



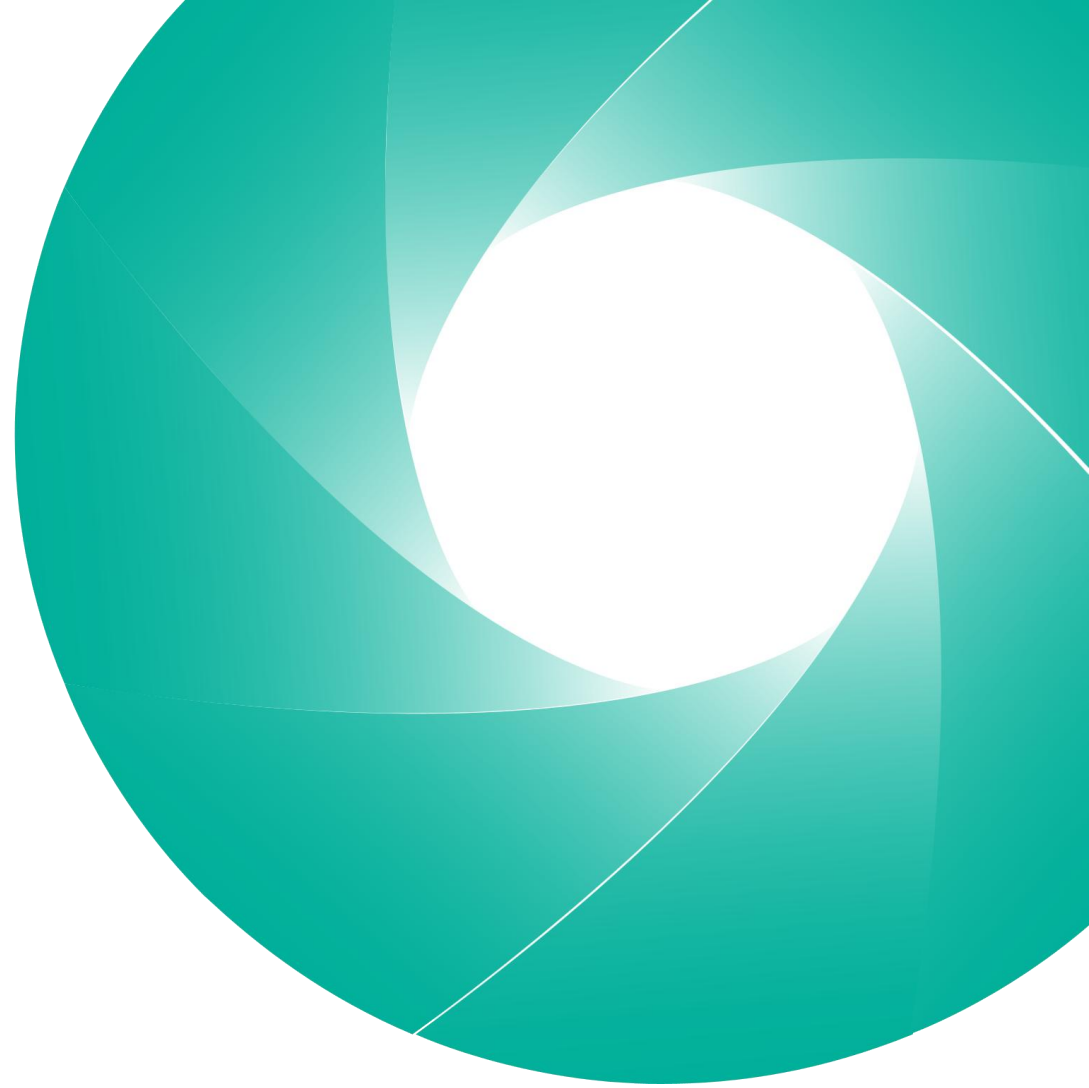
# Actions and Market Instruments Technical Working Group

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**In Person Workshop, Washington DC  
Meeting # 1.10**

**GHG Protocol Secretariat team:**  
Ralf Pfitzner, David Rich, Kevin Kurkul

**November 11-13, 2025**



# Summary of Day Two

Thursday, November 13<sup>th</sup>

9:00 – 9:30 am



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## Our Agenda: Day 2

Time (EST)	Topic	Format	Presenter
9:00 – 10:30 am	Part 3 of the White Paper <ul style="list-style-type: none"> <li>Multi-statement reporting structure options</li> <li>TWG feedback on section 9.1</li> </ul>	Plenary	Secretariat
10:30 – 10:45	Break		
10:45 – 11:15	Scope 2 updates: market-based method	Plenary	Jessica Cohen (Constellation)
11:15-11:45	Scope 2 consequential methods public consultation	Plenary	Emma Konet (Tierraclimate)
11:45-12:15	Calculation methods	Plenary	Secretariat
12:15 – 1:00	Lunch		
1:00 – 2:15	Breakout <ul style="list-style-type: none"> <li>Residual emission factors</li> <li>Traceability</li> </ul>	Breakout groups	Breakout leads
2:15 – 2:45	Report back from breakout groups	Plenary	Breakout leads
2:45 – 3:00	Break		
3:00 – 3:30	Reporting statement options (main focus statements 2 and 3, applying GHG Protocol decision-making criteria) and intro to breakouts	Plenary	Secretariat
3:30 - 5:15	Reporting statement options (main focus statements 2 and 3, applying GHG Protocol decision-making criteria)	Breakout Groups	Breakout leads
5:15 – 6:00	Report back and discussion	Plenary	Breakout leads
6:00	Drinks and/or dinner		

## Our Agenda: Day 3

Time (EST)	Topic	Format	Presenter
9:00 – 9:15 am	Summary of Day Two	Plenary	Secretariat
9:15 – 10:30	Reporting back: Statement 2 vs. 3 Continue work on open topics from Day 2	Plenary or Breakout Groups	Secretariat
10:30 – 11:00	Break		
11:00 – 12:30	Value chain related GHG impacts (statement 3) and Beyond value chain GHG impacts (statement 4) – how and where to draw the line?	Plenary	Secretariat
12:30 – 1:30	Lunch		
1:30 – 1:45	Assign breakouts for WP text revisions	Plenary	Secretariat
1:45 – 3:00	<ul style="list-style-type: none"> <li>Revise and propose white paper text on tabled topics</li> </ul>	Breakout	Breakout leads
3:00 – 4:00	Wrap up <ul style="list-style-type: none"> <li>Stock take on decisions made and remaining open questions</li> <li>Identify key open questions to continue in 2026</li> <li>Assignment of follow up tasks for finalization of White Paper</li> <li>Roadmap until year-end and outlook for 2026</li> </ul>	Plenary	Secretariat
4:00 pm	Workshop concludes		

# Reporting back Statement 2 - 3

Thursday, November 13<sup>th</sup>

9:30 – 10:30 am



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## Format

- Review the list of tabled topics from earlier conversations
- Secretariat has identified priority topics to discuss further
  - TWG members will have an opportunity to propose alternatives
- As appropriate, we will form breakout groups based on topic interest
- Topics that cannot be revisited and concluded will be further explored in phase 2

