# Actions and Market Instruments Meeting Minutes

## Full TWG, Meeting #2.11

Date: November 11, 2026

Time: 14:00 - 16:00 UTC

Location: Virtual (Zoom)

## Attendees

### Technical Working Group Members

1. Takako Aramaki, Panasonic Operational Excellence, Co., Ltd.
2. Anastasia Behr, UL Solutions
3. Matthew Brander, University of Edinburgh Business School
4. Giulia Camparsi, SBTi
5. Kim Carnahan, Center for Green Market Activation
6. Andres Casallas, WBCSD
7. Subrata Chakrabarty, WRI
8. Cynthia Cummis, ClimeCo
9. Chris Davis, High Tide Foundation
10. Thomas Day, NewClimate Institute
11. Autumn Fox, Mars
12. Michael Gillenwater, Greenhouse Gas Management Institute
13. Kelly Goddard, Brookfield
14. Tim Hamers, European Renewable Gas Registry (ERGaR)
15. Sitnour Hassan Mohamed Hassan, Sudanese Standards and Metrology Organization (SSMO) (ISO)
16. Hannah Hunt, Google
17. Grant Ivison-Lane, Terra Newt
18. Yaning Jin, SinoCarbon Innovation and Investment Co., Ltd.
19. Hiromi Kawamata, The Japan Iron and Steel Federation
20. John Kazer, Carbon Trust
21. Stephen Lamm, Bloom Energy
22. Aditya Mishra, Proforest
23. Hans Näsman, Toyota Material Handling Europe
24. Inken Ohlsen, AP Moller Maersk
25. Silvana Paniagua, SustainCERT / Value Change Initiative
26. Thuy Phung, PepsiCo
27. Jason Pierce, Eastman
28. Spencer Powell, Just Climate
29. Patric Puetz, Smart Freight Centre
30. Steven Rosenzweig, General Mills
31. Kai Nino Streicher, Independent
32. Josh Taylor, ISEAL
33. William Tyndall, AJW Inc.
34. Emma van de Ven, Rabobank

### Guests

1. Laura Draucker, Center for Green Market Activation
2. Ibrahim Eryazici, ANSI_USA / ISO WG4
3. Grace Gamble, ICVCM
4. Laura Hutchinson, Center for Green Market Activation
5. Gloria Karaiskos, EFRAG
6. Sam Pearl Schwartz, Center for Green Market Activation
7. Mark Staples, Shell / ISO WG4

### GHG Protocol Secretariat

1. Alejandra Bosch
2. Kevin Kurkul
3. Ralf Pfitzner
4. David Rich

## Documents referenced

1. Consolidated Corporate Standard, Part 2 - circulated to TWG members

| Item | Topic and Summary | Outcomes |
|---|---|---|
| 1 | ***Welcome and housekeeping***<br>The Secretariat presented the agenda and key housekeeping items were highlighted, including the expected review process through the public consultation draft. | No specific outcomes. |
| 2 | ***Statement 2 eligibility criteria***<br>The Secretariat presented four deliverability/association options. Members discussed the definition of the activity pool, the commercial relationship option, the critical sector technologies list and the purpose of Statement 2. A pulse check was taken on whether a single option or a combination of options should be pursued. | Outcomes from indicative polls are included below. Further polling will be conducted after the meeting. |
| 3 | ***Statement 2 calculation methods***<br>The Secretariat, supported by presenters from the Center for Green Market Activation, presented options for substitution and technological and geographic matching. Discussion was held and an indicative poll was taken. | Outcomes from indicative polls are included below. Further polling will be conducted after the meeting. |
| 4 | ***Statement 2 residual emission factors***<br>The Secretariat presented approaches and alternatives for a residual emission factor requirement. One indicative poll was taken and a second poll question was posed. | Outcomes from indicative polls are included below. Further polling will be conducted after the meeting. |

## Summary of discussion and outcomes

### 1. Welcome and housekeeping

- The Secretariat presented the agenda and key housekeeping items were highlighted, including the expected review process through the public consultation draft. (Slides 4-10)

Summary of discussion

- A member asked whether the draft Standard would be circulated in Word format, as only a PDF had been available.
    - The Secretariat responded that a Word file and a SharePoint link would be shared that day or the following day.
- Members requested the location, dates and duration of the proposed January meeting as early as possible so that travel could be booked.
    - The Secretariat indicated Washington, DC, for three days, in either the week of January 12 or the week of January 19.

