised standards
- Reviews and approves GHG Protocol Standards according to the GHG Protocol Standard Development and Revision Procedure
- Appoints TWG members
- Makes decisions related to the content of standards
- Up to 18 individuals

Members of the Independent Standards Board



Alexander Bassen
Chair



Suzanne Greene



Danny Cullenward



Inhee Chung



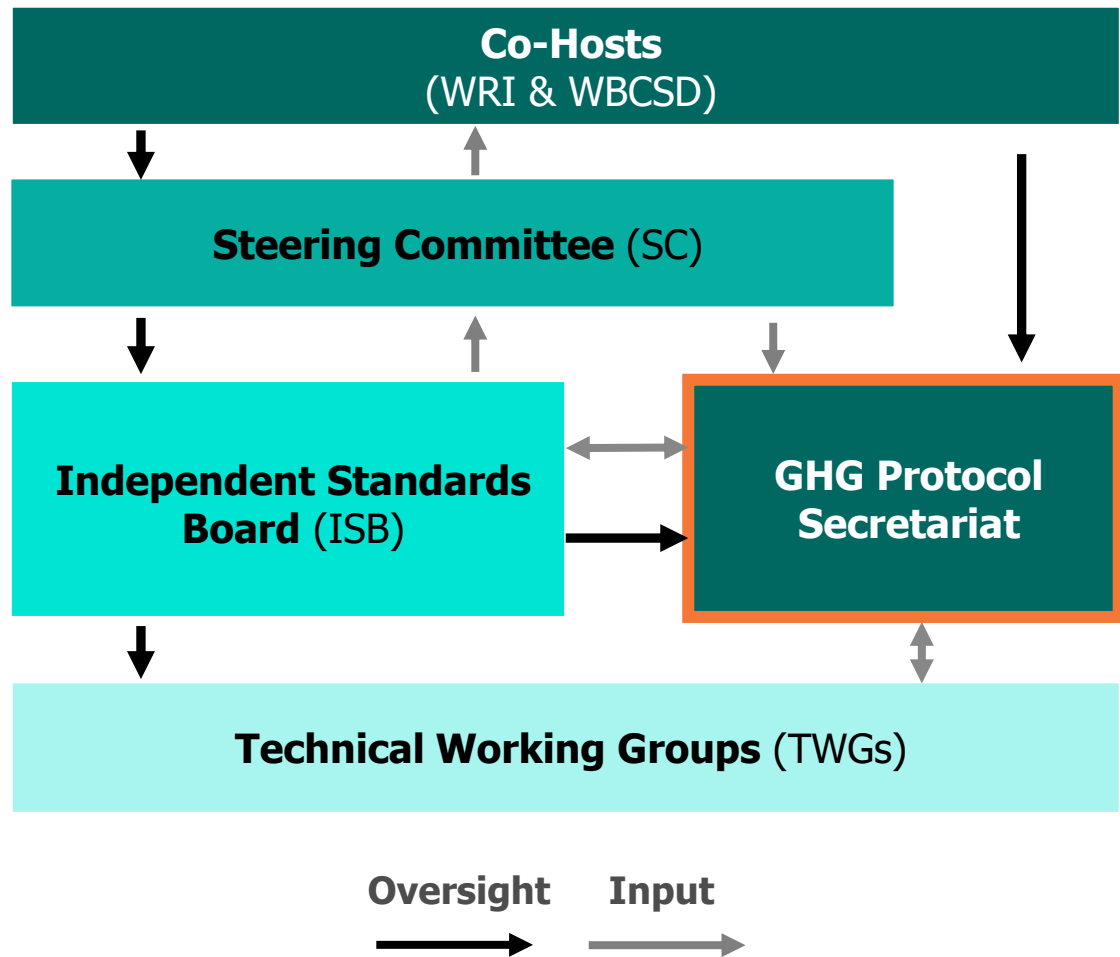
Heather Keith



Owen Hewlett

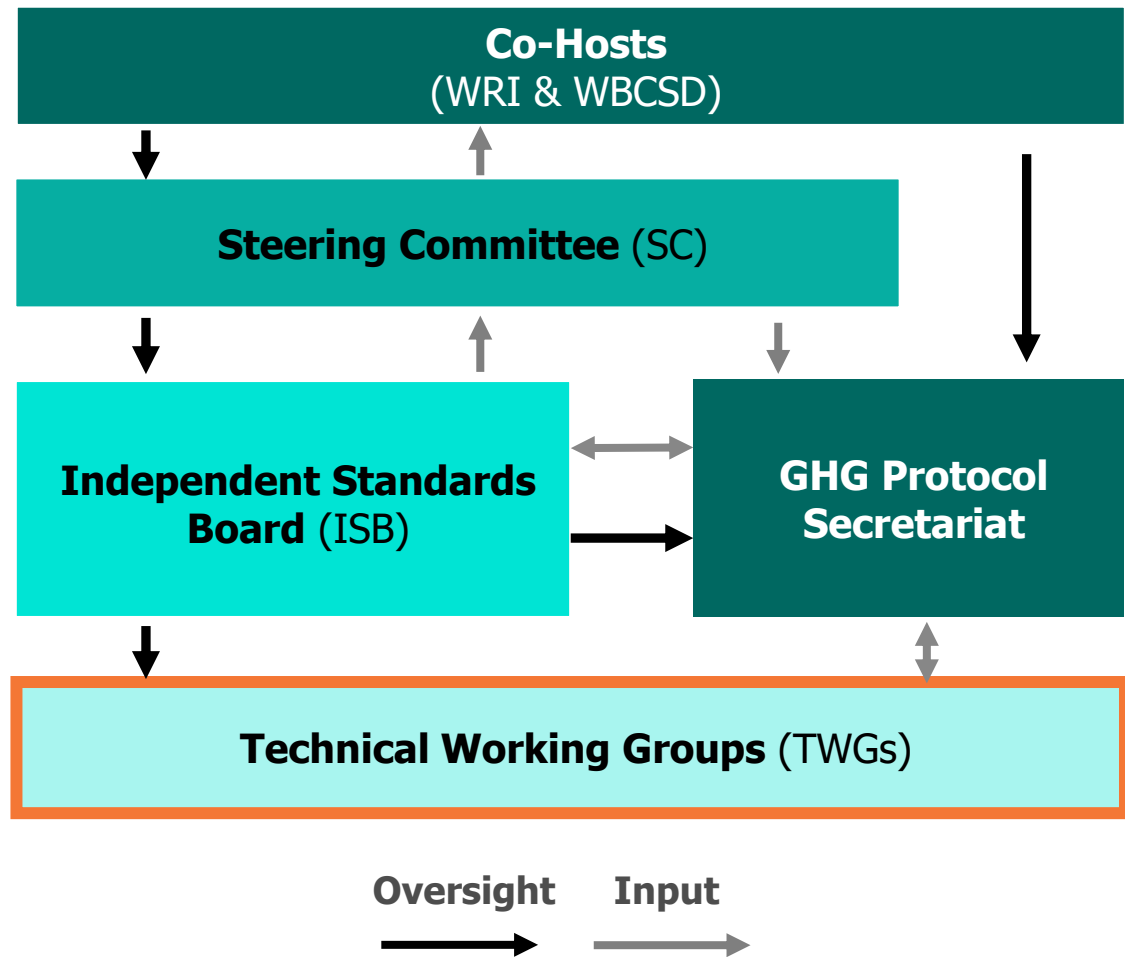
Additional members to be announced soon

Secretariat



- Hosted by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD)
- Manages the day-to-day activities of GHG Protocol
- Prepare working documents, pre-reads and meeting agendas
- Serve as secretary to convene meetings, facilitate deliberations and capture minutes and recommendations
- Ensures that the development and revision of standards aligns with the GHG Protocol mission, vision, and decision-making criteria

Technical Working Groups



- Overseen by the ISB and managed by the Secretariat
- Review draft materials produced by the Secretariat, develop proposals and provide recommendations and feedback on key issues
- Contribute to drafting text, where requested
- For the Forest Carbon Accounting process, the TWG will operate under the same publicly-available TWG ToR.
- The Forest Carbon Accounting TWG members will be appointed by the ISB per the ToR.

ToR Highlights: TWG Responsibilities & Limitations

- Each TWG is assigned a Scope of Work (*Standard Development Plan*) by the Secretariat
- TWG responsibilities include:
 - Provide expert input and recommendations on issues requested by the Secretariat