## **Which statements do we need? Should they be required or optional?**

1. Which statements do we need/not need?
2. Which should be required vs optional?

# Within value chain related GHG impacts & Beyond value chain GHG impacts

Thursday, November 13<sup>th</sup>

11:00 am – 12:30 pm

- Value chain related GHG impacts
- Beyond value chain GHG impacts
- Where to draw the line



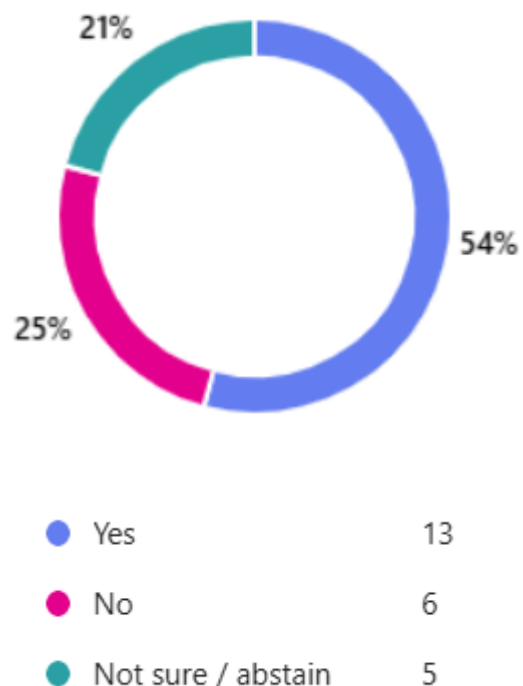
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## TWG Feedback – Q19, Value chain / beyond value chain

*"Value Chain/Beyond Value Chain: Are separate statements needed for within value chain vs. beyond value chain GHG impacts?"*



TWG feedback:

- Reasons for combining statements:
  - "Companies will not know with much confidence" whether something lies within or outside their value chain
  - "They are all impacts out of the physical inventory boundary"
- Reasons for keeping separate statements:
  - Emissions reductions within the value chain should take priority to BVCM
  - "The within value chain statement is intended to relate to target setting and other specific claims". Multiple people indicate importance of separate statements for alignment with target setting standards
  - "I believe the separate statements would allow for other standards and target setting guidance to accept potentially value chain GHG impacts"
  - Allows companies to "compete" with peers by demonstrating GHG reductions within the value chain

## TWG Feedback – Q21, Value chain / beyond value chain

*"Value Chain/Beyond Value Chain: If so, how can we clearly define which impacts/actions fall within value chain vs. beyond value chain?"*

TWG feedback:

- Many support the AIM value chain association test (add. comment: caveat that it does not address the attribution eligibility as it is geared to Book and Claim certificate systems).
- "Expert judgment is sufficient, again with a qualitative reporting of one's level of confidence."
- "The two main dimensions I see for establishing "within or without value chain" are Product Link and Traceability. In a nutshell, the main question is, if there is a sufficient data fit between the claimed product and the related inventory item
- "VCI establishes the supply sheds (or activity pools) to establish the boundaries of the value chain"
- I think one advantage of not separating these is exactly the fact that we don't then need to get into this TCAT Sector Association test
- In the value chain: any action that touches on the product supplied (and its value chain) / actual or very likely supplier (activity pool) / product sold / very likely customer. Beyond value chain are intervention that do no relate directly to the product purchased or sold or supplier and customer

## TWG Feedback – Q21, Value chain / beyond value chain

*"Value Chain/Beyond Value Chain: If so, how can we clearly define which impacts/actions fall within value chain vs. beyond value chain?"*

Additional TWG feedback and/or topics for discussion, as needed:

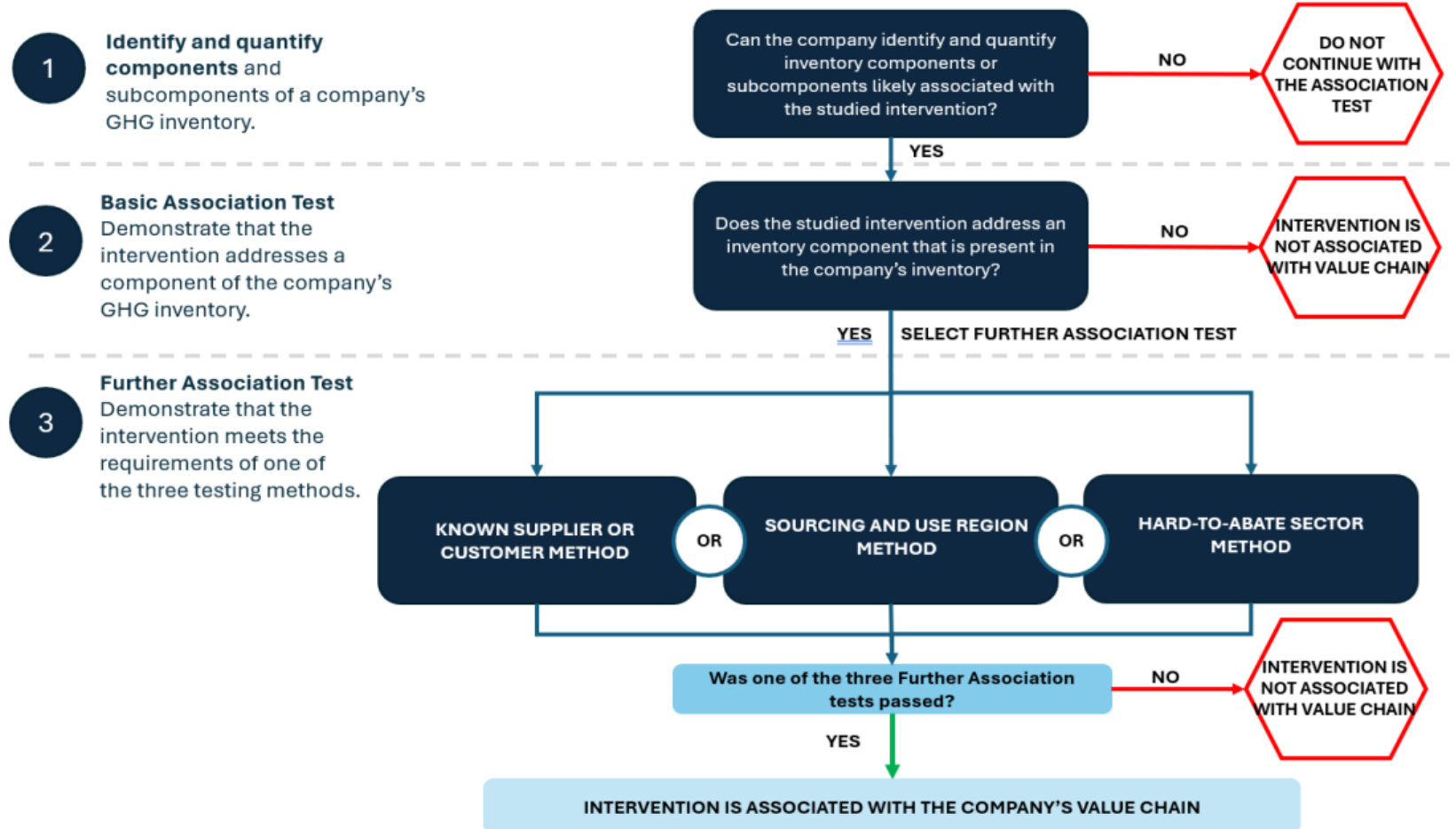
### 1. Value chain vs sectoral focus for statement 3

