



# Corporate Standard Technical Working Group

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## Subgroup 1, Meeting #7

**GHG Protocol Secretariat team:**

Iain Hunt, Hande Baybar, Allison Leach

**May 13<sup>th</sup>, 2025**

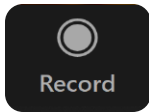


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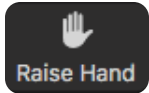


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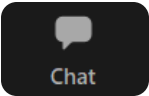
## Meeting information



This meeting is **recorded**.



Please use the **Raise Hand** function to speak during the call.



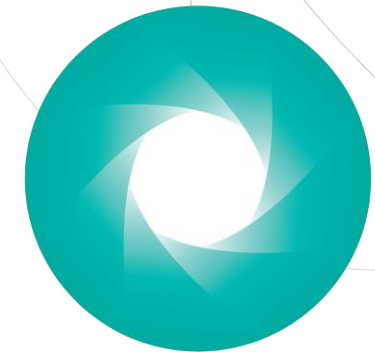
You can also use the **Chat** function in the main control.



Recording, slides, and meeting minutes will be shared after the call.

# Agenda

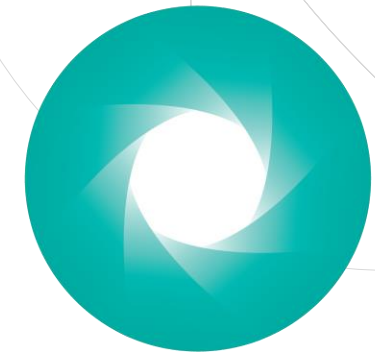
- Introduction and housekeeping 10 minutes
- Follow up on base year selection 30 minutes
- Base year recalculation policy and significance thresholds 60 minutes
- Follow up on phase 1 topics 10 minutes
- Wrap up and next steps 10 minutes



## GREENHOUSE GAS PROTOCOL

# Agenda

- Introduction and housekeeping 10 minutes
- Follow up on base year selection 30 minutes
- Base year recalculation policy and significance thresholds 60 minutes
- Follow up on phase 1 topics 10 minutes
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## GREENHOUSE GAS PROTOCOL

## Housekeeping: Guidelines and procedures

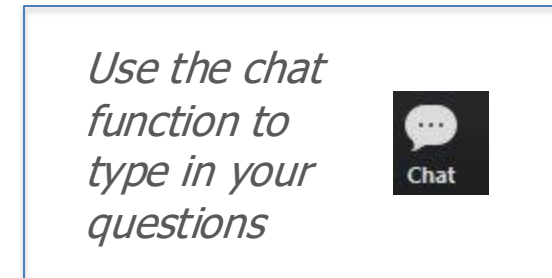
- We want to make **TWG meetings a safe space** – our discussions should be open, honest, challenging status quo, and ‘think out of the box’ in order to get to the best possible results for GHG Protocol
- Always **be respectful**, despite controversial discussions on content
- TWG members should **not 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

# Zoom logistics and recording of meetings

## Zoom Meetings

- All participants are muted upon entry
- Please turn on your video
- Please include your full name and company/organization in your Zoom display name

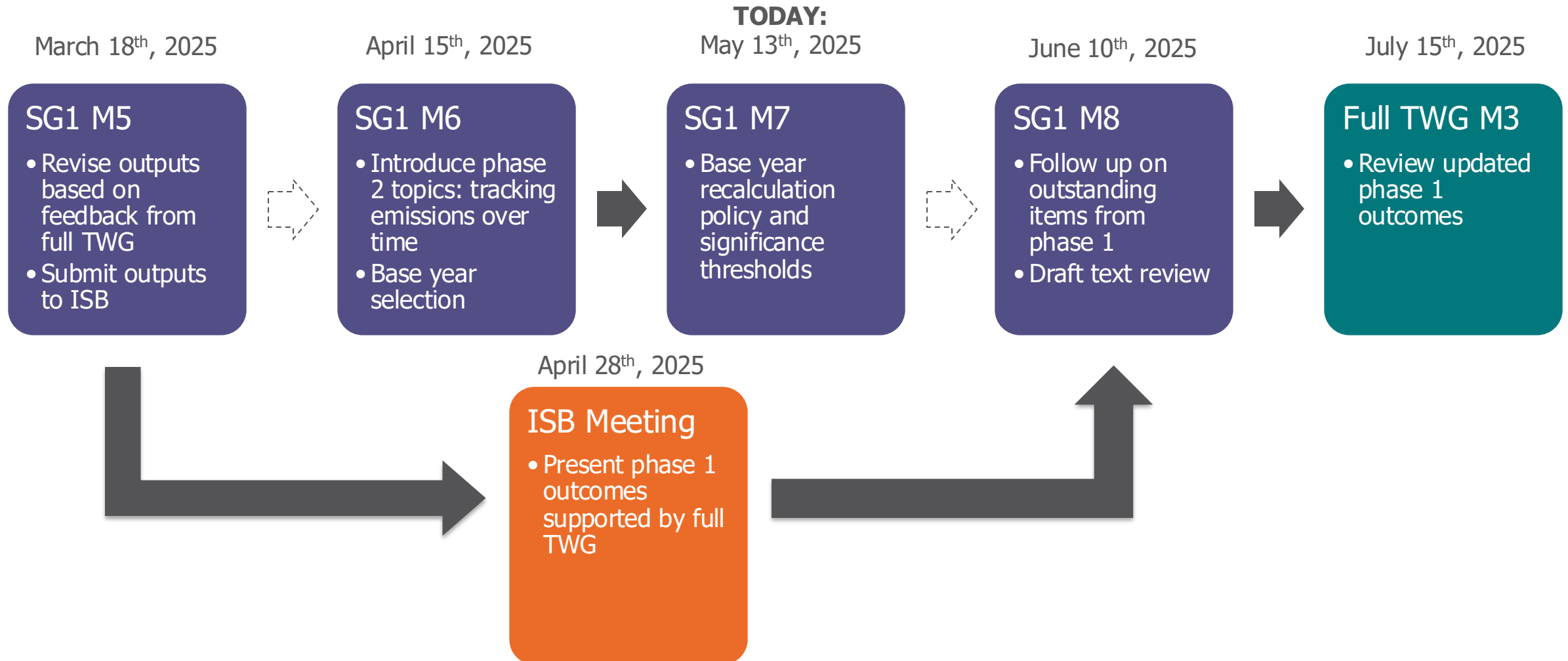


**Meetings will be recorded and shared with all TWG members** for:

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

*Recordings will be available for a limited time after the meeting; **access is restricted to TWG members only.***

