IFRS Sustainability

Staff paper

Agenda reference: 2

Sustainability Standards Advisory Forum meeting

Date **May 2026**

Topic **GHG Protocol update**

Contact Alexander Bassen
Chair, Independent Standards Board, GHG Protocol

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GREENHOUSE GAS PROTOCOL

GHG Protocol Update

Presentation by:
Alexander Bassen
Chair, Independent Standards Board, GHG Protocol

May 19, 2026

WORLD RESOURCES INSTITUTE

World Business Council for Sustainable Development

Agenda:

- Introduction to GHG Protocol
- Belem Mandate & COP Action Agenda
- ISO-GHG Protocol Partnership
  - Overview
  - Corporate Carbon Accounting
  - Product Carbon Accounting

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Introduction to GHG Protocol

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Introduction to GHG Protocol

Greenhouse Gas (GHG) Protocol is an initiative launched by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) in 1998.

GHG Protocol develops accounting and reporting standards through inclusive global multi-stakeholder development processes that include representation from businesses, academia, governments, NGOs and civil society.

GHG Protocol establishes comprehensive global standardized frameworks to measure and manage ghg emissions from private and public sector operations, value chains and mitigation actions.

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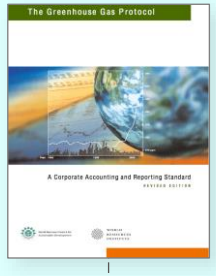
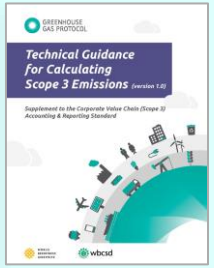
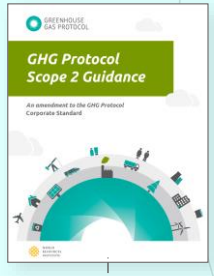
GHG Protocol History and Development

GHG Protocol has published 10 standards that cover both inventory accounting methods and project/intervention/impact accounting.

GHG Protocol initiative launched



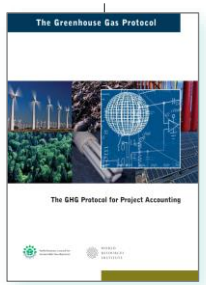


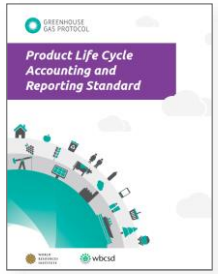


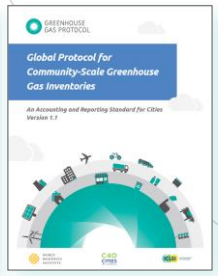
GHG Protocol corporate standards updates

1998 | 2001 | 2004 | 2005 | 2008 | 2011 | 2014 | 2015 | 2017 | 2020 | 2022 | 2023 | 2024 | 2025 | 2026

Corporate Standard 1st Ed.







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

Non-exhaustive list

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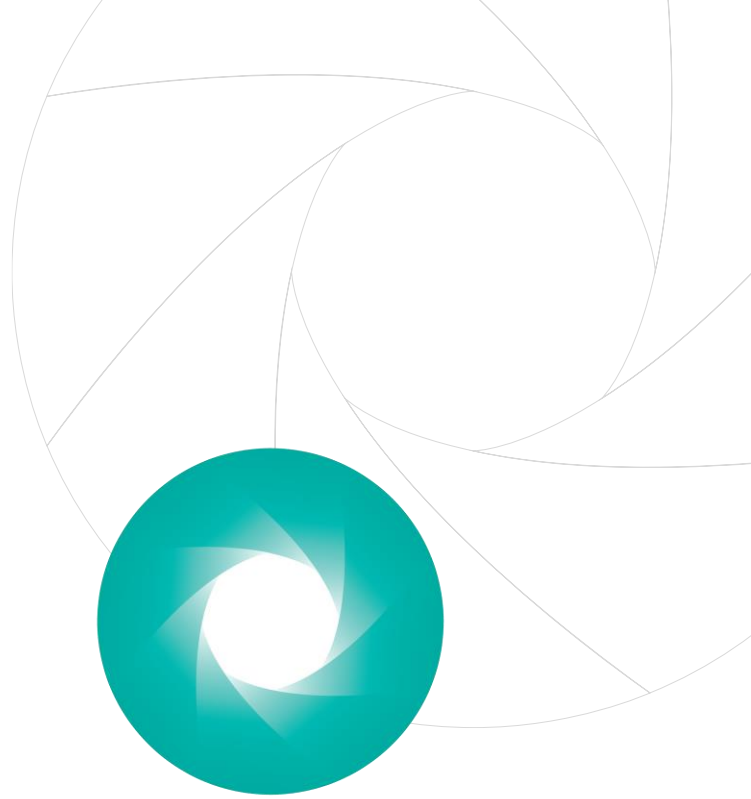
- Voluntary climate disclosure standards and reporting platform — GRI, CDP
- Mandatory climate disclosure — IFRS, ISSB, EFRAG, CARB
- Target setting — SCIENCE BASED TARGETS
- GHG accounting standard setting — ISO, PCAF Partnership for Carbon Accounting Financials