Outcomes (e.g. recommendations, options)

- A pulse check was taken asking the question: Would you be able and willing to join another in-person TWG meeting in January?
    - 22 of 34 members: Yes
    - 0 of 34 members: No
    - 12 of 34 members: Not sure
- Further polling will be conducted after the meeting.

## 2. Statement 2 eligibility criteria

- The Secretariat reviewed the four Statement 2 eligibility requirements and focused on deliverability/association, presenting physical deliverability, commercial relationship, critical sector technologies and no deliverability as options, and asked whether a single option or a combination of options should be pursued. (Slides 12-27)

Summary of discussion

Attributional accounting

- Several members suggested that the two attributional accounting options are not mutually exclusive and that both could be required.
    - Another member suggested the options be offered as alternatives rather than required together.
    - Another member suggested that the second option describes how emissions information is expressed rather than an underlying accounting principle.
    - The Secretariat responded that the options had been treated as alternatives because they were understood to convey the same requirement, and that a combined option would be added to the follow-up poll.

Definition of the activity pool

- Several members suggested that the effect of the physical deliverability option depends on how the activity pool is defined, and that the boundary of the pool, rather than the chain of custody model, determines whether an instrument is associated with the value chain.
    - The Secretariat responded that this was the key differentiator between the first two options.
    - A member suggested that the definition of activity pool is relatively clear and that the open question is whether attributes must be sourced from the activity pool.
    - A member referred to the definition of activity pool adopted in ISO 14064-1 Working Draft 2.
- Members raised a concern that narrower boundaries penalize organizations with better traceability, because improved knowledge of suppliers or regions reduces the instruments available to them, and suggested that this perverse incentive should be avoided.
- A member asked whether purchases of a commodity across several activity pools may be aggregated against an investment in a single facility, as permitted under the AIM standard.
    - The Secretariat responded that the draft does not currently address matching across activity pools.
- A member asked how a multi-year offtake agreement is treated where the supplier relationship ends during its term.
    - The Secretariat responded that no grandfathering period had been specified in the draft.
- Members suggested that agriculture may require a distinct approach, with several suggesting country-level or regional pools rather than sourcing-region pools or global book and claim.

Commercial relationship

- A member asked whether suppliers beyond tier 2 are eligible.
    - The Secretariat responded that the draft refers to tier 1 and tier 2 suppliers, and that it was open to suggested changes.
- A member suggested that the commercial relationship option accommodates multi-site mass balance and better reflects industrial production in sectors such as steel and chemicals.
    - Other members raised a concern that referring only to mass balance in this option is unduly restrictive and would exclude book and claim.

Critical sector technologies

- A guest described the written feedback of ISO Working Group 4, under which deliverability is left to recognized chain of custody standards, and raised a concern that a fixed list of technologies would require continual maintenance and would not be consistent with ISO practice.
- A member suggested that a principles-based formulation describing the barrier the option addresses would be more scalable and future-proof than a fixed positive list, which risks excluding credible interventions not anticipated when the list is written.
- A member suggested that the list need not be maintained by GHG Protocol and could be maintained externally while GHG Protocol sets a higher-level, barrier-based rule.
    - Another member suggested that GHG Protocol could instead set criteria for recognizing credible lists.
- Members raised concerns that the list omits agriculture and that it requires a feasibility test.

Purpose of Statement 2

- A member suggested that moving across the spectrum of options shifts the work from inventory accounting toward the design of a global market mechanism, with materially higher governance demands, and suggested that directional guidance from the Independent Standards Board would be needed.
    - The Secretariat responded that it would bring the question to the next Independent Standards Board meeting.
- A member suggested that deliverability characteristics could be reported rather than applied as eligibility criteria.
    - Other members raised a concern that this would complicate Statement 2 claims.
- A member raised a concern that it is difficult to respond to the options without knowing how practical they would be to apply.
    - The Secretariat responded that the purpose of the session was a directional pulse check and that a dedicated poll on revised wording would follow.

Outcomes (e.g. recommendations, options)

- A pulse check was taken asking the question: Is there a preference for a single deliverability/association option, or for a combination of options?
    - 1 of 29 members: A single option
    - 28 of 29 members: A combination of options
- The item was referred for further Secretariat drafting, with revised wording combining the options to be brought back to the TWG for a dedicated poll.
- Further polling will be conducted after the meeting.