## Upcoming schedule



## Today's objectives

1. Review **outcomes** and follow up on **outstanding items** from Meeting 6 on base year selection including:
  - Defining two **pathways** that companies may follow in establishing a base year (establishing inventory and target base years together versus separately)
  - Whether to maintain or eliminate the **rolling base year** option
2. Consider Corporate Standard requirements related to **base year recalculation** including:
  - Base year recalculation policies, including whether the Corporate Standard should require a prescriptive **significance threshold**
  - Options for companies when **data is unavailable** for base year recalculation



## Subgroup 1, Phase 2: Tracking emissions over time

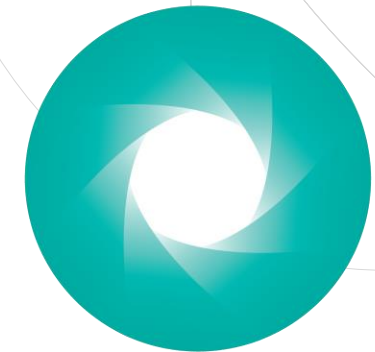
*Relevant chapters: chapter 5 (Tracking Emissions Over Time), chapter 8 (Accounting for GHG Reductions), chapter 11 (Setting GHG targets)*

- ➡ D.1. Updates to requirements and guidance for **selecting a base year**.
- ➡ D.2. Updates to requirements and guidance for developing a **base year recalculation policy** and defining a **significance threshold** and related disclosure requirements.
- D.3. Revisit **optionality of reporting emissions for all years included in a GHG statement** in addition to the base year to enable tracking of an emissions profile over time.
- D.4. Integration and update of **2005 amendment** "[Base Year Recalculation Methodologies for Structural Changes](#)" ([Appendix E](#)).
- D.5. Additional **guidance for estimating base year emissions** for acquired assets where records of emissions activities are limited or non-existent.
- D.6. Revisit **reporting requirements for base year recalculation** including whether changes due to structural changes versus methodological changes should be reported separately.
- D.7. Requirements and guidance for **tracking emissions intensity metrics over time**.
- D.8. Additional guidance on how to appropriately disclose the **reason(s) for changes in emissions over time**.
- D.9. Updates to **target-setting guidance** to bring up to date and facilitate interoperability with target setting programs (including SBTi).

[Corporate Standard Development Plan](#), Section 5: Scope of work for the standard revision

# Agenda

- Introduction and housekeeping 10 minutes
- Follow up on base year selection 30 minutes
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## GREENHOUSE GAS PROTOCOL

# Questions and options discussed during Meeting 6

*Draft for TWG discussion*

**1** Should the Corporate Standard distinguish between **inventory base year and target base year**? (i.e., Do each serve distinct purposes?)

**A. Yes**

**B. No**

**2** Should companies choose inventory and target base years **separately or together** as a single base year?

**A. Companies *should* choose inventory base year and target base year **separately****

**B. Companies *may* choose the same year for both inventory and target base year **or may** choose different years**

**C. Companies *should* choose the **same year** for both inventory and target base year**

**3** How should guidance on the **recency/timing** of inventory base year be updated?

**A. Companies *should* choose the **earliest year** with verifiable data**

**B. Companies *may* choose earliest year with verifiable data **or** target base year**

**C. Companies *should* use **target base year** where relevant (Following program requirements)**

**4** How should **rolling base year** option be updated?

**A. Maintain rolling base year option as currently exists**

**B. Maintain option but specify that base year should be rolled over **longer periods** (e.g., 5-10 years corresponding to target periods)**

**C. Eliminate rolling base year option**

**5** How should requirements/guidance be updated to promote a base year's **representativeness**?

**A. Add a **requirement** to select a representative base year**

**B. Add a **recommendation** to select a representative base year**

**C. Maintain **status quo** (no requirement or recommendation)**

Note: Color-coded boxes around options indicate options that are most viable when taken together.



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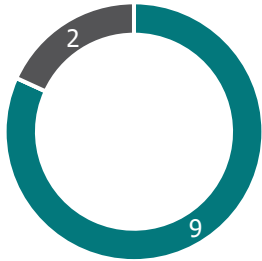
## Summary of outcomes and next steps from Subgroup 1, Meeting 6

Question	Outcome	Next steps
1. Should the Corporate Standard <b>distinguish between an inventory base year and a target base year</b> (i.e., do each serve different purposes)?	<b>Majority agreement</b> that Corporate standard <b>should distinguish</b> between inventory base year and target base year	Results imply that there should be <b>two pathways* for establishing a base year</b> (single base year for inventory/targets, separate base years) <i>*Pathways explored further on following slides</i>
2. Should companies choose inventory and target base years <b>separately or together</b> (i.e., as a single base year)?	<b>Majority agreement</b> that companies <b>may either choose</b> inventory and target base years together or separately	
3. How should guidance on the <b>recency/timing</b> of base year be updated?	<b>Split opinions</b> , but with most support for recommending that <b>may choose either</b> earliest year with verifiable data or target base year (per program requirements)	Pending complete results of post-meeting survey (Note: most supported option aligns with pathways described above)
4. Should the option to use a <b>rolling base year</b> be maintained?	Requests for <b>further discussion</b> as the rolling base year option was not clear to all members (though no members expressed support for maintaining the option as currently defined)	To be <b>further discussed</b> in context of when a base year may/should be reestablished
5. How should requirements/ guidance for base year selection be updated to promote a base year's <b>representativeness</b> ?	<b>Majority agreement</b> that there be either a <b>requirement or recommendation</b> to select a "representative" base year, but <b>split opinions</b> on whether it should be a requirement or a recommendation	Pending complete results of post-meeting survey

The above summary is based on results of polls taken during the meeting on April 15<sup>th</sup>. The [post-meeting survey](#) will remain open through Sunday, May 11<sup>th</sup>, with results to be shared during the May 13<sup>th</sup> meeting.

## Base year selection: feedback survey results (n=11)

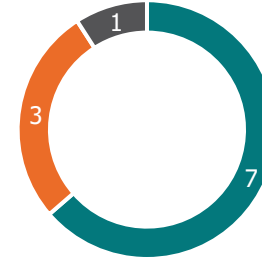
The Corporate Standard should **distinguish between** an inventory base year and a target base year



### Comments:

- Provides flexibility for different companies in telling their stories
- Targets often set later
- If inventory base year is first year of inventory, defining an inventory base year does not add value

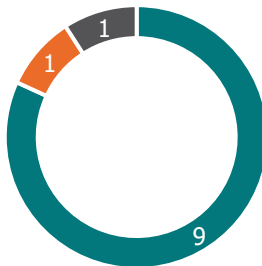
Guidance on the **recency/timing** of an (inventory) base year such that companies may select the earliest year with verifiable data or target base year



### Comments:

- Inventory base year should be earliest year with verifiable data
- Earliest year shouldn't be specified, considering improvements in inventory quality over time