Belem Mandate & COP Action Agenda



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Overview: ISO and GHG Protocol were mandated by the COP30 Presidency to lead a combined effort to harmonize global standards ahead of Global Stocktake 2

COP30 Action Agenda

- Accelerates action to **close ambition-implementation gap** ahead of Global Stocktake 2
- Mobilises **governments, capital and industry** across six priority pillars
- Recognises harmonized standards as **crucial climate infrastructure**, driving reduced corporate burden, regulatory readiness and investor confidence

Role of ISO & GHG Protocol

- **Mandated** to harmonise global standards for **corporate, product and project** accounting
- Building on decades of experience, global adoption, and transparent, **inclusive governance processes**
- Leveraging **proven and emerging approaches** to develop applicable standards

Harmonized standards help companies and investors manage risk and facilitate allocation of capital to drive targeted decarbonization

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Scope: Develop an integrated framework for corporate, product and project emissions, building on existing standards and addressing all carbon accounting needs

ISO-GHG Protocol Partnership: Overview

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ISO-GHG Protocol Partnership: Overview

ISO and GHG Protocol announced the landmark partnership on September 9, 2025

ghgprotocol.org/blog/release-iso-and-ghg-protocol-announce-strategic-partnership-deliver-unified-global-standards

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ISO-GHG Protocol Partnership: Overview

The partnership will produce a common global language for emissions accounting, which will accelerate progress towards decarbonization.

The partnership covers both Corporate Carbon Accounting and Product Carbon Accounting.

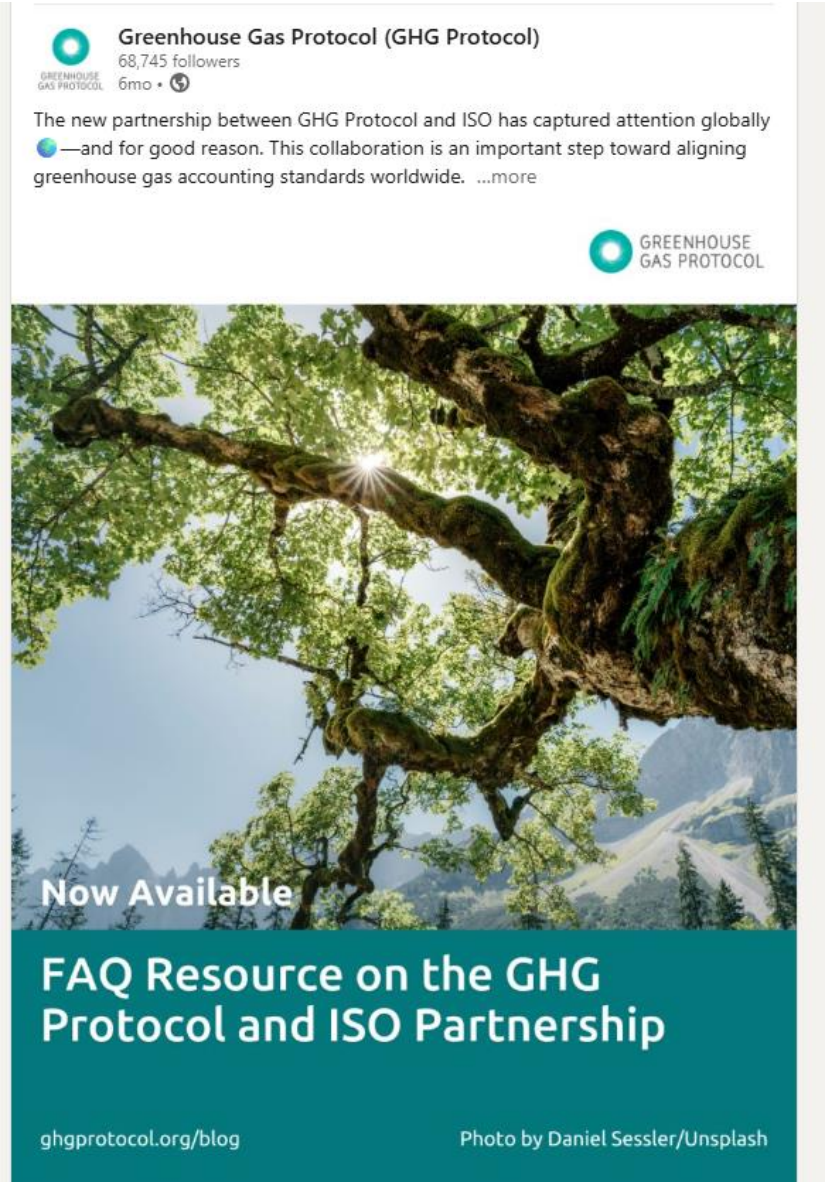
https://ghgprotocol.org/blog/together-we-go-further-harmonising-carbon-accounting-standards