 - Develop proposals and recommendations, contribute to drafting text, and review draft text or proposals
 - Work collaboratively with other TWG members and the Secretariat to reach consensus on technical issues
 - Review and respond to feedback from the ISB, Secretariat, and public consultation
- The focus of individual TWGs and their day-to-day activities are managed by the Secretariat
- TWGs do not have the power to take decisions on the final content of standards (ISB's role)

Membership & Subgroups

- **Serving in individual capacity**
 - §4.1.5: TWG members should serve in their individual capacity, rather than as representatives of specific organizations or institutions, and in particular should not advocate on behalf of external consortia or associations within a TWG during a development and revision process, with the exception of those members representing the Co-Hosts.
- **Acting in the public interest and disclosure of Conflicts of Interest**
 - §4.1.6: Each member of a TWG should act in full independence from any other employment and disclose all conflict of interest subject to the Conflict-of-Interest Policy[...], and shall agree to act in the public interest and to prioritize the GHG Protocol mission and objectives when making recommendations
- **Subgroups**
 - The Secretariat may create subgroups with a defined remit and assignment consisting of TWG members may be formed and dissolved at the direction of the Secretariat

Appointment & Removal

- **Appointment**

- Members are appointed by the ISB, based on the recommendations of the Secretariat
- If a member changes employment or affiliation, inform the Secretariat. The ISB determines how to proceed.