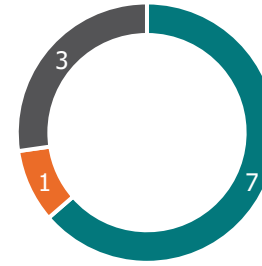
Companies should have the **flexibility** in choosing whether to select inventory and target base years **separately or together**



### Comments:

- Inventory and target base years shouldn't be the same
- GHG P's role should be to provide inventory requirements – base year for target separate from this
- Support for providing flexibility
- Target setting should be encouraged

The **rolling base year** option should be maintained but updated such that a base year should only be rolled forward at longer intervals (e.g., every 5-10 years)



### Comments:

- Requests to discuss further
- Reestablishing a base year every 5 years not the same as a rolling base year
- Rolling base year not suitable for tracking progress over time

## Key outcomes from Subgroup 1, Meeting 6

1. *Majority agreement* that the Corporate Standard should **distinguish between inventory and target base years** (i.e., that each may serve different purposes)
2. *Majority agreement* that companies should have the **option to choose** either the **same year** for inventory and target base year or choose **different years**

*The above results imply **two pathways** that companies may follow in establishing a base year for the GHG inventory:*

### A. Separate inventory and target base years

Companies establish an inventory base year (and may establish a separate target base year where relevant)

Companies should follow **Corporate Standard recommendations** (or jurisdictional requirements where relevant) in areas including recency/timing of (inventory) base year, reestablishment of a base year

### B. Single base year for inventory and target setting

Companies establish the same year for both inventory base year and target base year

Companies should follow **requirements/recommendations from target setting programs** where relevant in areas including recency/timing of base year, reestablishment of a base year



Do you agree with framing outcomes from Meeting 6 in terms of the two pathways above?



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## Pathways for establishing a base year

(With example criteria for base year selection and recalculation)

Criterion	Pathway A. Separate inventory and target base years (Current Corporate Standard requirements/ recommendations – may be considered for revision*)	Pathway B. Single base year for inventory and target setting (Example program requirements from SBTi Corporate Net-Zero Standard v.2.0 Consultation Draft)
<b>Recency/timing</b> of base year	Current Corporate Standard recommendation: <b>earliest year with verifiable data</b>	<b>No earlier than 3 years</b> prior to initial validation
<b>Reestablishment</b> of base year	Current <b>rolling base year</b> option in Corporate Standard: “base year rolls forward at regular time intervals, usually one year”  Option in Scope 3 Standard to <b>reestablish base year in event of major structural change</b> as alternative to base year recalculation	<b>Reestablish base year to use target year from previous cycle as base year for new cycle</b> (e.g., if a company has a target set for 2030, 2030 shall be the base year for the next target cycle)
<b>Significance thresholds</b> for base year recalculation	<b>No prescriptive requirement or recommendation</b> currently established in Corporate Standard	<b>5%</b> or more in any scope 1, scope 2, or scope 3 category

\* Some items listed (reestablishment of base year, rolling base year option, significance thresholds) will be discussed further today.



# Rolling Base Year

The Corporate Standard allows for both a fixed base year and a rolling base year, with a rolling base year described in detail in chapter 11 (p.79).

*“With a rolling base year, the base year rolls forward at regular time intervals, usually one year, so that emissions are always compared against the previous year.”\**

	FIXED TARGET BASE YEAR	ROLLING TARGET BASE YEAR
How might the target be stated?	A target might take the form “we will emit X% less in year B than in year A”	A target might take the form of “over the next X years we will reduce emissions every year by Y% compared to the previous year” <sup>5</sup>
What is the target base year?	A fixed reference year in the past	The previous year
How far back is like-with-like comparison possible?	The time series of absolute emissions will compare like with like	If there have been significant structural changes the time series of absolute emissions will not compare like with like over more than two years at a time
What is the basis for comparing emissions between the target base year and completion year? (see also Figure 14)	The comparison over time is based on what is owned/controlled by the company in the target completion year.	The comparison over time is based on what was owned/controlled by the company in the years the information was reported <sup>6</sup>
How far back are recalculations made?	Emissions are recalculated for all years back to the fixed target base year	Emissions are recalculated only for the year prior to the structural change, or ex-post for the year of the structural change which then becomes the base year.
How reliable are the target base year emissions?	If a company with a target acquires a company that did not have reliable GHG data in the target base year; back-casting of emissions becomes necessary, reducing the reliability of the base year	Data from an acquired company's GHG emissions are only necessary for the year before the acquisition (or even only from the acquisition onwards), reducing or eliminating the need for back-casting
When are recalculations made?	The circumstances which trigger recalculations for structural changes etc. (see chapter 5) are the same under both approaches	

\*“It is possible to use an interval other than one year. However, the longer the interval at which the base year rolls forward, the more this approach becomes like a fixed target base year” (footnote, p.85)



## Rolling base year

### Should the Corporate Standard maintain the rolling base year option as currently defined?

*"With a rolling base year, the base year rolls forward at regular time intervals, usually one year, so that emissions are always compared against the previous year."* (Corporate Standard chapter 11)

- A. Yes, the current rolling base year option should be maintained
- B. No, the current rolling base year option should be eliminated

#### Pros of maintaining rolling base year option

- Provides flexibility and mitigates challenges with recalculating base year emissions for companies with frequent acquisitions/divestments

#### Cons of maintaining rolling base year option

- Inhibits a consistent profile of emissions over time, with emissions only compared against previous year
- Option as currently defined in Corporate Standard not used in relevant external programs and frameworks
- It's unclear how common the practice of using a rolling base year is\*

*Note: Other options for allowing companies to reestablish a base year (e.g., with target setting cycles, when data's unavailable for a major acquisition) are to be discussed further later in the meeting.*

\* Keyword searches for "rolling base" and "rolling year" in comments field for base year emissions in 2023 CDP database only yielded 3 companies referencing a rolling base year, but this is by no means comprehensive.

## Base year representativeness: feedback survey results

Members expressed split opinions on whether a base year **representative of typical conditions/operations** should be a **requirement** (*shall* statement) or a **recommendation** (*should* statement).