ISO-GHG Protocol Partnership: Overview

To learn more about the ISO-GHG Protocol partnership:

Watch the first webinar in the Action Agenda Series: **Harmonizing Global Carbon Accounting under the COP30 Action Agenda**

Check out our FAQ resource: **ISO-GHG Protocol Partnership: Frequently Asked Questions**



ISO-GHG Protocol Partnership: Corporate Carbon Accounting

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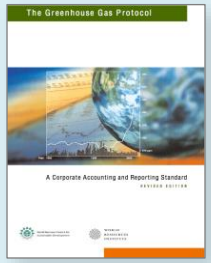
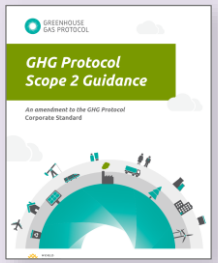
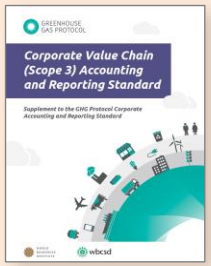
Corporate Carbon Accounting Workstreams/Technical Working Groups



Corporate Standard



Scope 2 Standard



Scope 3 Standard

Actions and market instruments standard/ guidance

Actions & Market Instruments

- Three members from ISO's Technical Community have joined each of GHG Protocol's four TWGs

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Corporate Standard Workstream: Topic Overview

Phase 1 topics	Phase 2 topics
Objectives and principles (Including comparability of GHG information)	**Tracking emissions over time** (Including base year recalculation requirements)
Organizational boundaries (Including optionality in consolidation approaches)	**Verification/assurance** (Including consideration of a verification or assurance requirement)
Operational boundaries (Including scope 3 requirement in the Corporate Standard; justifiable exclusions for scope 1 & 2)	**Data/calculation methodology** (Including data quality, uncertainty, GWP requirements)

Phase 1 topics are completed; Phase 2 topics are underway.

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Scope 2 Workstream: Topics for Public Consultation

Location-based method

- Update to the location-based **emission factor hierarchy**
- Requirement to use the **most precise location-based emission factor** *accessible* for which activity data is also available.
- **Definition of accessible**: publicly available, free to use, from a credible source

Market-based method

- **Hourly matching**: require that all certificates be matched on an hourly basis
- **Deliverability**: require that all certificates are sourced from generation deemed deliverable
- **Standard Supply Service (SSS)**: New guidance and requirement that a reporting entity shall not claim more than its pro-rata share of SSS
- **Updated definition of residual mix** and where no residual mix is available, use of fossil only rates

Implementation measures for feasibility

- **Load profiles** to translate annual or monthly data into hourly data
- **Exemption thresholds** for organizations under a threshold
- **Legacy clause** and other transition tools are being considered for existing investments
- **Phased implementation** rules are being considered to facilitate a smooth transition to new requirements

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Scope 2 Workstream: Public Consultation Period

Two public consultations were held between October 20, 2025 and January 31, 2026:
One focusing on updates to the Scope 2 Guidance (2015) which addresses inventory accounting, and one on consequential accounting methods for estimating avoided emissions from electricity-sector actions.