- **Removal**

- Members may be removed by the ISB on *reasonable grounds*, including:
 - Lack of attendance or participation
 - Violations of the Terms of Reference
 - Violations of the Conflict-of-Interest Policy
 - Inappropriate conduct that risks the reputation, impartiality or independence of GHG Protocol
 - Other reasonable causes in the view of the ISB

Meeting Organization

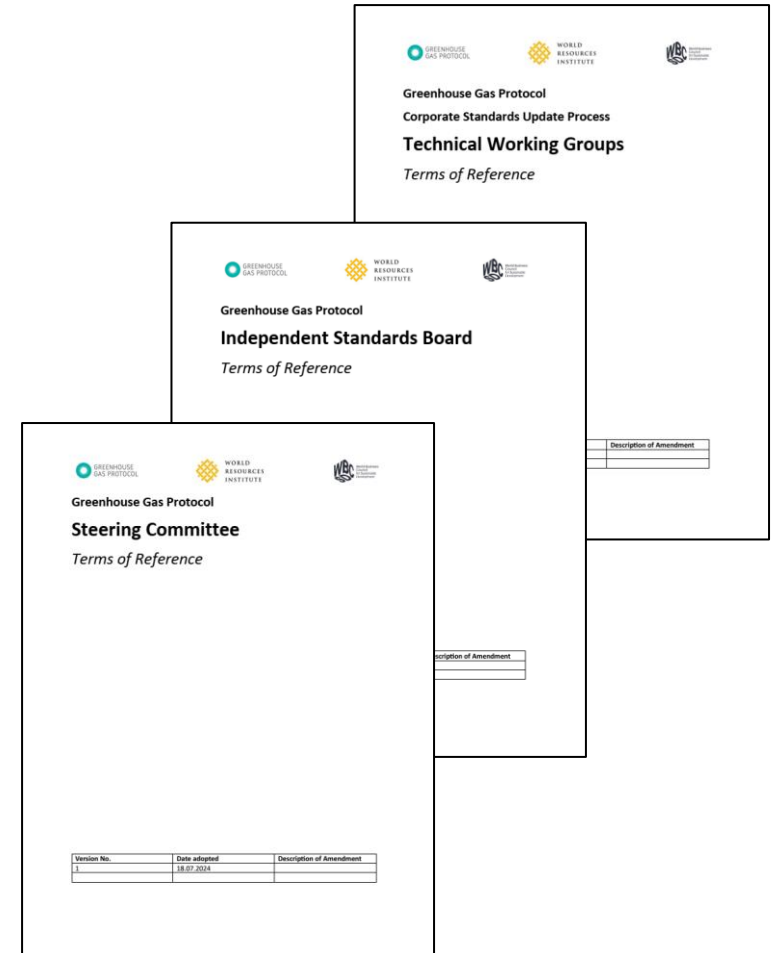
- Secretariat to prepare working documents, pre-reads and meeting agendas and serve as secretary to convene meetings, facilitate deliberations and capture minutes and recommendations
- **Meeting Frequency**
 - Timing has been reflected in the Detailed description of the FCA TWG work plan
 - All meetings will be virtual
 - Secretariat is working on the preliminary schedule of meetings for 2025
- **Agenda**
 - Secretariat will send agenda and preparatory materials 5 working days before meetings
- **Participation**
 - Active participation and attendance is expected; let the Secretariat know if you will miss a meeting
- **Minutes**
 - Summary of deliberation, outcomes and recommendations will be made publicly available
 - Chatham House Rules; attribution only with consent

TWG Recommendations

- Quorum required to hold a meeting, inclusive of those providing written comments
- **Consensus**
 - Consensus defined as lack of sustained objection, as determined by the Secretariat
 - Aim to develop consensus standards and reach maximum level of agreement possible
 - If consensus cannot be reached, options will be presented to the ISB
 - Secretariat reserves the right to conduct polling or indicative voting to determine degree of consensus
 - Members are expected to make recommendations based on established *Decision-making Criteria*

