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[DRAFT] Feedback Statement

Objective

1. This paper summarises the consultation feedback on EFRAG's Draft Comment Letter to the *GHG Protocol on its Actions and Market Instruments Phase 1 White Paper* and outlines how it informed the proposed EFRAG's final Comment Letter.

Background

2. On 16 April 2026, EFRAG published its Draft Comment Letter for public consultation to gather European stakeholder feedback on its planned response to the GHG Protocol's Request for Information (RFI)¹. The EFRAG 30-day public consultation closed on 16 May 2026, with stakeholder input gathered via an online consultation survey, an online workshop (7 May 2026), and a series of targeted interviews with stakeholders.
3. In summary, EFRAG Secretariat received and analysed views of 22 stakeholders. The details and statistics are presented in Appendix 1.

High level summary of the comments received

4. The following points provide an executive summary of the key feedback received from stakeholders. A detailed summary of the feedback and EFRAG Secretariat proposition to address it is provided in Appendix 2.
5. The feedback included **broad agreement on the following key messages:**
 - (a) The need for clarity on whether the GHGP aims at introducing new accounting, or reporting rules. Majority of stakeholders were of the opinion that GHGP should focus its efforts on improving GHG accounting instead of reporting, with reporting requirements left to jurisdictional frameworks;
 - (b) Stakeholders also supported the view that the consultation intervals of GHGP need to be longer than 60 days;
 - (c) The physical GHG inventory should remain the primary foundation for corporate GHG accounting;
 - (d) Greater clarity and consistency are needed across the proposed AMI structure, in particular regarding the boundaries and interaction between statements, acknowledging the complexities that a multi-statement reporting structure brings to the emissions reporting landscape;
 - (e) The AMI should be aligned with existing GHG Protocol standards and other relevant regulatory and voluntary frameworks;
 - (f) Existing gaps and challenges in scope 1, 2 and 3 accounting should be addressed before introducing more complex new elements;
 - (g) Avoided emissions should be accounted for separately from other GHG impacts of actions, and clearly separated from the accounting of scope 1, 2, and 3 emissions (namely statements 1 and 2).

¹<https://www.efrag.org/en/news-and-calendar/news/share-your-views-efrag-consults-on-its-draft-comment-letter-on-the-ghg-protocols-actions-and-market>

6. **Mixed views** were expressed on the following aspects:

- (a) the priority that needs to be given to consequential accounting. Some stakeholders advocated for their need while others argued it should not be a core focus of the GHG Protocol and/or should be deprioritised;
- (b) The need to develop non-GHG indicators (statement 4), with prevailing feedback indicating that this should not be a key focus for the GHGP, while some stakeholders welcomed their inclusion;
- (c) Whether and how to adopt a phased approach in the AMI Standard. Some stakeholders supported prioritising Statements 1 and 2 and deprioritising Statements 3 and 4. However, suggestions also included prioritising avoided emissions or pausing any new requirements pending finalised related developments (e.g. CSRD);
- (d) avoided emissions received particularly mixed opinions, with stakeholders pointing out to the need and urgency to develop methodologies, but also need of robust safeguards. Some stakeholders questioned the need for an additional standard given existing guidance, while others supporting it, citing shortcomings of the current rules. Key concerns included comparability, the need for clear separation from the physical and market-based inventories, and alignment with existing guidance.
- (e) While some stakeholders shared the EFRAG messaging related to purpose, goals and objectives that may be overextending the accounting and reporting, two disagreed with the view that the AMI Standard extends beyond existing GHGP standards and supported a broader GHGP role in providing complementary disclosures.

7. Stakeholders provided **additional comments** on:

- (a) The need for greater clarity on definitions, boundaries, and the interaction between the different statements, including ensuring mutual exclusivity and avoiding aggregation across statements;
- (b) Concerns about overall complexity, feasibility, and practical implementation, particularly for smaller entities;
- (c) specific unresolved foundational issues in GHG accounting that need to be addressed before expanding into new areas;
- (d) concerns regarding the implications for target setting and the use of market instruments;
- (e) The importance of safeguards to prevent greenwashing, including clear methodological requirements, transparency, and consistency in application.

Approach to considering the feedback received

8. EFRAG collated feedback received via all engagement routes (survey, workshop, targeted interviews, and other written comments) and considered the views and perspectives of all stakeholders to develop its response to the GHGP. Feedback received was grouped by key theme of comment letter to facilitate the analysis. Appendix 2 provides a detailed summary of the feedback received by key theme, with EFRAG's proposition in response to the feedback. Stakeholders have been deidentified to preserve confidentiality.

Questions for EFRAG SR TEG/SRB

- 1. Do SR TEG/SRB agree with the proposed approach to the feedback?
- 2. Do SR TEG/SRB have any questions on the summary of the stakeholder feedback received?

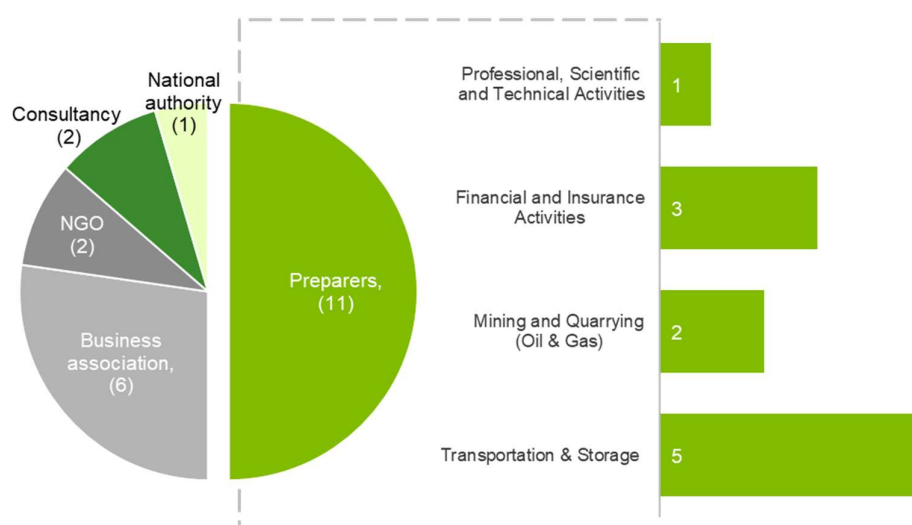
Appendix 1: Overview of stakeholder engagement