### **Require** a representative base year: 6 respondents in favor

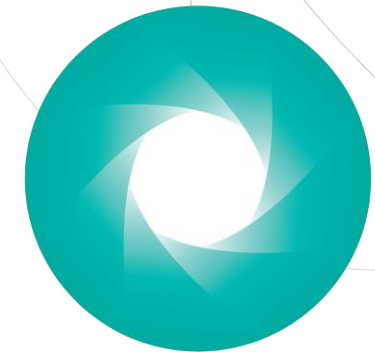
- Using anomalous base years undermines credibility
- Companies must justify that chosen base year represents typical operations to enhance transparency
- Requirement should apply to companies who've had enough time to mature and ascertain what a representative base year is

### **Recommend** a representative base year: 5 respondents in favor

- A representative base year is hard to achieve, considering both that businesses are dynamic and that the external context may be volatile
- Many companies will have already chosen a base year and would have to adjust
- Companies should have flexibility to choose base year that makes sense for them

# Agenda

- Introduction and housekeeping 10 minutes
- Follow up on base year selection 30 minutes
- **Base year recalculation policy and significance thresholds** 60 minutes
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## GREENHOUSE GAS PROTOCOL

## Base year recalculation: current Corporate Standard requirements

“Companies **shall** develop a base year emissions recalculation policy, and clearly articulate the basis and context for any recalculations. If applicable, the policy **shall** state any “significance threshold” applied for deciding on historic emissions recalculation.”

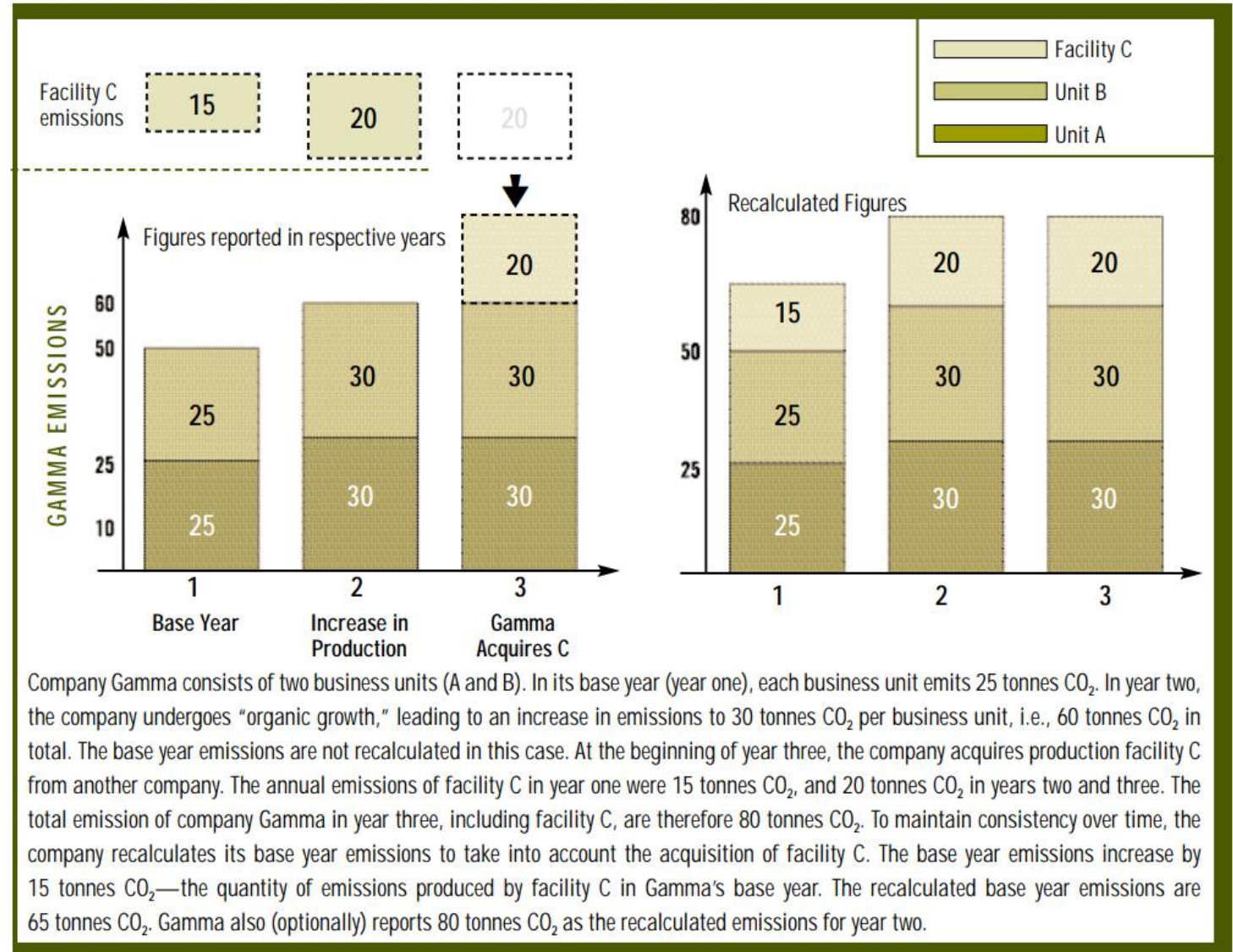
The following cases **shall** trigger recalculation of base year emissions:

- **Structural changes** in the reporting organization that have a significant impact on the company’s base year emissions including:
  - Mergers, acquisitions, and divestments
  - Outsourcing and insourcing of emitting activities
- **Changes in calculation methodology** or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data.
- **Discovery of significant errors**, or a number of cumulative errors, that are collectively significant

Note: Guidance in chapter 5 also specifies when base year emissions are *not* to be recalculated (e.g., organic growth or decline).

## Example: base year recalculation due to structural changes

FIGURE 6. Base year emissions recalculation for an acquisition



## Reasons triggering base year recalculation: current GHG Protocol requirements

Corporate Standard, ch.5 (pp.35-36)

The following cases ***shall*** trigger recalculation of base year emissions:

- **Structural changes** in the reporting organization that have a significant impact on the company's base year emissions including:
  - Mergers, acquisitions, and divestments
  - Outsourcing and insourcing of emitting activities
- **Changes in calculation methodology** or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data.
- **Discovery of significant errors**, or a number of cumulative errors, that are collectively significant

### Reasons triggering base year calculation referenced in other documents, but ***not*** in Corporate Standard:

Scope 2 Guidance, 9.2 (p.76)

Recalculation of a **market-based total** if scope 2 base year chosen only calculated according to location-based method

Scope 3 Standard, 9.3 (p.104)

Changes in **categories or activities** included in the scope 3 inventory






Draft LSR Guidance, 12.8.1 (p.236)