- “ "Beyond value chain GHG impacts"- There are degrees of claims outside the value chain that depend on how the value chain is defined. In particular, between sectoral and global. The former may not be fully associated with the direct value chain, but is closely linked to sectoral mitigation actions. Companies will likely want to differentiate between such actions and investments, and more general BVCM investments. Therefore, more nuanced claims would be needed.”

# AIM Association Test

The Association Test contains requirements and guidance for determining if an intervention is associated with a company's value chain.

A company shall complete three steps to determine if an intervention is associated with its value chain:

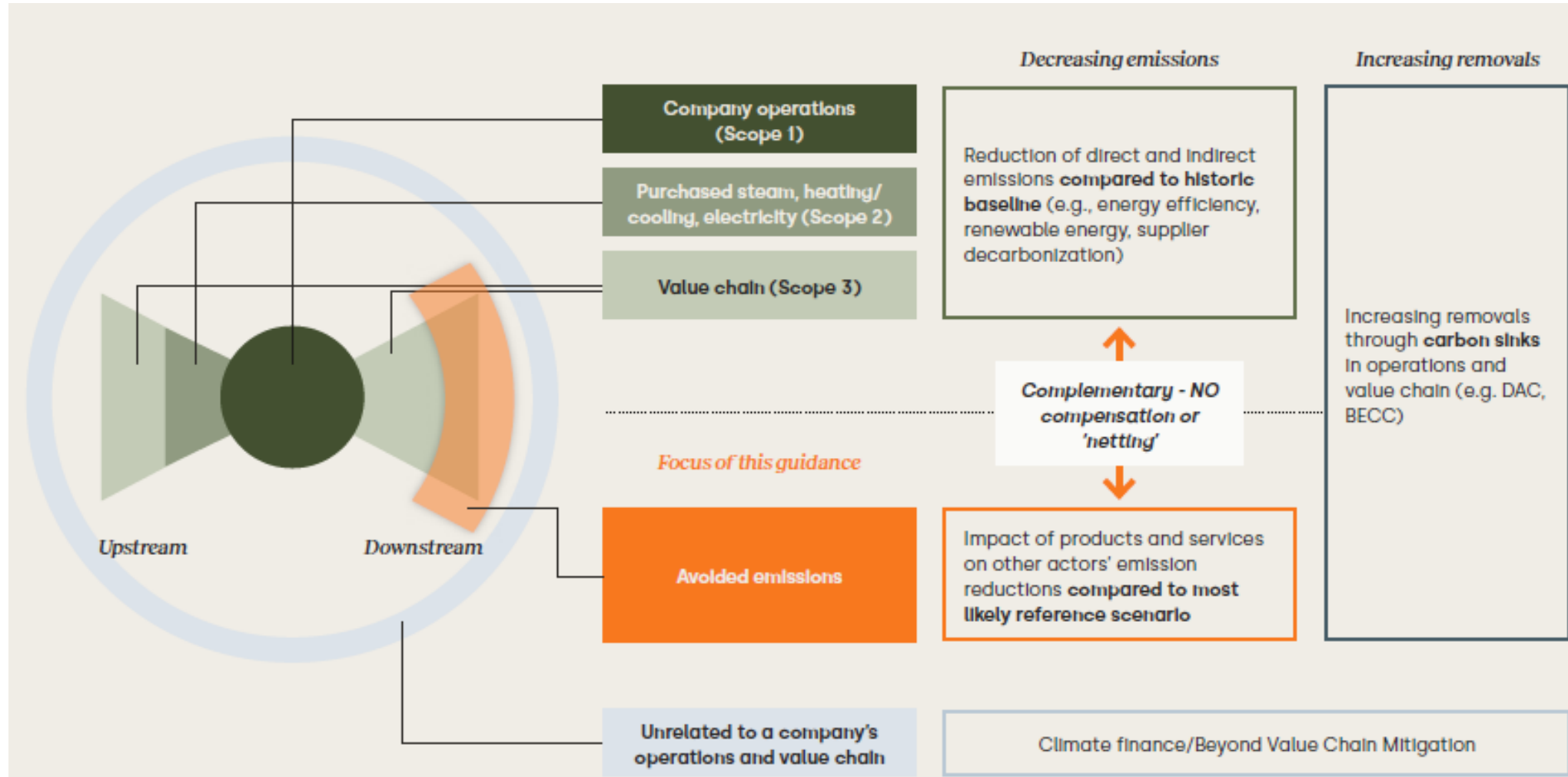


## TCAT Sector Association Test

The Sector Association Test determines whether a GHG-related activity is associated with an emitting activity in the company's inventory.

CRITERIA	YES IF...	EXAMPLES OF SUPPORTING EVIDENCE
Is the GHG-related activity physically or economically linked to an emitting activity in the reporting company's inventory?	The activity occurs at a site, asset, or operation that the company owns, operates, or controls (financially or physically); or it is performed by a supplier, customer, or other value chain partner where the company's decisions or business relationships materially influence the activity or its emissions.	Facility ownership or lease records; operating permits; on-site procurement contracts; GHG inventory documentation.
For activities outside the company's physical or economic control, does the GHG-related activity provide a direct input to, or perform a functionally equivalent role as, the type of activity in the reporting company's inventory?	The activity replaces, powers, supplies, or modifies a component or process of an emission source in the company's inventory; or it is functionally equivalent to the type activity in the company's inventory.	Bills of materials; energy or fuel procurement records; emissions calculations showing functional integration with the emission source; equipment specifications showing substitution. Or any of the above along with proof of mitigation of an equivalent emission source.