Across both consultations, GHG Protocol received almost 1,400 responses. We are now working through evaluation of this feedback. Summaries of both consultations will be shared in the coming months, along with the full set of responses.

All materials will be posted on the public consultations landing page.

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Scope 3 Standard Workstream: Topic Overview

Phase 1 topics (Subgroups A, B, C)	Phase 2 topics (Full Group)
Series A: Data quality	**Series D: Category-specific boundary setting** *(currently in progress)*
Series B: Boundary setting	**Series E: Base year and performance metrics** *(not yet started)*
Series C: Investments (Cat. 15)	**Series F: Recycled content and second-hand goods cut-offs** *(not yet started)*

Phase 1 topics are completed; Phase 2 topics are underway.

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Actions and Market Instruments (AMI) Workstream: Topic Overview

Phase 1 – Reporting structure, elements and definitions	Phase 2 – Standard development for new reporting statements
• Objectives and principles of accounting for and reporting on impacts of actions and market instruments in GHG reports • Reporting structure (disaggregated, transparent reporting structure) • Quantification methods (attributional and consequential) for each statement	• Develop accounting and reporting requirements, quality criteria, and safeguards for each statement, considering various types of actions and market instruments • Develop guidance for programs and policymakers to define program-specific requirements

Phase 1 topics are completed; Phase 2 topics are underway.

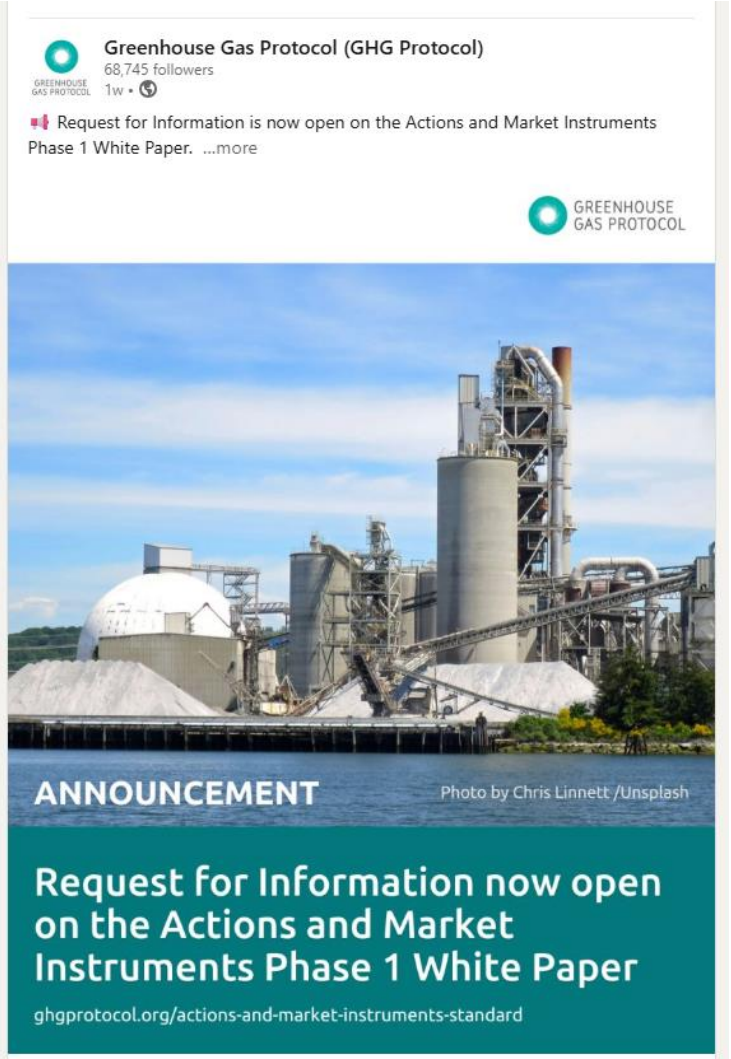
AMI Workstream: Request for Information Open Until May 31

The basis for the Actions and Market Instruments (AMI) Request for Information (RFI) is a White Paper, summarizing the outcomes of Phase 1 of the standard development process: **AMI White Paper**

The most significant development proposed in the document is the introduction of a multi-statement accounting and reporting structure for GHG reports.