Changes in the **categories or activities** included in the inventory



# Base year recalculation: relevant requirements from external programs

*Draft for TWG discussion*

 <p>SCIENCE BASED TARGETS</p> <p><u>SBTi Corporate Net-Zero Standard (v1.2)*</u> Criterion C-32 (p.13)</p>	 <p>SCIENCE BASED TARGETS</p> <p><u>SBTi Corporate Net-Zero Standard (v2.0 Consultation Draft)*</u> Criterion C-11 (p.46)</p>	 <p><u>ISO 14064-1: 2018</u> 6.4.2 (p.11)</p>	 <p><u>ESRS E1 Climate Change</u> Paragraph AR 25(b) (p.92)</p>	 <p><u>GRI Climate Change Exposure Draft</u> CC-4-d (p.25), GH-1-d (pp.28-29)</p>
<p>"A company's base year emissions recalculation policy must include a <b>significance threshold of 5% or less</b> that is applied to emission recalculations or in the absence of a base year emissions recalculation policy, a company must agree to apply a 5% significance threshold for emission recalculations."</p>	<p>"Significant" events where companies <b>shall</b> recalculate base year emissions:</p> <ul style="list-style-type: none"> <li>• Structural changes</li> <li>• Methodological changes</li> <li>• Shifts from scope 1 and 2 to scope 3</li> <li>• Discovery of errors</li> </ul> <p>Companies <b>shall</b> recalculate "when the cumulative impact of one or several base year emissions recalculation events results in a variation of <b>5% or more</b> in any scope 1, scope 2, or scope 3 category"</p>	<p>"Substantial" events where companies <b>shall</b> recalculate base year emissions:</p> <ul style="list-style-type: none"> <li>• Structural changes</li> <li>• Methodological changes</li> <li>• Discovery of errors</li> </ul> <p>"The organization <b>shall not</b> recalculate its base-year inventory to account for changes in facility production levels, including opening or closing of facilities."</p>	<p>"the baseline value and base year <b>shall not</b> be changed unless significant changes in either the target or reporting boundary occur. In such a case, the undertaking <b>shall</b> explain how the new baseline value affects the new target, its achievement and presentation of progress over time."</p>	<p>"Significant" events where companies <b>should</b> recalculate base year emissions:</p> <ul style="list-style-type: none"> <li>• Structural changes</li> <li>• Methodological changes</li> <li>• Discovery of errors</li> </ul>

## Base year recalculation and significance thresholds: stakeholder feedback

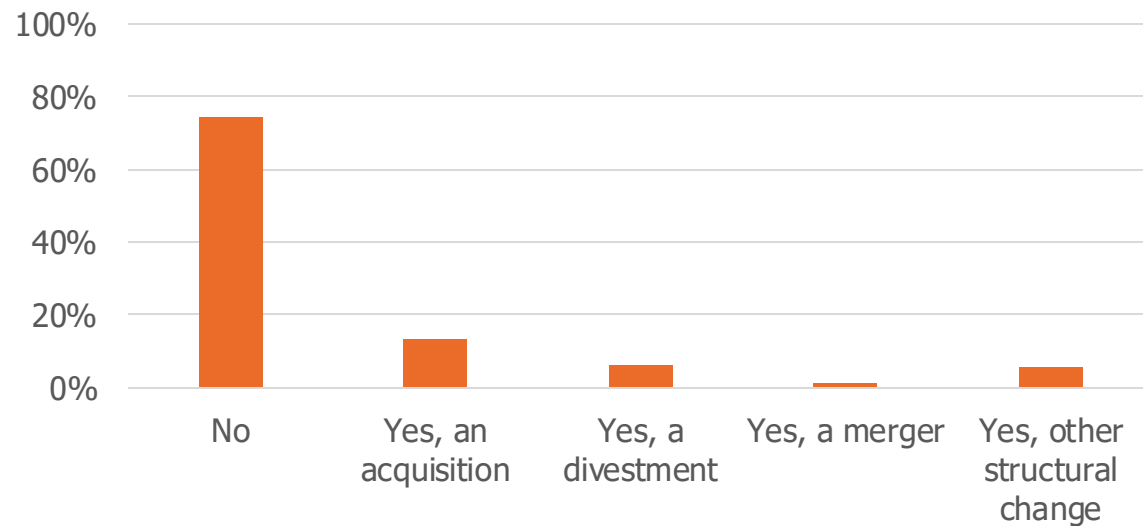
- Suggestions to **update requirements** related to significance thresholds including to:
  - **Require companies to establish a significance threshold**, removing the words “if applicable” in current requirement
  - Define a prescriptive **numerical significance threshold** to promote consistent application among companies
- Requests for additional clarity in areas including:
  - How significance thresholds are applied **across scopes**
  - The **frequency** that an organization should review for different types of changes
- Requests for **more guidance and examples** including:
  - Updated examples of quantitative and qualitative significance thresholds
  - Guidance and examples related to drivers that may prompt base year recalculation



