

# Actions and Market Instruments Technical Working Group

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## Meeting # 2.03

### GHG Protocol Secretariat team:

Ralf Pfitzner, Alejandra Bosch, Yumzhana Daneeva, Kevin Kurkul, David Rich

March 25, 2026

# Agenda

- Welcome & Housekeeping (10 min)
- Statement 3 design (75 min)
- Statement 2 additionality (30 min)
- Next steps (5 mins)

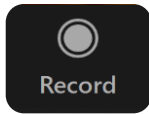


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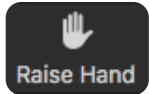
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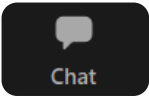
## GREENHOUSE GAS PROTOCOL



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.

## Guidelines and Procedures

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 the 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\*

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\* 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

## AMI TWG Shared Values

- Always **be respectful**
- Take space, make space
- There are **no bad ideas or questions**
- **Be pragmatic** – balance perfect with actionable
- **Be open** to differing points of view and **curious** about all sides of a discussion
- **Keep integrity** at the heart of decision-making and consider real word impacts
- **Keep focus** on the long-term goal of developing an effective standard

## New TWG members

Welcome to three new AMI TWG members joining from the Scope 2 TWG:

<b>Name</b>	<b>Organization</b>	<b>Region</b>
Hannah Hunt	Google	US
Matthew Brander	University of Edinburgh	Europe
Stephen Lamm	BloomEnergy	US

## Plan for our TWG meetings in 2026 – some modifications needed

Meeting	Date	Topic
2.01	Jan 28, 2026	Workplan, white paper, public consultation
2.02	Feb 25, 2026	Quality and eligibility criteria
<b>2.03</b>	<b>Mar 25, 2026</b>	Statement 2 and 3 structure
2.04	Apr 22, 2026	Traceability, quality and eligibility criteria
2.05	May 20, 2026	(Public consult feedback), case studies
2.06	Jun 17, 2026	Public consult feedback, Statement 4
2.07	End of June /early July 2026	Potential in-person meeting
2.08	Sep 09, 2026	Revisiting key topics from in-person meeting
2.09	Oct 07, 2026	Plan for Standard drafting
2.10	Nov 04, 2026	TBD, key topics as necessary
2.11	Dec 02, 2026	TBD, key topics as necessary

## White paper publication and Request for Information (RFI)

- The white paper and the associated request for information have been approved by ISB
- Launch date is expected next week - March 31<sup>st</sup>, 2026
  - Publishing of AMI White Paper
  - Explanatory document incl. RFI questions and illustrative worked examples
  - Initiation of a 60-day call for comments (ending May 31<sup>st</sup> 2026)
  - Blog post seconding RFI launch
- Link to landing page will be distributed to TWG members once online
  - Please distribute in your networks and invite stakeholders to contribute

## Today's Objectives

1. Focus on understanding the pros and cons of several design elements, enabling streamlined future decision-making:
  1. Subcategories in statement 3
  2. Approach for reporting of positive and negative impacts in statement 3
  3. Additionality in statement 2

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## GREENHOUSE GAS PROTOCOL

## Evaluation of potential category consolidation in Statement 3

- A →
- B →
- C →
- 1. Within organizational boundary impacts** - Quantified GHG impacts of actions implemented by the reporting company within the reporting company's organizational boundary [which are not reported in other statements].
  - 2. Value chain associated impacts** - Quantified GHG impacts of actions implemented by the reporting company within the reporting company's value chain, outside of its organizational boundary [which are not reported in other statements].
  - 3. Sector associated impacts** - Quantified GHG impacts of actions implemented by the reporting company within the company's key sector(s), outside of its value chain [which are not reported in other statements].
  - 4. Beyond value chain and sector (global) impacts** - Quantified GHG impacts of actions implemented by the reporting company outside of the reporting company's value chain and key sectors [which are not reported in other statements].
  - 5. GHG impacts of sold products** (e.g. avoided emissions) - Quantified change in systemwide GHG emissions resulting from the use of products sold by the reporting company relative to emissions in a counterfactual baseline scenario.

## Pros and Cons of Option A

Within organizational boundary impacts + Value chain associated impacts

### Pros

- Reduces complexity for reporters since many mitigation actions involve both internal operations and value chain participants.
- Conceptually unites corporate impacts as both categories are connected to company's immediate operations, making it “company-related” impacts.

### Cons

- Loss of transparency between impacts from actions inside the organizational boundary vs outside it.
- Harder to assess whether the reporter prioritized internal decarbonization actions or value chain interventions.

#### Example: Within organizational boundary impacts

Machinery producing company located in Europe installed a Combined Heat and Power (CHP) plant at another site which not only supplies the site but provides power and heat to a local community, too.

#### Example: Value chain associated impacts

At a supplier in India, the company fully finances a methane recovery from landfill project, where the supplier uses the methane for onsite power generation. The GHG reduction to report - avoiding methane leakage.