# WBCSD Guidance on Avoided Emissions



## Questions for this session

- **Value chain vs sectoral focus for statement 3**
  - “ "Beyond value chain GHG impacts"- There are degrees of claims outside the value chain that depend on how the value chain is defined. In particular, between sectoral and global. The former may not be fully associated with the direct value chain, but is closely linked to sectoral mitigation actions. Companies will likely want to differentiate between such actions and investments, and more general BVCM investments. Therefore, more nuanced claims would be needed.”
- **Should the impact statements clarify their relationship to CoC or the value chain?**
  - *[Regarding statement 2]* "The concept of "market-based" is no longer valid, as we can instead describe interventions in terms of their CoC uncertainty and distance from known value chain as described by the physical inventory"
  - *[Regarding statement 3]* "It would be important to include the methodology and (lack of) traceability, as this is what defines it. Basically 'Value chain interventions using consequential accounting'"
  - *[Regarding statements 3 and 4]* "More precise definitions are needed, specifically with respect to the definition of "value chain". Would suggest using AIM Platform Value Chain Association Test to determine association for both ledgers"
  - *[Regarding statement 3]* "Calling this statement "Value chain and Sector-related mitigation" or simply just "Sectoral impact" would enhance the clarity that the strict physical traceability requirements that apply to the physical inventory do not apply here"
  - *[Regarding statement 4]* "Will need to adjust title and definition to reflect decisions on physical traceability referenced earlier. TCAT's approach to value chain, sectoral, and global mitigation is clearer on the degree of physical traceability needed for each statement"



# GHGP AMI White Paper Standard Activity Boundary

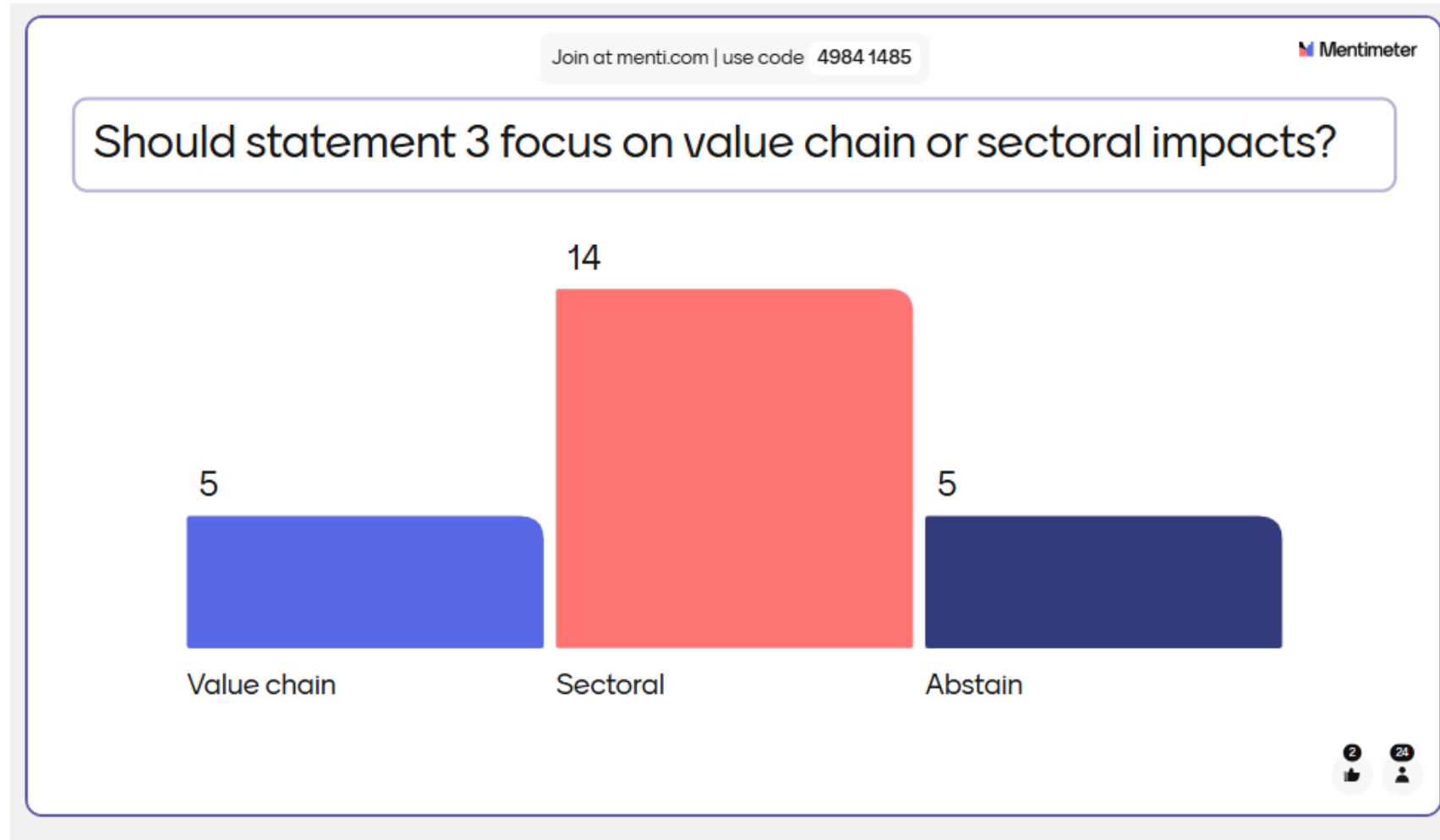
GHG Accounting and Reporting Element	1. Physical GHG Inventory	2. Market-based GHG Inventory	3. Value Chain Related GHG Impacts	4. Beyond Value Chain GHG Impacts	5. Non-GHG metric Transition Indicators
Activity Boundary	Activities occurring within the GHG inventory boundary (scope 1, scope 2, scope 3)	<ul style="list-style-type: none"> <li>□ Activities occurring within the GHG inventory boundary (scope 1, scope 2, scope 3)</li> <li>□ Value chain associated activity = "A GHG-related activity that is physically or economically linked to a company's operations and performs the same function as, or is a known input for or output of, a GHG-emitting activity in the company's inventory." (TCAT)</li> </ul>	<ul style="list-style-type: none"> <li>□ Activities occurring [within/related to/associated with] the value chain of the reporting company</li> <li>□ Value chain associated activity = "A GHG-related activity that is physically or economically linked to a company's operations and performs the same function as, or is a known input for or output of, a GHG-emitting activity in the company's inventory." (TCAT)</li> </ul>	<ul style="list-style-type: none"> <li>□ Activities occurring beyond the value chain of the reporting company</li> <li>□ "A GHG-related activity that is <b>not</b> physically or economically linked to a company's operations but that results in a measurable, verifiable, and additional mitigation outcome" (TCAT)</li> </ul>	Varies



## GHGP AMI White Paper Standard GHG Assessment Boundary

GHG Accounting and Reporting Element	1. Physical GHG Inventory	2. Market-based GHG Inventory	3. Value Chain Related GHG Impacts	4. Beyond Value Chain GHG Impacts	5. Non-GHG metric Transition Indicators
GHG assessment boundary	<ul style="list-style-type: none"> <li>Emissions occurring within the GHG inventory boundary (scope 1, scope 2, scope 3)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Emissions occurring within the GHG inventory boundary (scope 1, scope 2, scope 3)</li> </ul>	<ul style="list-style-type: none"> <li>Option 1: Global/systemwide positive and negative GHG impacts (subject to significance threshold). Impacts may include direct/primary impacts as well as indirect/secondary impacts (if significant) such as life cycle impacts, avoided emissions, leakage, market-mediated (e.g. substitution and displacement) effects, and other impacts of actions that may fall beyond the boundaries of the reporting company's GHG inventory.</li> <li>Other options?</li> </ul>	<ul style="list-style-type: none"> <li>Option 1: Global/systemwide positive and negative GHG impacts (subject to significance threshold)</li> <li>Other options?</li> </ul>	Varies