Governance documents developed following best practices for voluntary standards

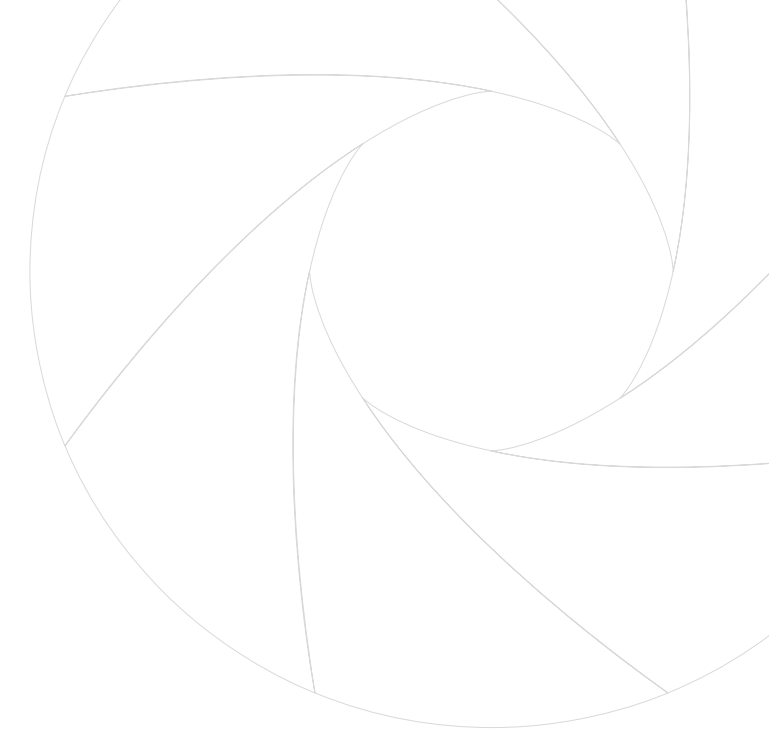
GHG Protocol Governance Documents		
GHG Protocol Governance Overview		
<ul style="list-style-type: none"> Responsibilities of SC, ISB, TWGs and PTGs 	<ul style="list-style-type: none"> Responsibilities of Secretariat 	<ul style="list-style-type: none"> Decision-making criteria and hierarchy
Terms of Reference	Procedures	Policies
<p><i>For SC, ISB and TWGs</i></p> <p>Each including:</p> <ul style="list-style-type: none"> Remit and oversight Responsibilities Composition Meeting organization and documentation Decision-making / making recommendations Commitment, Remuneration, Acknowledgement 	<p><i>Standard Development & Revision Procedure</i></p> <ul style="list-style-type: none"> Procedures for preparation, development and publication General requirements for Standards Content of Standards Development Plan <p><i>Concerns & Complaints Procedure (not yet issued)</i></p> <ul style="list-style-type: none"> Applicability Procedure Responsibilities 	<p><i>Conflict of Interest Policy</i></p> <ul style="list-style-type: none"> Applicability Disclosure Requirements <p><i>Code of Conduct (not yet issued)</i></p> <ul style="list-style-type: none"> Applicability Responsibilities



Governance documents on our website

- [Governance Overview](#)
- [Conflict of Interest Policy](#)
- Standard Development & Revision Procedure (coming soon)
- Concerns & Complaints Procedure (coming soon)
- Code of Conduct (coming soon)
- Terms of Reference for
 - [Steering Committee](#)
 - [Independent Standards Board](#)
 - [Technical Working Groups](#)
- You can find materials from Steering Committee, Independent Standards Board, and Technical Working Group meetings in our [Governance Document Repository](#)
- Available at: <https://ghgprotocol.org/our-governance>

Decision-making Criteria



GHG Protocol Decision-Making Criteria

- Purpose: Support the GHG Protocol Secretariat, Technical Working Groups, and Independent Standards Board in evaluating GHG Protocol accounting and reporting approaches to determine which option among a defined set of options best adheres to the criteria and should be pursued.
- Summary version:

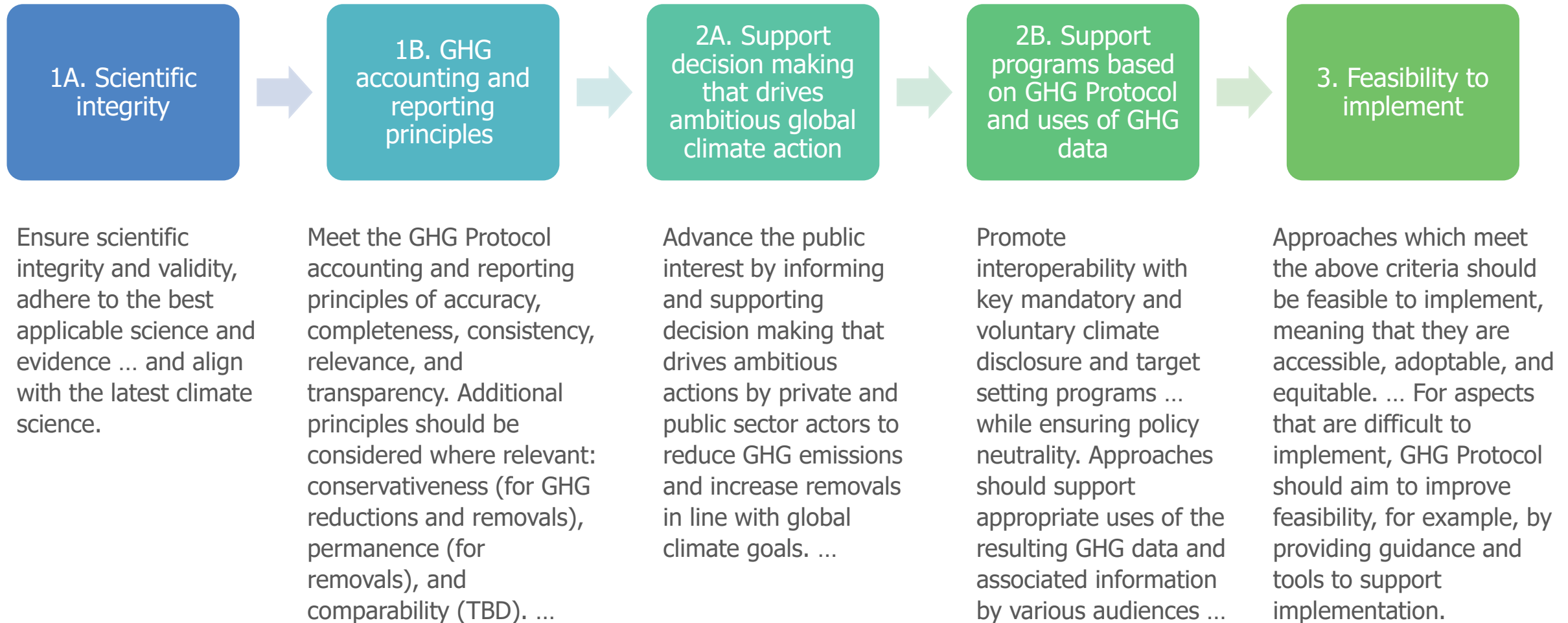


- Full version:



Note: This is a summary version. For further details, refer to the full decision-making criteria included in the annex to the Governance Overview, available at <https://ghgprotocol.org/our-governance>.

GHG Protocol Decision-Making Criteria



Note: This is a summary version. For further details, refer to the full decision-making criteria included in the annex to the Governance Overview, available at <https://ghgprotocol.org/our-governance>.

Applying the decision-making criteria

<i>Illustrative example</i>	Option A: Name	Option B: Name	Option C: Name
1A. Scientific integrity	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons
1B. GHG accounting and reporting principles	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons
2A. Support decision making that drives ambitious global climate action	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons
2B. Support programs based on GHG Protocol and uses of GHG data	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons
3. Feasibility to implement	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons 	<ul style="list-style-type: none"> • Pros • Cons

- Evaluating options: Describe pros and cons of each option relative to each criterion. Qualitatively assess the degree to which an option is aligned with each criterion through a green (most aligned), yellow (mixed alignment), red (least aligned) ranking system. Some criteria may be not applicable for a given topic; if so, mark N/A.
- Comparing options: The aim is to advance approaches that ideally meet all decision criteria (i.e. maximize pros and minimize cons against all criteria). If options present tradeoffs between criteria, the hierarchy should be generally followed, such that, for example, scientific integrity is not compromised at the expense of other criteria, while aiming to find solutions that meet all criteria.

FCA Deliberation Approach



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Land Sector and Removal Standard and Guidance

Purpose of the guidance

The **GHG Protocol Land Sector and Removals Standard and Guidance** is intended to support companies by **providing clarity on the steps, methods and data** needed to calculate GHG emissions and removals from land-based activities and technological CO₂ removal activities.

Relationship to other standards

Companies should use this guidance **in combination with the *Corporate Standard* and the *Corporate Value Chain (Scope 3) Standard***.

Intended audience

Agricultural, forestry, or other land-based value chains, including those that own or control land; supply to producers; purchase, consume, process or sell food, fibre, feed, bioenergy or other biogenic products; and store biogenic CO₂; and

Technological CO₂ removal (TCDR) value chains, including those that own or control TCDR operations; purchase, consume, process or sell TCDR products; and store technologically removed CO₂.

Scope of the guidance

Corporate-level accounting and reporting of **emissions and removals across scopes 1, 2 and 3**

GHG emissions from land-use change and land-based activities and CO₂ removals and storage.