## Pros and Cons of Option B

### Value chain associated impacts + Sector associated impacts

#### Pros

- Recognizes that value chain often overlaps with sectoral interventions, especially when the companies act through industry initiatives.
- Actions in value chain outside of the organizational boundary might still largely be in the sectors relevant to the reporter. Therefore, uniting the categories would simplify the identification of such impacts.

#### Cons

- Loss of conceptual distinction between mitigation actions in value chain which relate to direct commercial relationships and sector impacts which relate to broader industry-level actions.

#### Example: Value chain associated impacts

At a supplier in India, the company fully finances a methane recovery from landfill project, where the supplier uses the methane for onsite power generation. The GHG reduction to report - avoiding methane leakage.

#### Example: Sector associated impacts

The company invests in a wind farm in a country where it does not have own operations and therefore does not purchase or consume electricity.

## Pros and Cons of Option C

Sector associated impacts + Beyond value chain and sector (global) impacts

### Pros

- Unites the impacts related to sector influence thus simplifying the reporting.
- Represents beyond value chain impacts as one category.

### Cons

- Less detailed reporting on impacts in the sectors (key and non-key sectors).

#### Example: Sector associated impacts

The company invests in a wind farm in a country where it does not have own operations and therefore does not purchase or consume electricity.

#### Example: Beyond value chain and sector (global) impacts

To offset GHG emissions from customer events held, the company buys 5000 carbon credits from a (e.g. Verified Carbon Standard or Gold Standard) certified project (e.g. energy-efficient cook stoves in Ethiopia reducing deforestation).

## Poll on Statement 3 categories

### Option A

- 1. Within organizational boundary impacts
- +
- 2. Value chain associated impacts

### Option B

- 2. Value chain associated impacts
- +
- 3. Sector associated impacts

### Option C

- 3. Sector associated impacts
- +
- 4. Beyond value chain and sector (global) impacts

### Option D

- Eliminate:
- 1. Within organizational boundary impacts

### Option E

No change

## Context for discussion on positive and negative impacts in Statement 3

- The AMI White Paper states, among others in the section on the completeness principle (p.30), that the GHG accounting and reporting system should account for and report both positive and negative elements. If GHG impacts of actions are reported, companies should report all significant GHG impacts (positive and negative), including both increases and decreases in emissions/removals.
- *Example - leakage effects which have negative impacts on emissions and removals outside the company's inventory boundary caused by a company's activities to reduce emissions or increase removals within the inventory boundary.*
- We need to discuss in the TWG how this can be operationalized for statement 3.
- There are two aspects to be considered:
  1. Disclosure of both positive and negative impacts of each reported action.
  2. Disclosure of actions which have mainly (or solely) negative impacts (increase of emissions) and not only the actions with positive impacts (avoided emissions).
- Furthermore, we have to structurally decide where the positive and negative aspects should be reported. In this context, the topic of induced emissions will also be discussed during one of the next meetings.

# Approach to reporting positive and negative impacts

## Option 1: 5 Positive and 5 Negative impacts

- Organize the statement into two parts – positive and negative impacts.
- Each part will include 5 categories representing the type of the impact.

## Option 2: Report positive and negative impacts inside each category

1. Within organizational boundary impacts
  - *Positive impacts*
  - *Negative impacts*
2. Value chain associated impacts
  - *Positive impacts*
  - *Negative impacts*
3. Sector associated impacts
  - *Positive impacts*
  - *Negative impacts*
4. Beyond value chain and sector (global) impacts
  - *Positive impacts*
  - *Negative impacts*
5. GHG impacts of sold products (e.g. avoided emissions)
  - *Positive impacts*
  - *Negative impacts*

Positive impacts	Negative impacts
1. Within organizational boundary impacts	1. Within organizational boundary impacts
2. Value chain associated impacts	2. Value chain associated impacts
3. Sector associated impacts	3. Sector associated impacts
4. Beyond value chain and sector (global) impacts	4. Beyond value chain and sector (global) impacts
5. GHG impacts of sold products (e.g. avoided emissions)	5. GHG impacts of sold products (e.g. avoided emissions)

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## Should additionality be integrated in statement 2 as a requirement?

- A key topic that emerged from the first quality and eligibility criteria subgroup discussion is additionality in statement 2.
  - Noting that the full conversation on statement-specific quality and eligibility criteria is continuing in parallel through the subgroup, we want to elevate the topic of additionality to the full group to inform future subgroup conversations
- The conversation today will not necessarily seek to provide a final answer to this question, but instead to highlight the potential pros and cons of the choices
- The complete set of quality and eligibility criteria will continue to be developed by the subgroup and included in the full TWG meeting next month

## Stepwise process to resolve this topic

1. Agree on overall definition for additionality
  - Subgroup members noted that the circulated definition leaned more towards operationalization than definition
2. Agree on the role/appropriateness of additionality (or similar term/concepts) for each statement
3. Agree on the appropriate tests to operationalize additionality for each applicable statement