## Straw poll



# White Paper Edits

Thursday, November 13<sup>th</sup>

1:30 – 3:00 pm

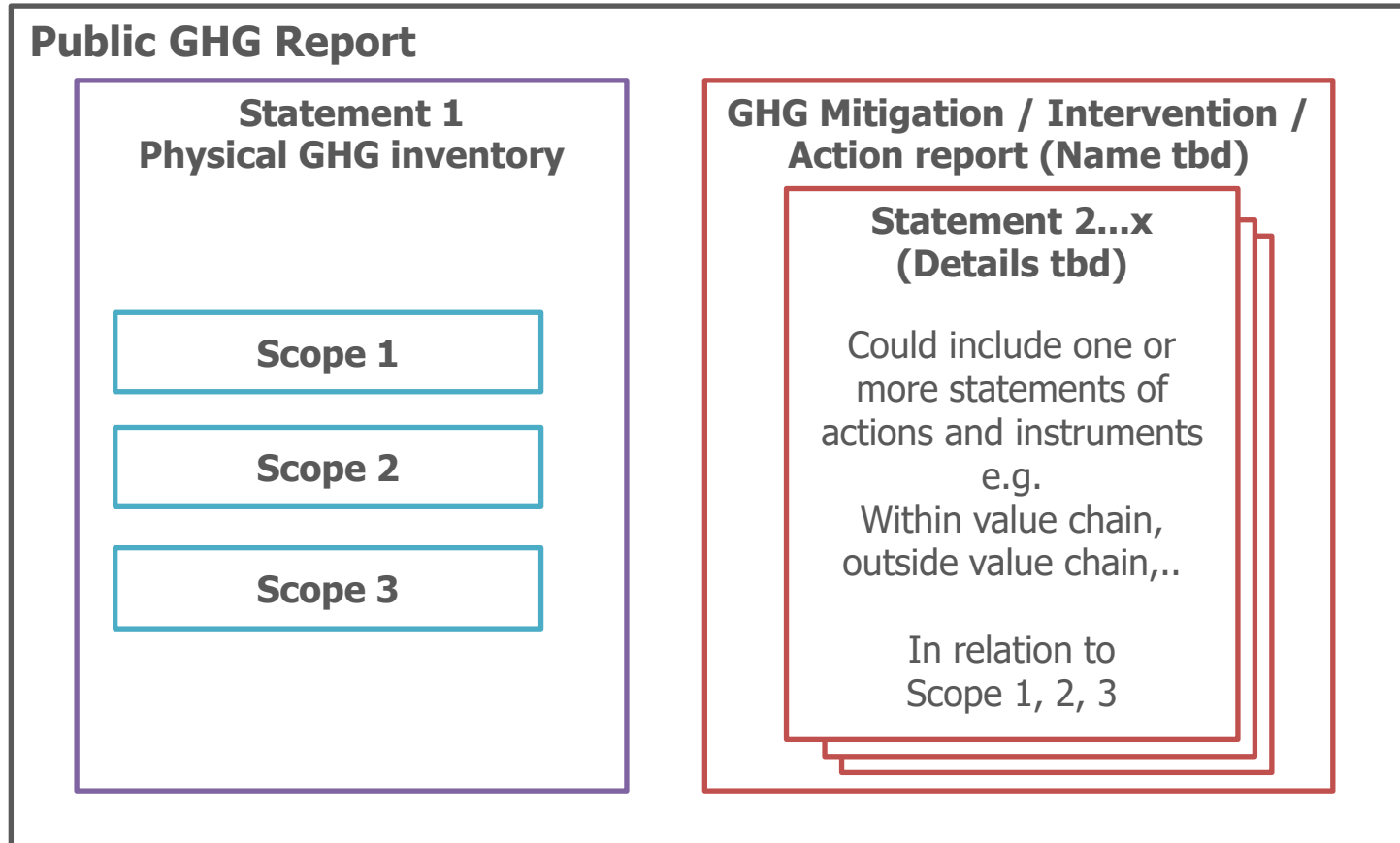


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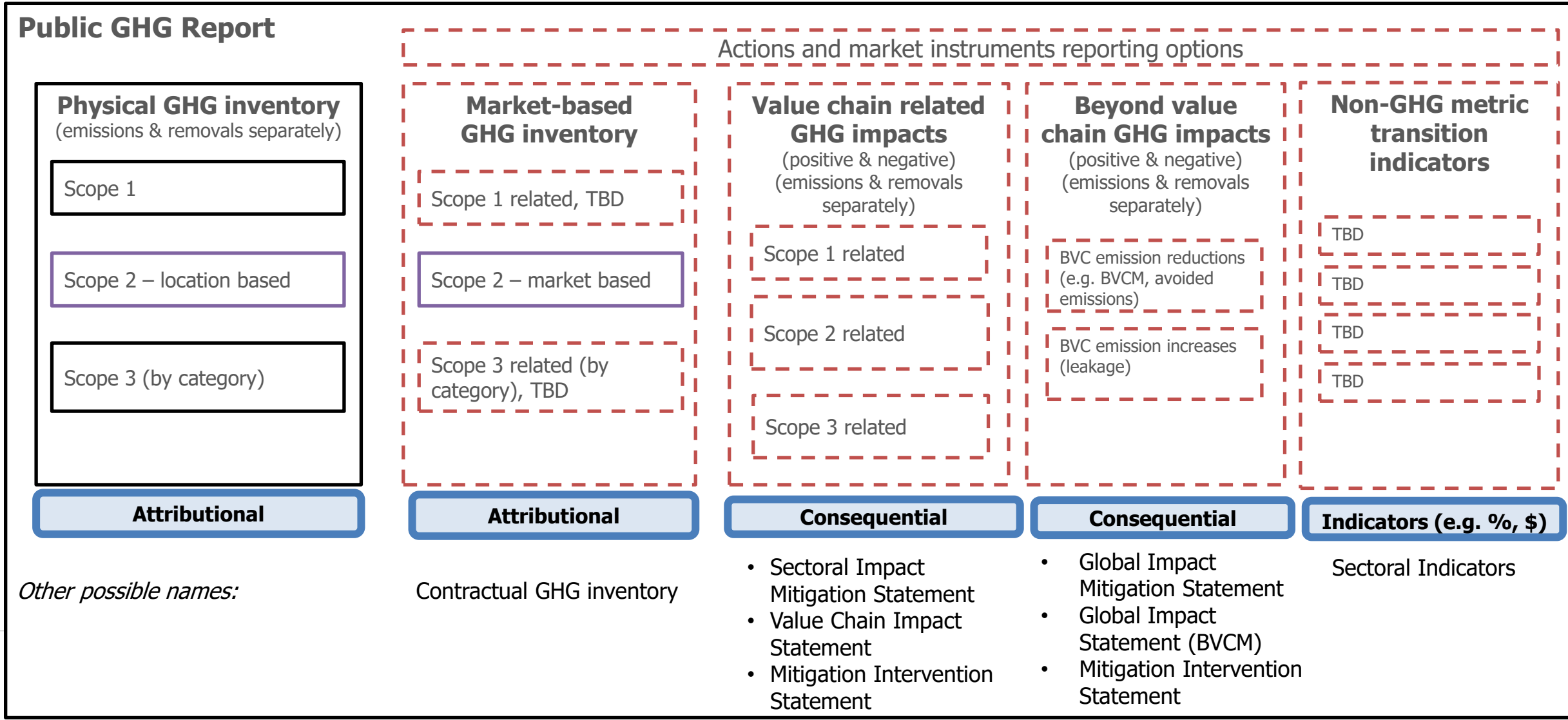