Development timeline of LSRG

2020 - Start process

- Convene stakeholder groups: TWG and AC
- Discuss key issues and obtain strategic guidance

2021 Draft for TWG/AC review

- Collect feedback from TWG and AC
- Discuss and revise key issues, and obtain strategic guidance

2022 Draft for pilot testing and external review

- Included 3 open questions and received 4,000+ comments from external reviewers, pilot testing companies and supporting partners
- Collect feedback from reviewers

2023 Review with TWG

- Compiled answers to open questions
- Identified 42 key issues based on review feedback - Reached a resolution on 88%

2024 Review with AC

- Reviewed, refined and approved proposals and discussed 4 remaining issues.
- Resolved two issues: Assurance and right to report.
- Pending: agricultural leakage, and forest carbon accounting

Structure of the Land Sector and Removals Standard

			CHAPTERS	
			STEPS	
1 Define business goals and inventory design			Chapter 1: Introduction	
			Chapter 2: Business goals	
			Chapter 3: GHG accounting and reporting principles	
			Chapter 4: Setting the inventory boundary	
			Chapter 5: Traceability and spatial boundary	
			Chapter 6: Data and methods	
2 Compile the GHG inventory	2.1 Requirements for land sector companies	Land use change related metrics	Chapter 7: Land use change emissions	
		Land management emissions	Chapter 8: Land tracking	
			Chapter 9: Land management net biogenic CO ₂ emissions	
			Chapter 10: Land management production emissions	
		Biogenic products	Chapter 11: Biogenic and other gross emissions	
	2.2 Requirements for companies choosing to report CO ₂ removals			Chapter 12: CO ₂ Removal accounting
				Chapter 13: Land management CO ₂ removals
				Chapter 14: Captured CO ₂ and removals with geologic storage
	2.3 Requirements for companies choosing to report product carbon storage			Chapter 15: Product Carbon Storage
	3 Act based on the GHG inventory			Chapter 16: Evaluating the impacts of actions
		Chapter 17: Setting targets and tracking progress		
		Chapter 18: Accounting for credited emission reductions and removals		
4 Obtain assurance and report the GHG inventory			Chapter 19: Assurance	
			Chapter 20: Reporting	

APPLICABILITY

-  Requirements for applicable companies
-  Requirements for land sector companies
-  Requirements if relevant to business goals

This structure reflects the latest draft of the Land Sector and Removals Standard but is still subject to change prior to final publication.

Governance structure for FCA resolution

TWG members

15 to 20 experts on forest carbon accounting

Secretariat



Matt RAMLOW
WRI - GHG Protocol



Amir SAFAEI
WBCSD - GHG Protocol

EY Management



Adrien PORTAFAIX
EY team partner



David KENNEDY
EY team partner



Gregory SIMONNIN
EY project director

Project management



Ishita CHELLIAH
EY project manager

EY Core team



Johannes TINTNER-OLIFIERS
Forestry expert at EY



François BINARD
Project Management Officer



Weza BOMBO JOAO
Project support

Forest Carbon Accounting: Land Sector and Removals Guidance

Context

Since 2020, the effort to establish a standard for accounting GHG emissions and removals from corporate activities in the land sector has progressed significantly and is nearing a critical milestone. The remaining point of contention is Forest Carbon Accounting, which requires resolution through a revised facilitation process. Expert opinions differ, with three proposed options for methodology alignment:

1. Managed land proxy
2. Activity-based accounting
3. Managed land proxy + activity-based costing outside scope

Addressing this issue is essential for creating a harmonized framework to accelerate corporate climate action in the land sector across value chains and reflect the outcome in the updated guidance.

Objective

Define Problem Statements

- Illustrate the need for accurate reporting of forest management emissions and removals through worked examples

Refine Current Options

- Propose solutions aligned with GHG Protocol decision-making criteria to address the identified issue

Engage Stakeholders

- Ensure recommendations respond to concerns from advocates of alternative options
- Potential consultation with pilot testing companies and supporting partners involved with piloting the 2022 draft Guidance for additional insights



Comparison between Proxy managed led and Activity-based costing

Managed Land Proxy

The managed land proxy approach uses the IPCC's national GHG inventory guidance to estimate emissions and removals on "managed lands," assuming all CO₂ fluxes from these areas are anthropogenic. This method balances accuracy and feasibility for national accounting, providing a standardized way for companies to report carbon fluxes within their boundaries. It aligns corporate emissions and removals with observable changes in managed forest areas. This approach is designed to offer a practical and consistent method for companies to account for emissions and removals, reflecting the broader carbon stock changes within managed forests.

Pros:

- Offers a practical and feasible method for companies to report carbon fluxes.
- Encourages sustainable forest management by reporting broader carbon stock changes.

Cons:

- Overestimates corporate anthropogenic removals
- Allows non-anthropogenic removals to offset company emissions, leading to greenwashing.