## Definitions vs. operationalizing

- Definitions from the previously circulated analysis:
  - Financial additionality: The action shall “result in emission reductions or removals increases that would not have occurred in the absence of the incentives provided by the [market instrument]”
  - Regulatory additionality: The action shall "be in regulatory surplus (i.e., not required by existing law, regulation, or legally binding mandate) and demonstrate that it would not have occurred under a business-as-usual scenario due to demonstrable financial, technological, or institutional barriers”
- Subgroup members noted a need to provide a single definition of additionality before defining and differentiating specific types
- The following definition from ISO 14064-2 was put forward as a starting point:
  - "Additionality, as a concept, describes the relationship between cause and effect. For any cause and effect, the effect can be described as being additional if it would not have occurred in the absence of the cause."
  - The AMI white paper also lists seven possible definitions from various sources

## Process step 1: agree on overall definition for additionality

- In the interest of prioritizing time with the full TWG, we will proceed with the conversation of definitions within the subgroup
- In the interim, we suggest use the ISO definition:
  - "Additionality, as a concept, describes the relationship between cause and effect. For any cause and effect, the effect can be described as being additional if it would not have occurred in the absence of the cause."

## Process step 2: agree on the role/appropriateness of additionality (or similar term/concept) for each statement

- Focus for today on applicability to statement 2
- To consider: whether other similar terms/concepts may be more appropriate:
  - “**Causality**: Demonstration that an investment (or other equivalent action) of a company or group of companies acting collectively to take advantage of supply shed (see below) is what caused the Intervention to happen.”
    - *VCI Greenhouse Gas Accounting & Reporting Guidance v1.1*
  - A salient concern is that companies could engage in a form of “greenwashing” by reporting as “mitigation interventions” activities they would undertake even if they were not seeking recognition for addressing climate change (i.e., “business as usual” activities). To exclude these, recognized interventions under the Mitigation Intervention statement must be “**ambitious**”—that is, intervening companies must be engaging in efforts to benefit the climate in ways that deviate significantly from what might be expected under standard business practices.”
    - *A reporting statement for corporate mitigation intervention impacts, Gillenwater and Broekhoff*

## Applicability and approach from other initiatives





- “Intervention outcomes, when communicated separately from a physical product, shall represent emissions benefits beyond those required by laws meeting certain conditions.”
  - *AIM Platform Intervention QAR Standard and Guidance, draft September 2025*

Table 1: Mitigation Action vs. Inventory Adjustment Summary Table

GHG-RELATED ACTIVITY	RESULTS IN ADDITIONAL, MEASURABLE, VERIFIABLE, AND ATTRIBUTABLE IMPACT ON GLOBAL GHG EMISSIONS	RESULTS IN A CHANGE TO GHG INVENTORY EMISSIONS
Mitigation Action	Always	Sometimes
Inventory Adjustment	Never	Always

- *TCAT Mitigation Action Accounting and Reporting Guidance September 2025*

## Complication: The scope 2 market-based method does not require additionality – what does it mean for scope 1 and scope 3 in statement 2?

- “This guidance does not require that contractual instruments claimed in the market-based method fulfil criteria such as offset “additionality” or prove the overall market impact of individual purchases or supplier programs result in direct and immediate changes in overall supply.”
  - Scope 2 Guidance (2015)
- Other scope 2 market-based method elements and proposed revisions currently under consultation, including:
  -  **Hourly matching:** require that all certificates be matched on an hourly basis, except in cases of exemption
  -  **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
  -  **Mandatory use of residual emission factors and updated definition of residual mix:** where no residual mix is available use of fossil only rates

## White board exercise: arguments for and against additionality

- Selected arguments **in favor of additionality in statement 2**
  - Additionality is necessary to ensure that the objective of reporting impactful reductions is achieved
  - Avoids “shuffling” negative outcomes to non-reporters without achieving systemwide impact, acknowledging that the GHG Protocol is a voluntary reporting initiative
  - Aligns with the way that statement 2 may be interpreted or communicated, e.g. as a GHG reduction relative to the physical inventory
  - An additionality requirement can be applied within an attributional method that uses emission rates (not only when it is a change in emissions). Within attributional accounting you can determine whether the company did something that made a specific emission rate exist that otherwise would not have existed in the absence of that action.
- Selected arguments **opposed to additionality in statement 2**
  - Not aligned with scope 2 market-based method
  - Suggestion that additionality is not compatible with an attributional statement as the approach is seeking to allocate an existing pool of emissions rather than quantify a reduction
  - Challenges with feasibility
    - Can be difficult to prove additionality
    - Regulatory surplus may be dependent on variable exogenous market changes that are difficult to assess

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## GREENHOUSE GAS PROTOCOL

## Next Steps

### Asks for TWG Members

- Review pre-read material in advance of the next TWG meeting
- Quality and eligibility criteria subgroup to reconvene at a to-be-determined date in the next two weeks

### Next Meeting Dates

- **TWG meeting**
  - April 22<sup>nd</sup>

**Thank you!**

## Contact information

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