World Business  
Council  
for Sustainable  
Development

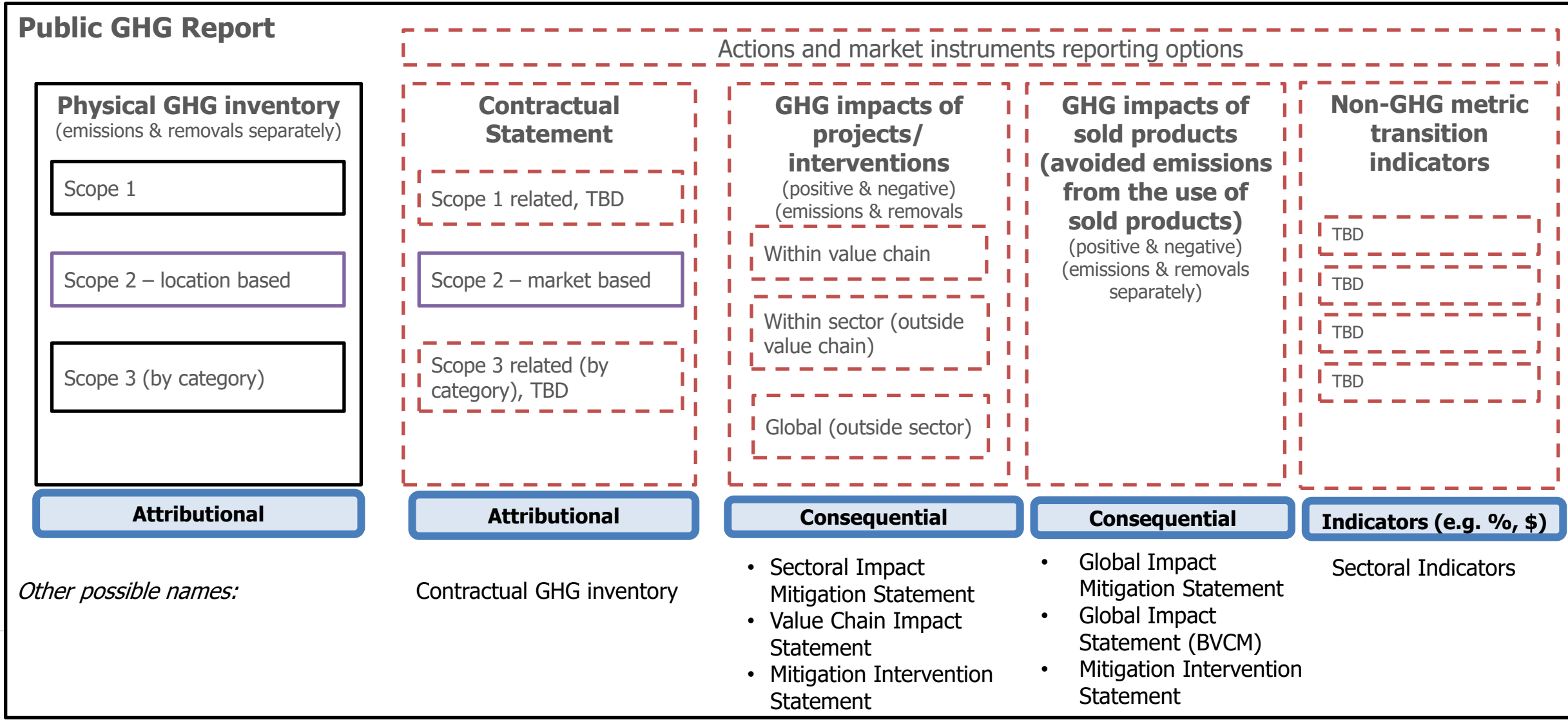
## Chart for White Paper



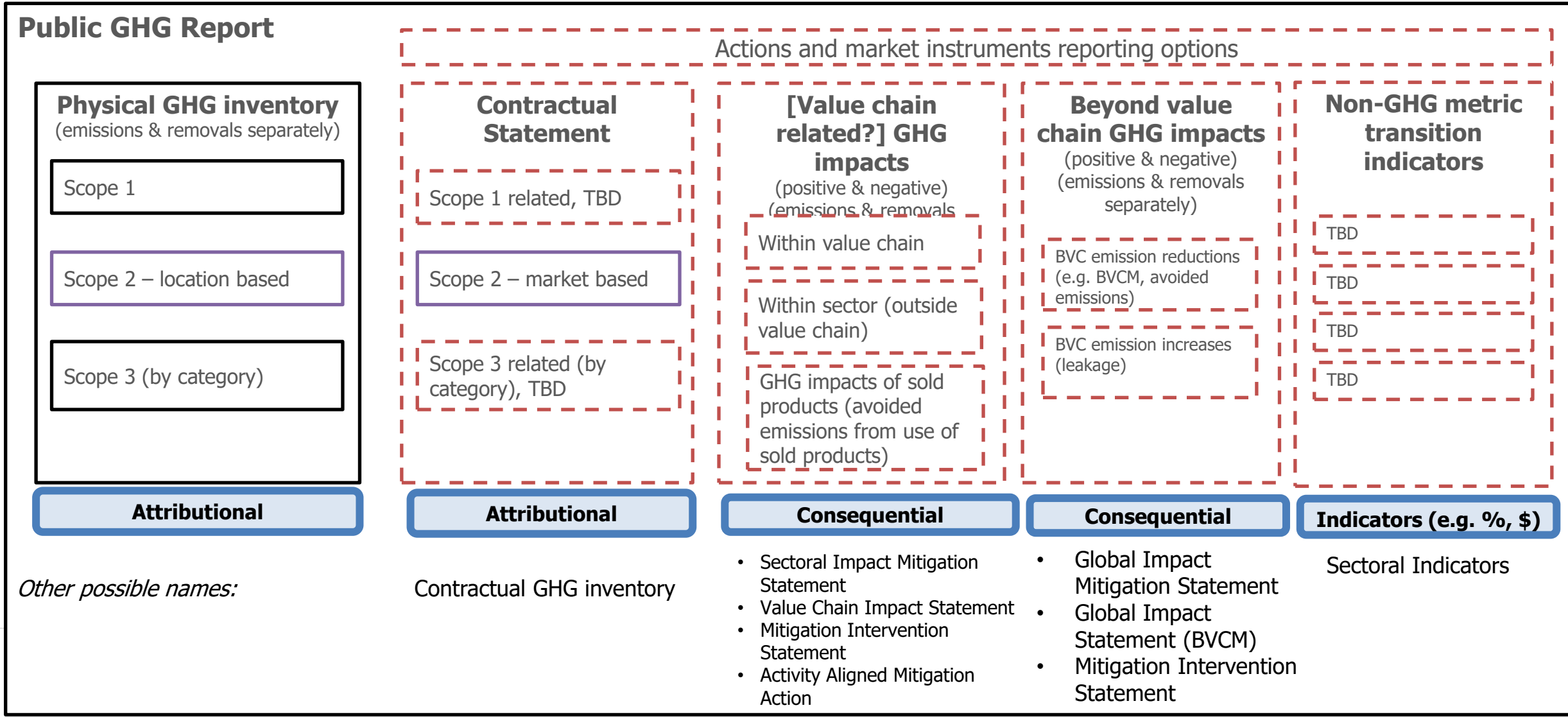
**Current version, option 1: Possible statements (all elements in red dashes are TBD)**