All feedback must be submitted via the survey form by May 31: **Request for Information Form**

Learn more: GHG Protocol Launches Action and Market Instruments Request for Information: What It Is and Why It Matters



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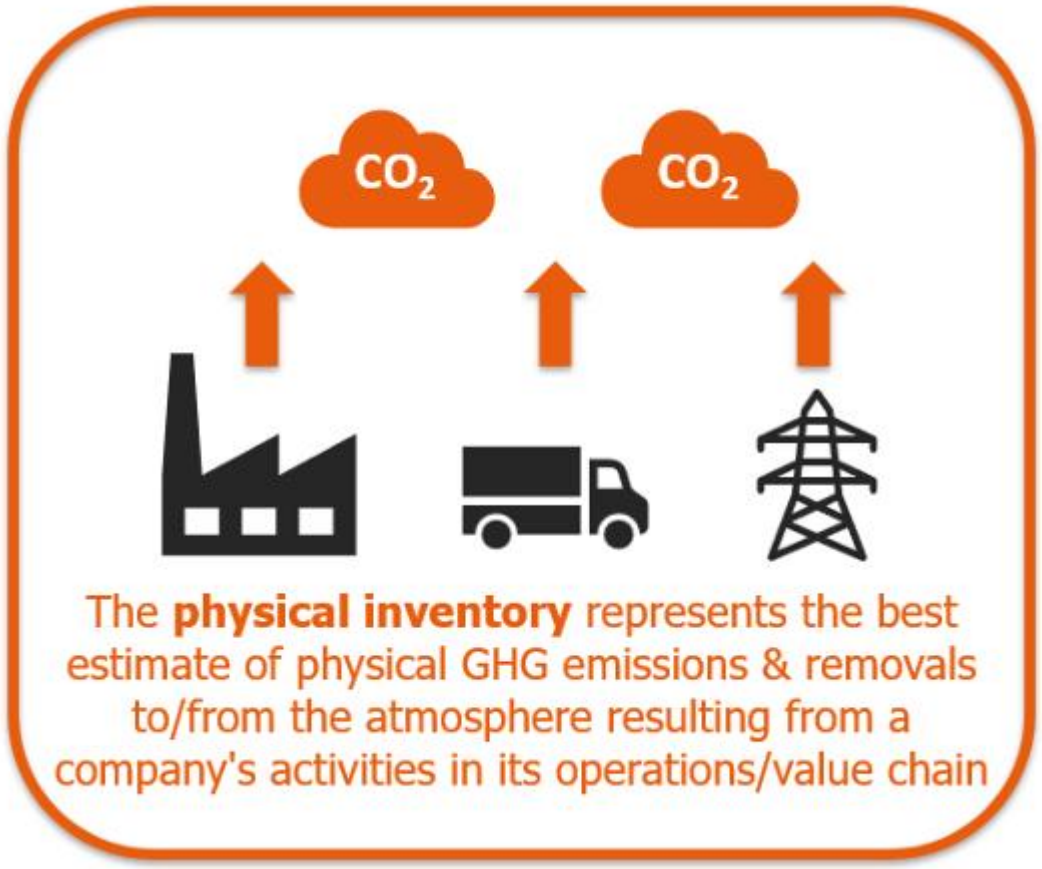
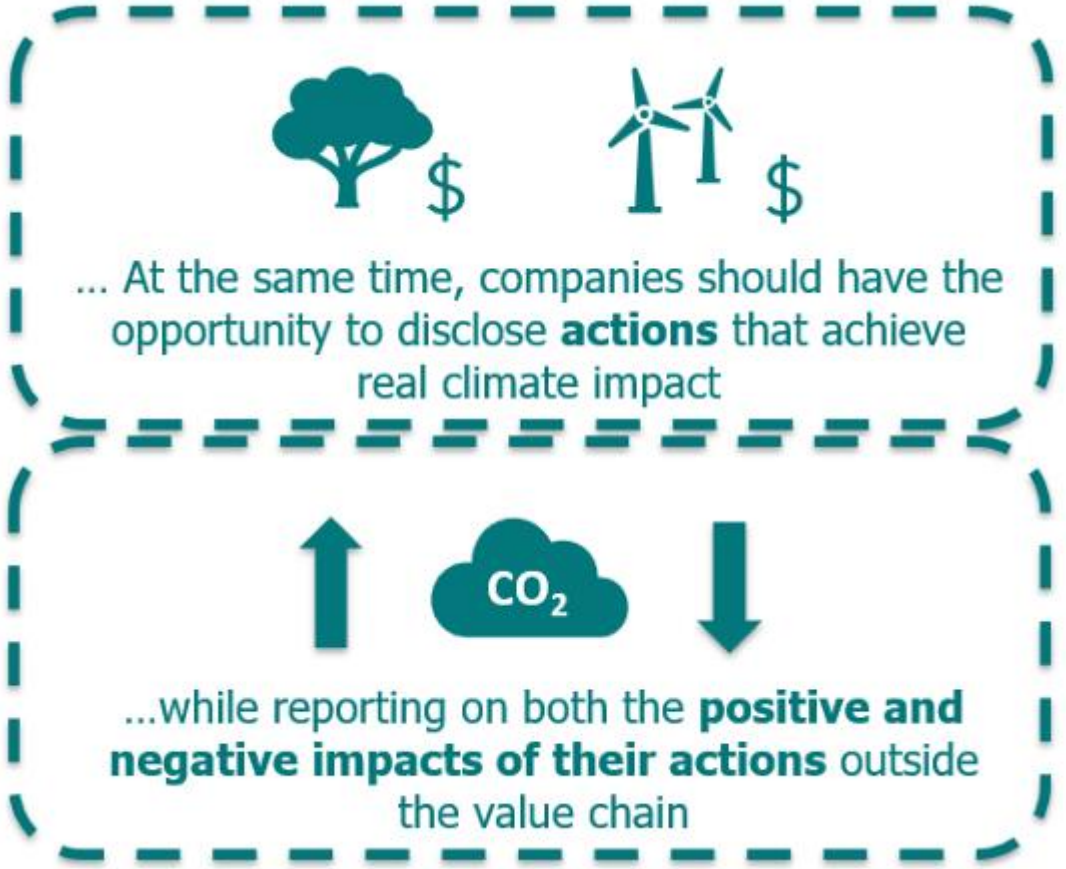
AMI: Disaggregated Reporting through Multi-Statement Reporting Structure