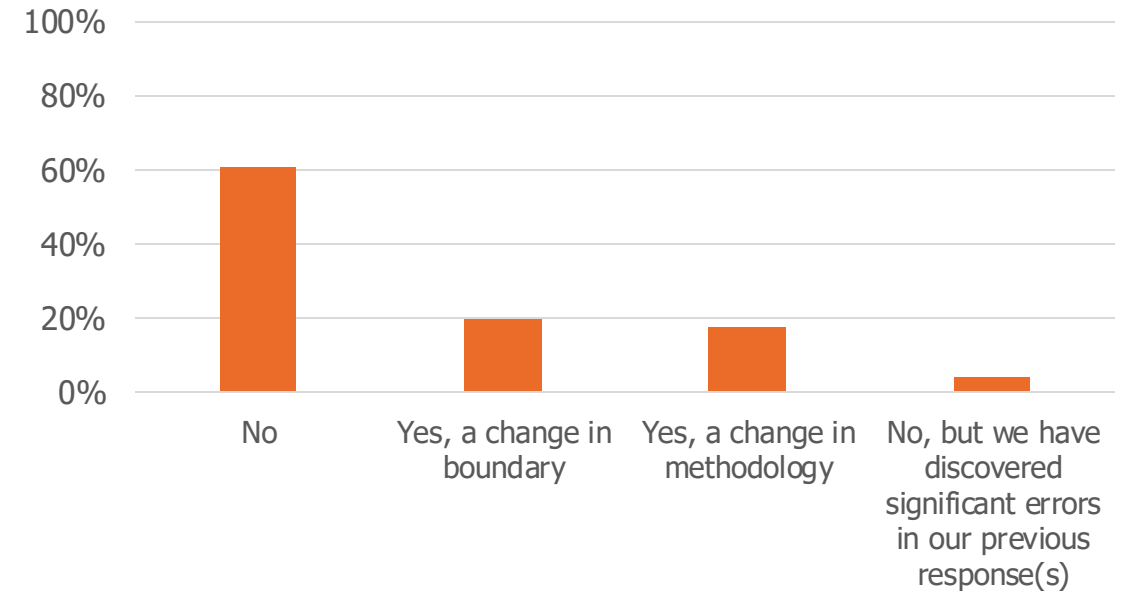


## Companies reporting structural and methodological changes in CDP 2023 public response data set

C5.1a Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?  
n=5,658 companies



C5.1 b Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?  
n=5,658 companies



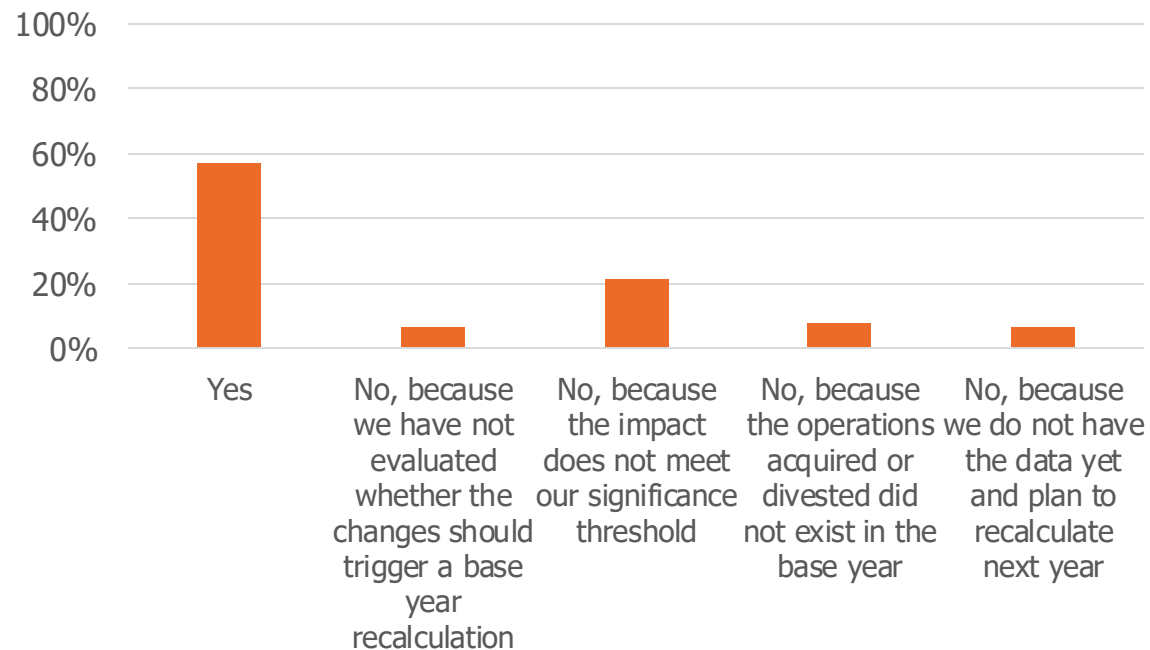
Includes all companies with response other than "Question not applicable" to questions C5.1a and C5.1b.



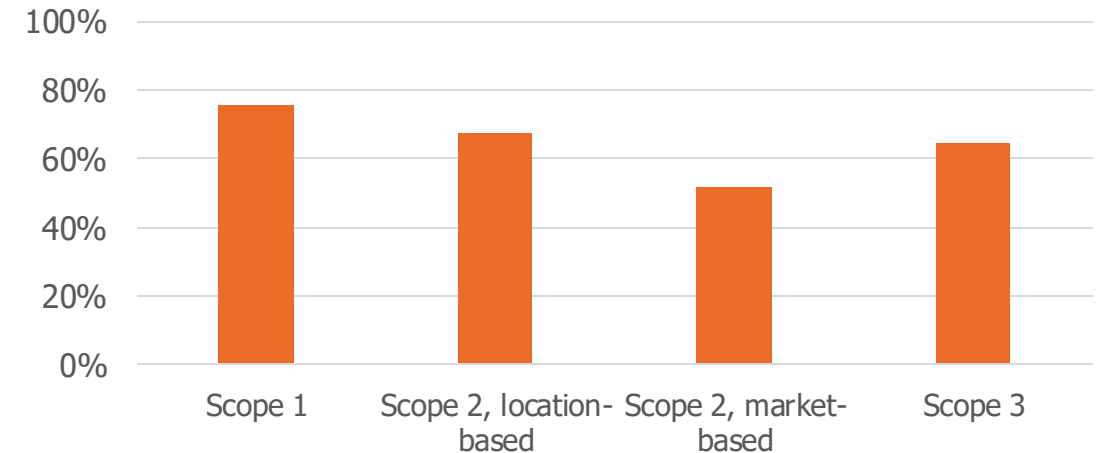


## Companies reporting base year recalculations in CDP 2023 public response data set

C5.1c Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?  
n=2,517



Scopes recalculated  
n=1,438 (number of companies who responded "yes" to C5.1c)



Includes all companies with response other than "Question not applicable" to questions C5.1c.

## Base year recalculation policy and significance thresholds: questions

1. Should the Corporate Standard <b>require that companies establish a significance threshold</b> as part of their base year recalculation policy?	2. Should the Corporate Standard define a <b>prescriptive quantitative significance threshold</b> for base year recalculation?	3. Should a single significance threshold apply <b>across the entire inventory</b> (scopes 1+2+3) or should significance thresholds apply <b>separately by scope</b> ?	4. Should significance thresholds apply separately or together for <b>structural changes, methodological changes, and discovery of errors</b> , respectively?	5. If a prescriptive quantitative significance threshold is defined, <b>what should the threshold be</b> ?
<p>A. No, <b>current requirements should be maintained</b>, requiring companies to state their significance threshold "if applicable"</p> <p>B. Yes, companies should be required to establish a significance threshold (may be <b>qualitative and/or quantitative</b>)</p> <p>C. Yes, companies should be required to establish a <b>quantitative</b> significance threshold</p>	<p>A. No, the Corporate Standard should <b>not</b> define a prescriptive quantitative significance threshold</p> <p>B. Yes, the Corporate Standard should define a <b>required</b> quantitative significance threshold</p> <p>C. Yes, the Corporate Standard should define a <b>recommended or default</b> quantitative significance threshold</p>	<p>A. A single significance threshold should apply cumulatively across the <b>entire inventory</b> (scopes 1+2+3)</p> <p>B. Significance thresholds should apply for <b>each scope separately</b></p>	<p>A. A <b>single significance threshold</b> should apply across all changes triggering a base year recalculation</p> <p>B. Significance thresholds should apply <b>separately</b> structural versus methodological changes</p>	<p>A. &lt;5%</p> <p>B. 5%</p> <p>C. 10%</p> <p>D. &gt;10%</p>