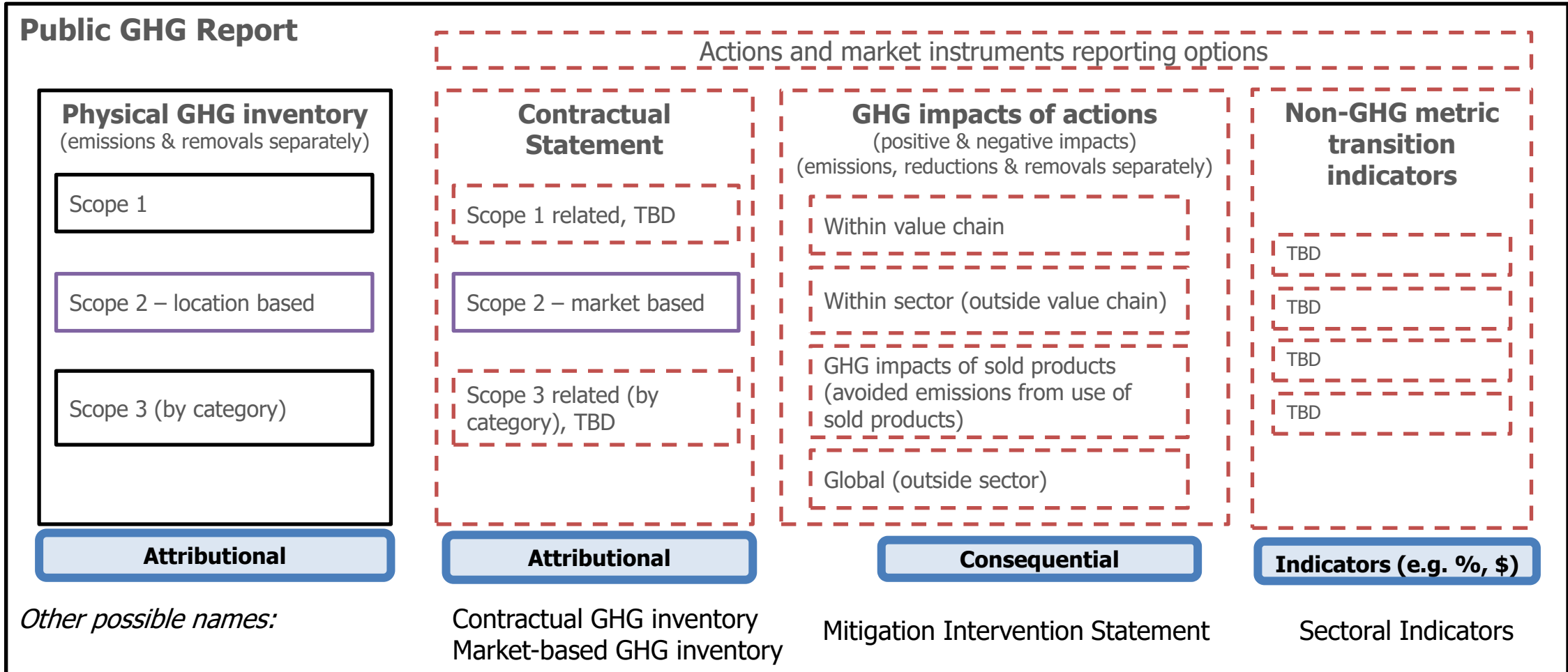
**Option 2: Possible statements (all elements in red dashes are TBD)**



### Option 3: Possible statements (all elements in red dashes are TBD)



**Option 4: Possible statements (all elements in red dashes are TBD) – 4 statements**





## Exercise – wearing different hats

# Wrap Up

Thursday, November 13<sup>th</sup>

3:30 – 4:00 pm



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## Next steps after workshop

1. Task force on definitions (5.1, 5.8) to convene next week. Members: Chris, Silvana, John, Josh, Thuy, Michael, Giulia, Andres
2. White Paper (2025)
  - Secretariat to:
    - Synthesize and incorporate executive summaries submitted by TWG
    - Amend text based on discussions within workshop
    - Explore the possibility of limited, short turnaround, optional TWG polling on outstanding issues
    - Add contextualizing information to better communicate the non-binding, non-finalized nature of white paper content
1. Continued development (2026)
  - Incorporate workshop tabled topics into phase 2 workplan
  - Begin rapid exploration of key topics in early 2026

## Tentative schedule for Phase 1 White Paper and ISB review

Date	Responsible Party	Activity
<i>Aug - Sep</i>	<i>Secretariat</i>	<i>Draft white paper v1.0 (completed)</i>
<i>Sep 24 – Oct 5</i>	<i>TWG</i>	<i>Review first draft of white paper (completed)</i>
<i>Oct 8</i>	<i>TWG, Secretariat</i>	<i>Discuss white paper in Oct 8 TWG meeting</i>
<i>Oct 9 – Nov 7</i>	<i>Secretariat</i>	<i>Integrate TWG feedback to update white paper and plan in-person TWG workshop</i>
<i>Nov 11 – 13</i>	<i>Secretariat, TWG</i>	<i>In-person TWG workshop to discuss key questions</i>
Nov 17 – Dec 1	Secretariat, TWG	Secretariat synthesizes TWG workshop outcomes into revised white paper Poll TWG members on paper and/or key remaining questions, as possible Introduce draft white paper to ISB at November 24 ISB meeting Send white paper to ISB on December 1
Dec 1 - 12	ISB, TWG	Review of white paper (for ISB decision on Dec 15 ISB meeting)
Dec 15 - 19	ISB, Secretariat	If positive ISB decision, finalize/publish white paper
Dec 22 - 26	ISB, Secretariat	If positive ISB decision with minor edits, finalize/publish white paper