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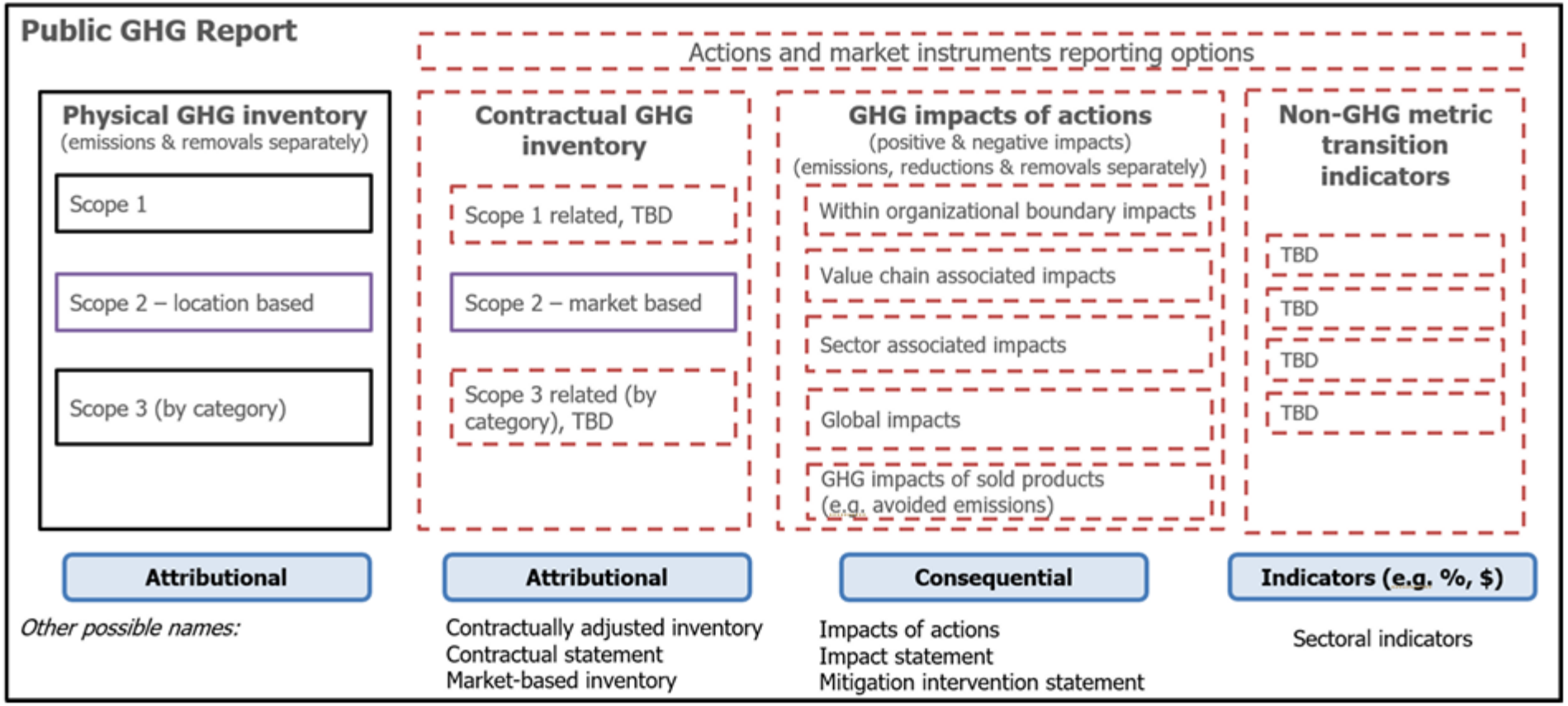
AMI: Disaggregated Reporting through Multi-Statement Reporting Structure