## GHG Protocol decision-making criteria analysis (DRAFT): Question 2

### Should the Corporate Standard define a prescriptive quantitative significance threshold for base year recalculation?

Criterion	A. No, the Corporate Standard should <u>not</u> define a <u>prescriptive quantitative significance threshold</u>	B. Yes, the Corporate Standard should define a <u>required</u> quantitative significance threshold	C. Yes, the Corporate Standard should define a <u>recommended or default</u> quantitative significance threshold
Scientific integrity	N/A	N/A	N/A
GHG accounting and reporting principles	<b>Pros:</b> Flexibility for companies to define recalculation policies most <i>relevant</i> to their needs. <b>Cons:</b> Inhibits <i>transparency</i> and <i>accurate</i> emissions profiles over time	<b>Pros:</b> Promotes <i>transparency</i> and <i>accuracy</i> <b>Cons:</b> Inhibits <i>relevance</i>	<b>Pros:</b> Maintains some flexibility for companies to define recalculation policies most relevant to their needs while promoting better <i>transparency</i> and <i>accuracy</i> of emissions profiles over time
Support decision-making that drives ambitious global climate action	<b>Pros:</b> Flexibility may help serve internal decision-making needs <b>Cons:</b> Diversity of practices may obscure an accurate picture of changes over time, inhibiting both internal and external decision-making	<b>Pros:</b> Standardized approach can contribute to accurate profiles of emissions over time, promoting better internal and external decision-making <b>Cons:</b> Rigid approach may detract from providing information serving internal decision-making needs	<b>Pros:</b> A more standardized approach (as compared to status quo) can contribute to accurate profiles of emissions over time, promoting better internal and external decision-making, some flexibility still provided allowing organizations to adapt to their own decision-making needs
Support programs based on GHG Protocol and uses of GHG data	<b>Pros:</b> No anticipated risks related to interoperability with programs <b>Cons:</b> Inhibits comparability of information	<b>Pros:</b> Promotes comparability of information <b>Cons:</b> Risks interoperability with programs who require a different significance threshold	<b>Pros:</b> Promotes comparability of information <b>Cons:</b> <i>Some</i> risk of inhibiting interoperability of programs, but less than in case of defining a required threshold
Feasibility to implement	<b>Pros:</b> Status quo, no anticipated implementation challenges	<b>Pros:</b> Helps simplify process of developing a base year recalculation for companies who do not already have one <b>Cons:</b> Will require companies to update their base year recalculation policies, may lead to increased instances of recalculation for some companies	<b>Pros:</b> Helps simplify process of developing a base year recalculation for companies who do not already have one <b>Cons:</b> Will prompt companies to update their base year recalculation policies but not require them to do so

## Base year recalculation and lack of sufficient data

Options specified in Corporate Standard when sufficient data unavailable to recalculate base year emissions:

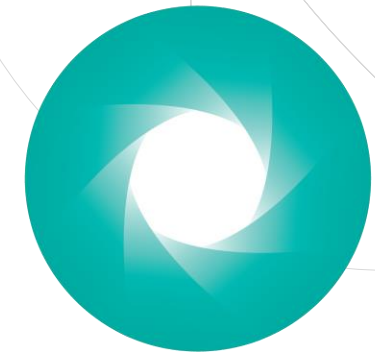
Option	Text from standards	Types of changes referenced in text
Backcasting	<p><i>"If a company with a target acquires a company that did not have reliable GHG data in the target base year; <b>backcasting of emissions becomes necessary</b>, reducing the reliability of the base year."</i> (Corporate Standard chapter 11, p.79)</p> <p><i>"If the cumulative effect of adding or changing scope 3 categories or activities is significant, the company should include the new categories or activities in the base year inventory and <b>backcast data for the base year based on available historical activity data</b> (e.g., bill of materials data, spend data, product sales data, etc.)."</i> (Scope 3 Standard 9.3, p.105)</p>	<p>Structural changes</p> <p>Changes in data/methodology</p> <p>Changes in reporting boundary</p>
Disclose no recalculation	<p><i>"Sometimes the more accurate data input may not reasonably be applied to all past years or new data points may not be available for past years. The company may then have to <b>backcast</b> these data points, or the <b>change in data source may simply be acknowledged without recalculation</b>."</i> (Corporate Standard chapter 5, p.38; Scope 3 Standard 9.3, p.106)</p>	<p>Changes in data/methodology</p>
Reestablish base year	<p><i>"As an alternative to recalculating base year emissions in the event of a major structural change, companies may <b>reestablish the base year as a more recent year</b>."</i> (Scope 3 Standard 9.3, p.104)</p>	<p>Structural changes</p>



- Which options should be available to companies when sufficient data is unavailable to recalculate base year emissions?
- Under what circumstances is each option most applicable?

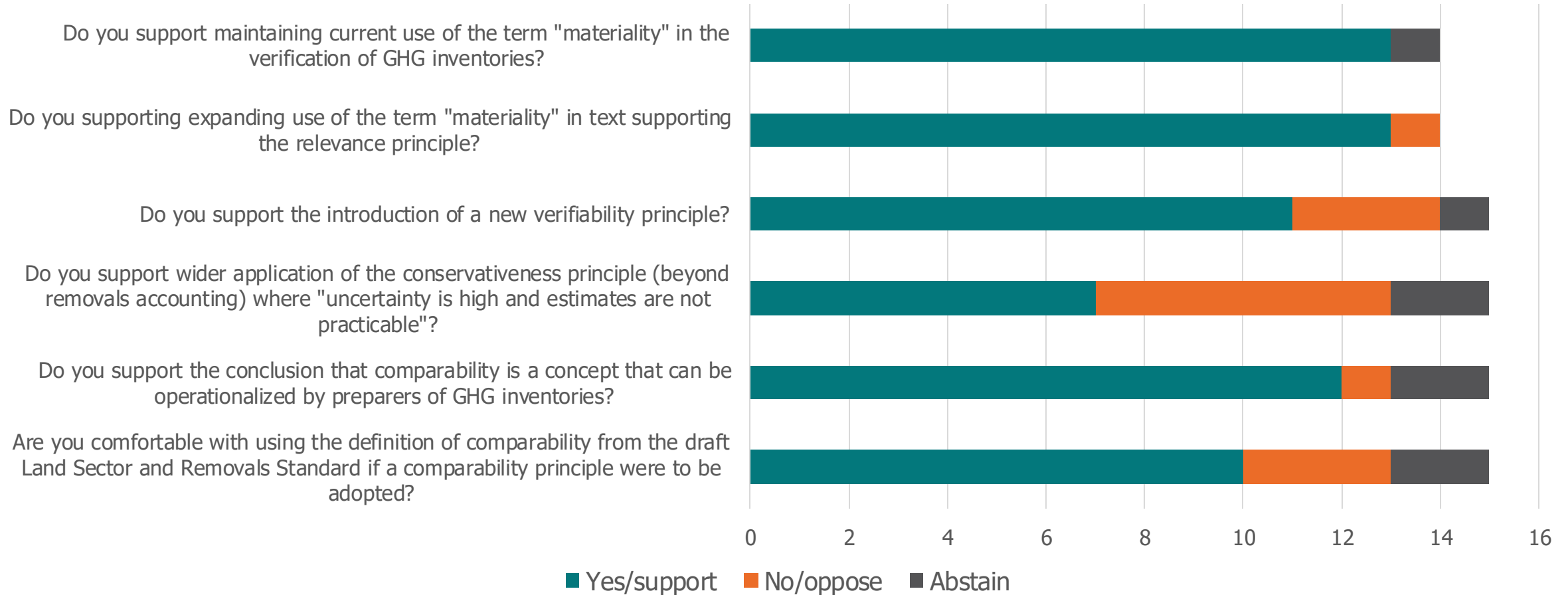
# Agenda

- Introduction and housekeeping 10 minutes
- Follow up on base year selection 30 minutes
- Base year recalculation policy and significance thresholds 60 minutes
- Follow up on phase 1 topics 10 minutes
- Wrap up and next steps 10 minutes