Activity-based Accounting

The activity-based accounting approach measures emissions and removals from specific corporate activities by comparing them to a "no harvest, no management" baseline. This method aims to isolate the impact of corporate activities on forest carbon stocks, providing a more accurate attribution of anthropogenic emissions and removals. It encourages efficient forest management and use of wood products. By using a natural baseline, it ensures that only the emissions and removals directly caused by corporate activities are accounted for.

Pros:

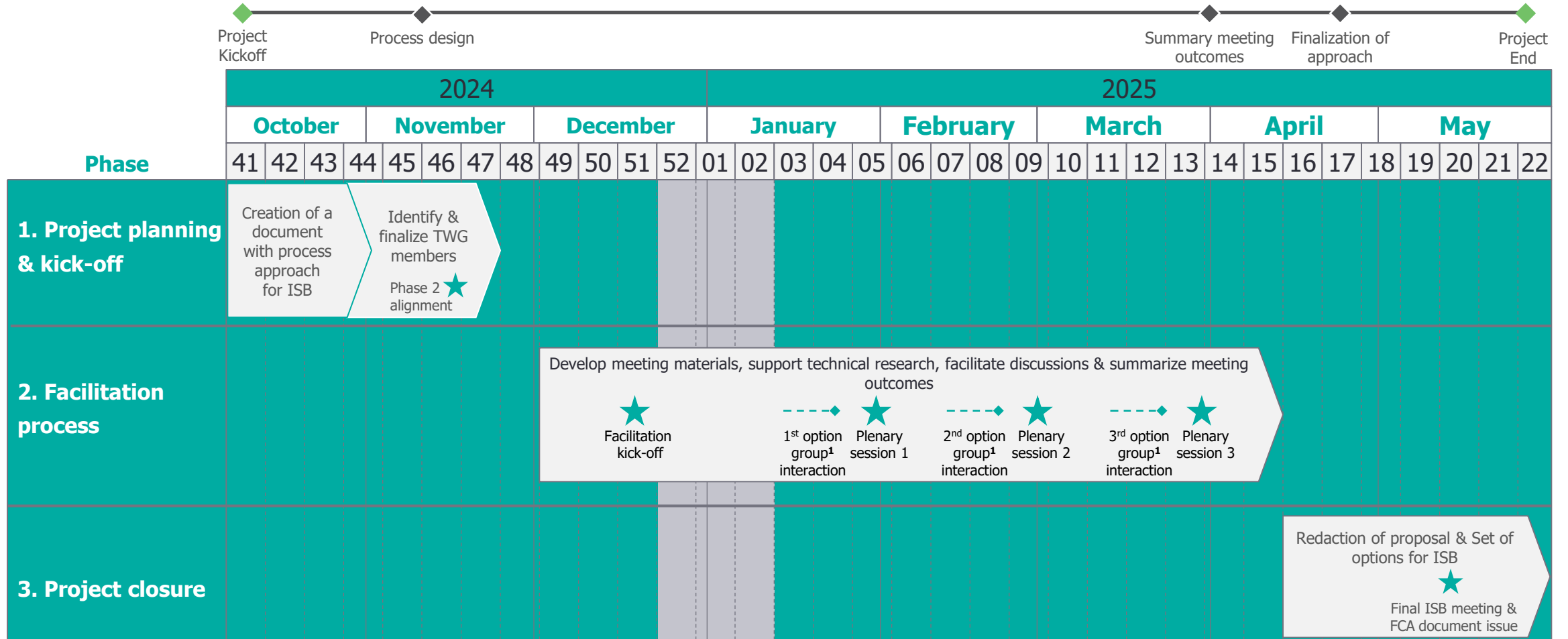
- More accurately estimates anthropogenic emissions and removals by isolating corporate impacts.
- Aligns with the GHG Protocol's principles of accuracy and completeness.

Cons:

- Counterfactual analysis is complex and unreliable, leading to subjective assumptions.
- May reduce incentives for holistic forest management by reporting many activities as net emissions.

For further information on each phase, please refer to the document "Forest Carbon Accounting Briefing Memo"