Note: Reporting statements and statement names are draft and subject to change

ISO-GHG Protocol Partnership: Product Carbon Accounting

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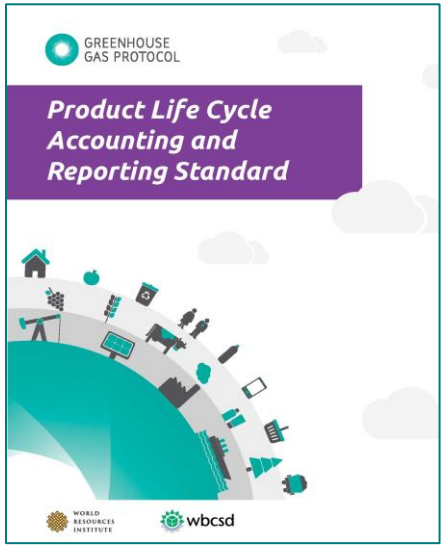
Product Carbon Accounting Standard

Goal:

Develop **one co-branded ISO-GHGP Product Standard** based on the GHG Protocol Product Life Cycle Accounting and Reporting Standard and ISO 14067* to deliver a globally aligned, consistent and credible approach to product-level GHG accounting.

Key revision objectives:

- Align with the latest climate science
- Harmonization with corporate and project GHG accounting and reporting
- Meet regulatory and market needs amid developments in the market



Product Carbon Footprint Standard

* ISO 14067 Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification

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Product Carbon Accounting Joint Working Group Announced

GHG Protocol recently announced the nomination of its participants to the Joint Working Group (JWG) dedicated to supporting the development of an updated and harmonized product-level GHG accounting standard with ISO.

GHG Protocol received more than 450 submissions, including applicants from 50+ countries and over 410 organizations across diverse sectors and industries, showing the immense interest in the development of international standards at this critical juncture for climate action.

Learn more: ISO and GHG Protocol Finalize Joint Working Group to Develop Product-Level Accounting Standard

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Thank you!

If you'd like to stay updated on our work, please **subscribe** to GHG Protocol's email list to receive our monthly newsletter and other updates.

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