## GREENHOUSE GAS PROTOCOL

## Subgroup 1, meeting 5: feedback survey results



## Subgroup 1 topics presented to ISB for pulse check



### Topic 1a

Do you support continuing in this direction?

A **comparability objective** should be adopted in the Corporate Standard

Options:

- A. Yes, I **support** the recommendation\*
- B. No, I have major **objections or concerns** with the recommendation
- C. **Abstain**, I need more information to decide

*\*Subject to final details including text definition of objective.*



### Topic 1b

How should a comparability objective be **operationalized** through standardization?

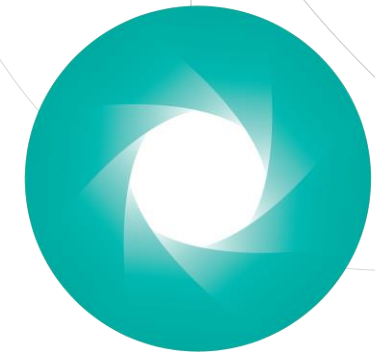
Options

- A. N/A – comparability should *not* be an objective
- B. Consider pros/cons of comparability versus flexibility on a case-by-case basis while generally **moving in direction of greater standardization** (status quo of current revisions process)
- C. Make comparability and increased standardization a **higher priority** compared to status quo
- D. **Abstain**, I need more information to decide



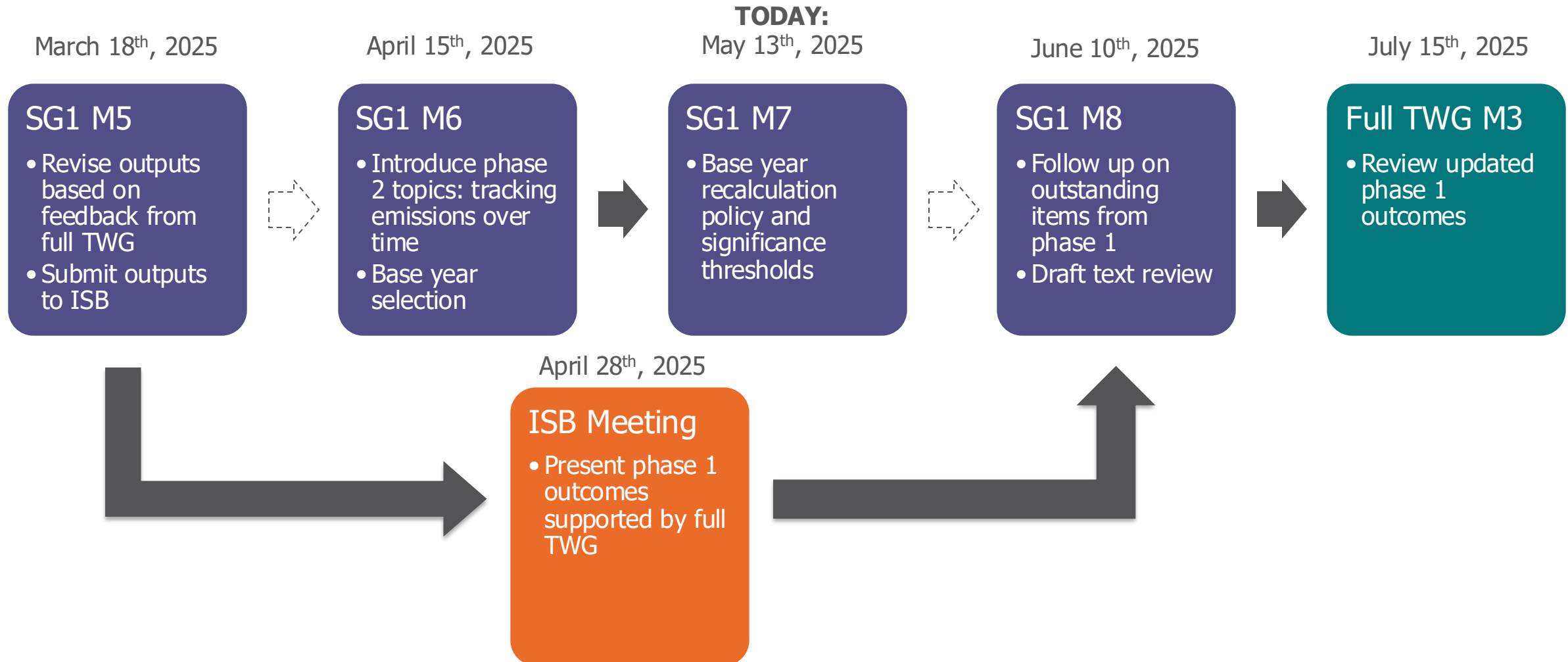
# Agenda

- Introduction and housekeeping 10 minutes
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- **Wrap up and next steps 10 minutes**



## GREENHOUSE GAS PROTOCOL

## Upcoming schedule



## Next steps

### Items to be shared by GHG Protocol Secretariat:

- Final slides, minutes, and recording from this meeting
- Feedback survey

### TWG member action items:

- Respond to Meeting 7 feedback survey by EOD on Thursday, June 5<sup>th</sup>

### Next meeting

- Tuesday, June 10<sup>th</sup> (09:00-11:00 ET, 15:00-17:00 CET, 21:00-23:00 CHN)
- Follow up on phase 1 topics (comparability, objectives, principles)

# Thank you!

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## Change log

Slide #s	Change	Details
13	New slide	New slide with feedback survey results on base year selection
18	New slide	New slide with feedback survey results on whether a representative base year should be required or recommended
28	New slide	New slide added with decision-making criteria analysis on prescriptive significance threshold requirement
31	New slide	New slide added with results from Meeting 5 feedback survey
32	New slide	New slide with pulse check questions presented to ISB
35	Updated slide	Due date for feedback survey responses changed to Thursday, June 5 <sup>th</sup>