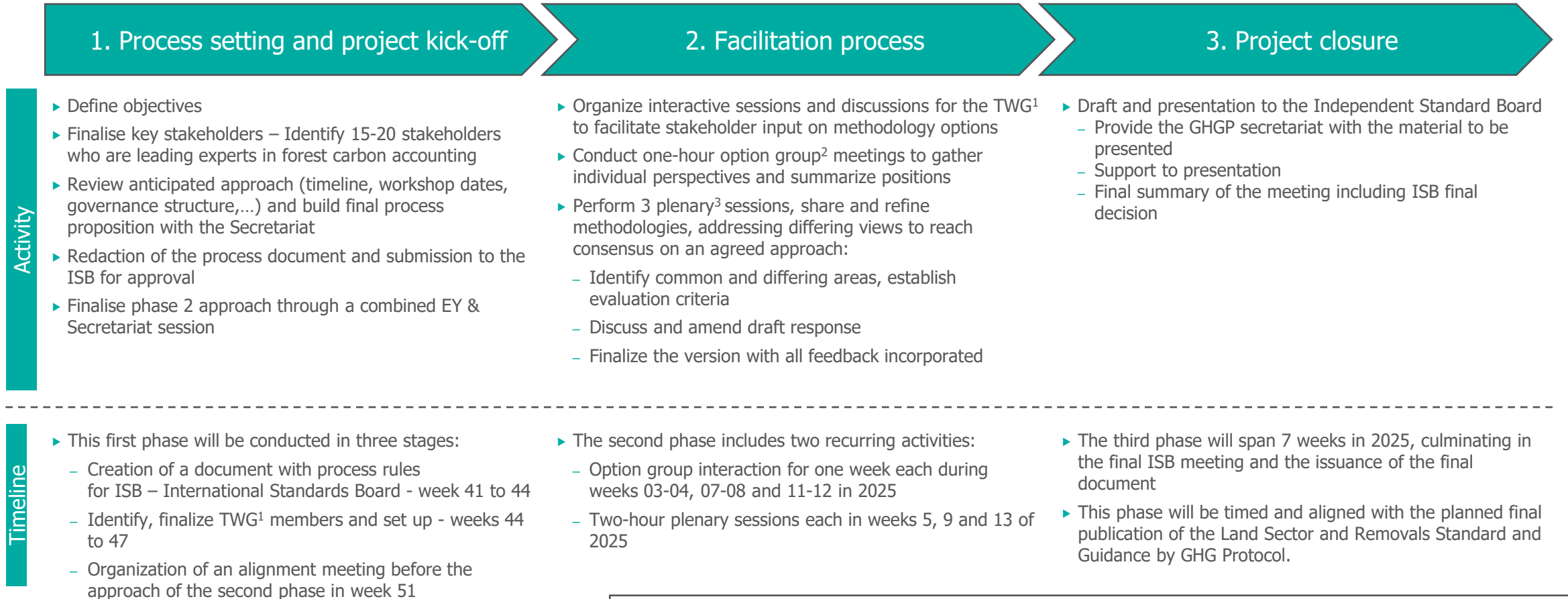
Workplan involving TWG members



The final timeline will also depend on the availability of the stakeholders and will be refined as the sessions progress

1. Option grouping based on the three FCA methodology proposal

Phased workplan description



For further information on each phase, please refer to the document "Detailed description of the FCA TWG work plan"

1. TWG = Technical Working Group
 2. Expert grouping based on the three FCA options
 3. Plenary = Technical Working Group meetings

Introduction of TWG Members



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Forest Carbon Accounting TWG members overview

The nominated members of the Forest Carbon Accounting TWG are listed below. This list is current as of 10 December 2024 pending final agreement to the GHG Protocol TWG Terms of Reference and Conflict of Interest policy.

Name	Organization	Previous stakeholder group	Organization type	Gender	Geographic area
1 Alessandro Baccini	Chloris Geospatial / Boston University	External	Academic	Male	North America
2 Antti Marjokorpi	Stora Enso	AC	Company	Male	Europe
3 Aurelie Shapiro	FAO	External	Civil society	Female	Europe
4 Chandra Shekhar Deshmukh	APRIL	External	Company	Male	Asia
5 Charles Canham	Cary Institute of Ecosystem Studies	External	Academic	Male	North America
6 Christoph Leibing	IKEA	AC	Company	Male	Europe
7 Jennifer Skene	NRDC	TWG	Civil society	Female	North America
8 Jiaxin Chen	Ontario Forest Research Institute / Huazhong Agricultural University	External	Government	Male	Asia
9 Kate Dooley	University of Melbourne	External	Academic	Female	Oceania
10 Melissa Gallant	TNC	TWG	Civil society	Female	North America
11 Miguel Brandao	KTH – Royal Institute of Technology	TWG	Academic	Male	Europe
12 Natasha Ribeiro	Eduardo Mondlane University	External	Academic	Female	Africa
13 Nathan Truitt	American Forest Foundation	TWG	Civil society	Male	North America
14 Nicolas Gordon	CMPC	AC	Company	Male	South America
15 Philippa Notten	University of Cape Town	External	Academic	Female	Africa
16 Tim Searchinger	WRI/Princeton University	TWG	Civil society	Male	North America
17 Torbjorn Skytt	Mid Sweden University	External	Academic	Male	Europe
18 Vaughan Andrews	Weyerhaeuser	TWG	Company	Male	North America

Closing

- Information on pre-read materials that we share in advance to the holiday break
- Schedule of next TWG option group meetings (provisional)
- Q&A/ AOB