# The meeting overall

The time was well invested



I personally enjoyed it



I am happy with the outcomes



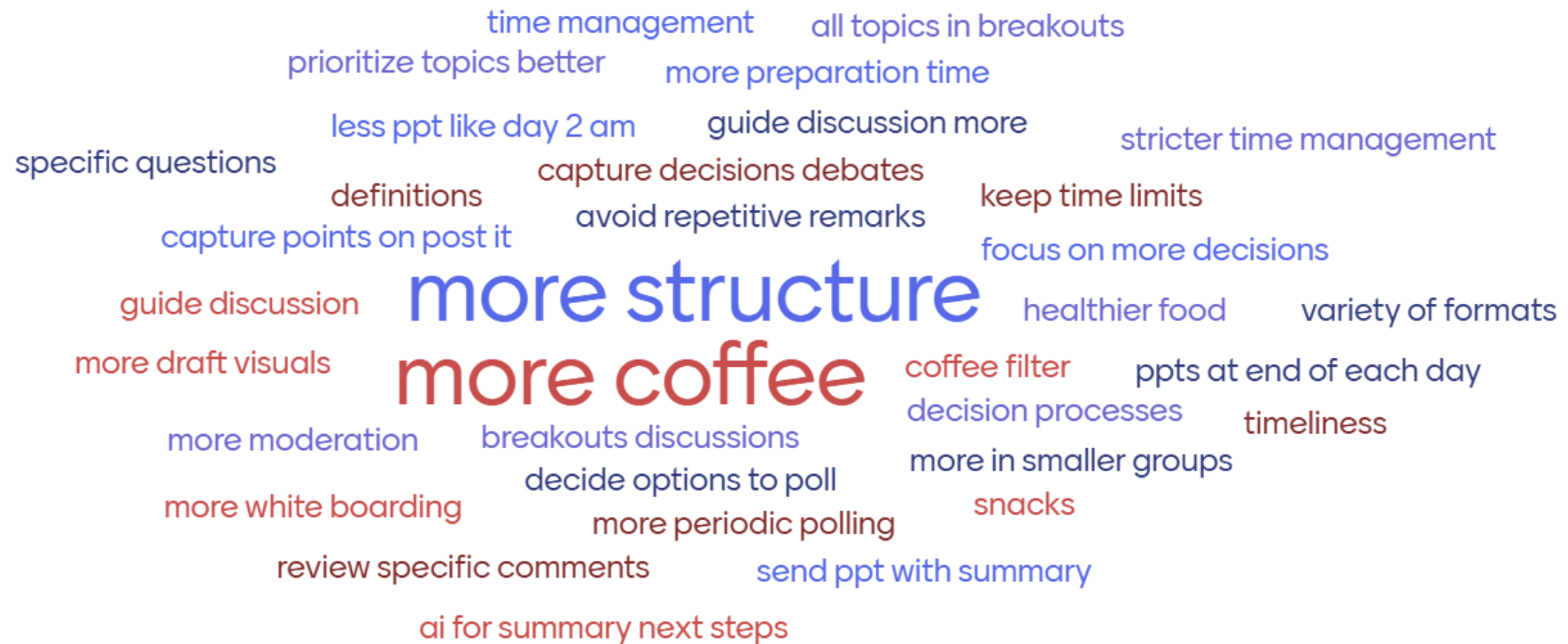
Strongly disagree

Strongly agree

Keep for another in-person meeting - what was good?

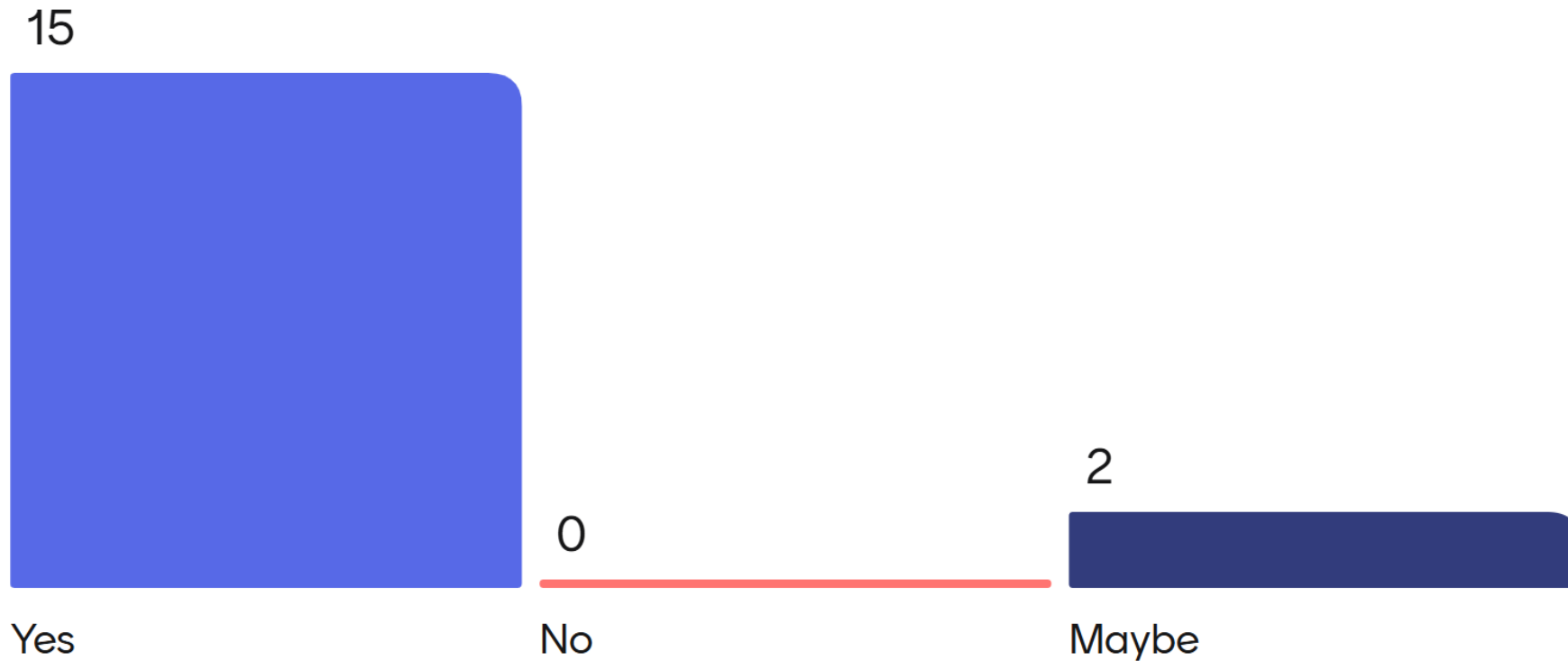


# Change for another in-person meeting -room for improvement





## Should we target another in-person meeting for 2026



**Thank you!**

## **Contact information**

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