## 3. Statement 2 calculation methods

- The Secretariat, supported by presenters from the Center for Green Market Activation, presented options for substitution and technological and geographic matching. Discussion was held and an indicative poll was taken. (Slides 29-51)

Summary of discussion

- A member asked how often adjustment methods had been needed in practice under the AIM standard.
    - The presenter responded that a large number of companies had needed to address such differences, particularly in hard-to-abate sectors, and that a tight matching requirement would make action in those sectors very difficult.
- A member asked whether substitution includes partial substitution of an emission factor.
    - The presenter suggested that the approach can be applied to the relevant subcomponent of an emission source.
- Members raised a concern that the methods presented address unbundled book and claim rather than mass balance, where the reporting organization purchases the physical product, and cautioned against applying book and claim constraints to mass balance.

    - Other members suggested that the appropriateness of the link between attribute and product under mass balance is a function of allocation choices and system boundary choices.
- A member suggested that substitution addresses a problem that would be better solved through a comprehensive approach to residual emission factors, on the basis that Statement 2 is a complete standalone attributional inventory, and raised a concern that defining a counterfactual baseline introduces consequential elements and methodological inconsistency.
- A member suggested that tighter deliverability requirements increase the quality of claims in the market-based inventory without preventing impactful action, which could instead be reported in Statement 3.
- A member suggested that, for agriculture, rebaselining the market-based statement base year may be more conservative than substitution with adjustments.
    - Another member suggested applying a cap based on the percentage reduction achieved by the project.
- A member raised a concern that organizations rarely hold inventory data at the granularity assumed by the examples presented.
- A member suggested that adjustments should be required only where differences are material, and raised a concern about the burden of operating two calculation methods in parallel.
- A member raised a concern that polling on individual options in isolation is difficult because the topics are interconnected.
    - The Secretariat responded that the polls are directional and that connected questions would be brought back together for a final vote.

Outcomes (e.g. recommendations, options)

- A pulse check was taken asking the question: How tightly technologically and geographically matched does a market instrument have to be to the activity in the inventory to allow substitution? (Slide 41)
    - 6 of 25 members: Option 1 - Less tight matching
    - 17 of 25 members: Option 2 - Less tight matching requirements but require addressing differences
    - 2 of 25 members: Option 3 - Tight matching requirement
- Further polling will be conducted after the meeting.

## 4. Statement 2 residual emission factors

- The Secretariat presented approaches and alternatives for a residual emission factor requirement. One indicative poll was taken and a second poll question was posed. (Slides 53-57)

Summary of discussion

- A member asked how residual emission factors operate alongside supplier-specific emission factors where Statement 2 is voluntary and raised a concern that a residual product footprint may not be reported by any organization.
    - The Secretariat responded that this is inherent to the working groups' decision to make Statement 2 voluntary.
- Several members suggested that a residual mix requirement should apply only to organizations participating in the relevant market and raised a concern that requiring all organizations to report residuals would be impracticable.
- A member raised a concern that credible residual emission factors could not be constructed for agricultural supply sheds, where average factors rely on sampling or secondary datasets, and that the data burden would be substantial.
- A member suggested that where an attribute is sold separately from the product, the product should be transferred without the low-carbon claim, which would reduce the risk of double counting.
- A member suggested that it is important to avoid double counting between average factors and market instruments, and that guidance is needed on what to do where the data is not available, including a hierarchy of data sources.
- A member raised a concern that an obligation to use a conservative residual would function as a market design incentive rather than a GHG accounting requirement.

- A member suggested that the TWG step back and align on the higher-level goals of Statement 2 before returning to the detailed options.

Outcomes (e.g. recommendations, options)

- A pulse check was taken asking the question: If instruments exist for commodities within the organization's supply shed or activity pool that are not purchased by the organization, double counting [shall/should/may] be avoided through the use of residual emission factors for that commodity. (Slide 56)
    - 3 of 21 members: Shall
    - 2 of 21 members: Shall, if market penetration is greater than 5%
    - 7 of 21 members: Should
    - 5 of 21 members: Should, if market penetration is greater than 5%
    - 4 of 21 members: May
- Further polling will be conducted after the meeting.
- Next TWG meeting: Tuesday, November 24, 2026.