Background

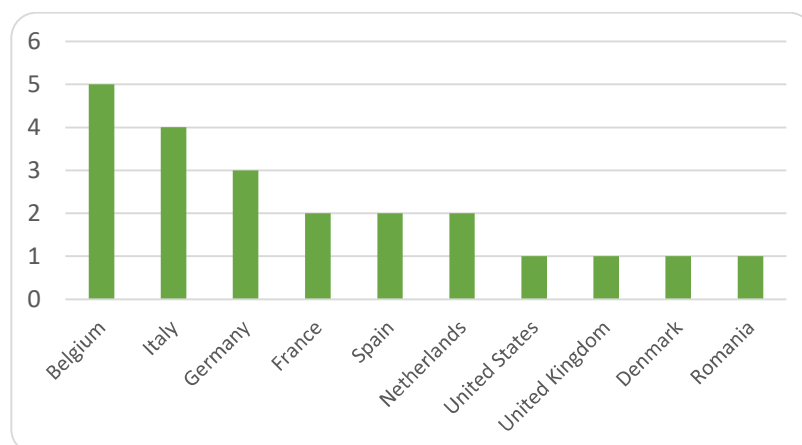
1. This appendix provides an overview of the type, characteristics, and number of stakeholders that provided feedback during EFRAG’s public consultation period.

Stakeholder analysis

2. EFRAG engaged with a total of 22 stakeholders during its public consultation, including:
 - (a) 7 stakeholders who replied to the online survey;
 - (b) 6 organisations who attended the workshop on 7 May 2026;
 - (c) 7 stakeholders who were engaged in targeted outreach/interviews.
 - (d) 2 stakeholders who participated in both the survey and the workshop
3. Two organisations provided additional written perspectives and feedback via email.
4. A breakdown of stakeholders engaged by type is shown in the chart below.



5. A breakdown of stakeholders engaged by country is shown in the following chart.



Appendix 2: Detailed analysis of feedback

| Topic | Feedback received | EFRAG Secretariat position |
|---|---|---|
| Proposed multi-statement reporting structure | | |
| Maintaining a focus on GHG accounting | 5 stakeholders (3 preparers, 1 industry association, 1 national supervisory authority) stressed that the GHG Protocol should remain focused on developing robust GHG accounting rules and standards, warning that expanding into reporting architecture or policy objectives risks overlap with other jurisdictional frameworks. Furthermore, whilst acknowledging that the concept of reporting and accounting are related, some of these stakeholders were explicit in their feedback that specific requirements on how to report should be left to standard setting bodies in relevant jurisdictions. Additionally, a preparer noted that some accounting professionals may hesitate to use the term 'GHG accounting,' as current approaches lack the rigor and principles of true accounting (despite the need for them to adopt such rigor). | This feedback supports EFRAG Secretariat's original position in the draft comment letter (DCL). |
| Foundational importance of scope 1, 2, 3 inventory | 5 stakeholders (2 preparers, 2 NGOs, 1 business association) emphasised the central role of the physical GHG inventory as the foundation of corporate climate reporting and that the introduction of new statements should not diminish this role. The business association also called for the role of the GHG inventory to be reinforced throughout the AMI framework. | This feedback supports EFRAG Secretariat's original position in the DCL. |
| Phased approach to developing the AMI Standard/Guidance | 4 stakeholders (3 preparers; 1 business association) advocated for a phased approach, with broad consensus that attributional accounting should be prioritised first, while consequential accounting and broader value chain impact assessments should be deferred. One preparer considered all statements should be developed in sequential order, commencing with the physical and market-based inventories, followed by statements 3 and 4. One preparer also shared a unique view that within statement 3 the avoided emissions category should be prioritised above all other consequential accounting categories. | EFRAG Secretariat has acknowledged this feedback in its response, encouraging a phased approach to the AMI workstream by first prioritising methodological gaps in the physical and market-based inventories (statements 1 and 2 respectively) before progressing on detailed developments for consequential accounting (statement 3). The need for non-GHG indicators was questioned (see specific |

| Topic | Feedback received | EFrag Secretariat position |
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| | | feedback on this below) in line with stakeholder feedback. |
| Required vs. optional statements | <p>Stakeholder indicated mixed views on the mandatory vs. voluntary nature of the AMI Standard.</p> <p>One technology provider considered that consequential accounting (statement 3) should not be mandatory.</p> <p>One preparer argued against a voluntary approach to the GHG impact statement, warning that this risks slowing investments in decarbonisation.</p> <p>One preparer was supportive of keeping the market-based inventory optional however stressed the need for clarity on the eligibility of market instruments to contribute to science-based targets.</p> <p>One preparer stressed the need for any new statements to remain complementary to core elements of GHG reporting, citing concerns on the implications of a multi-statement reporting structure on reporting clarity, misinterpretation and audit challenges.</p> <p>One NGO considered that statement 1 should be mandatory, with statements 2 and 3 optional, and statement 4 recommended.</p> | <p>EFrag Secretariat acknowledged this mixed stakeholder feedback by 1. emphasising the physical inventory remains the foundation of corporate GHG emissions accounting and reporting, and 2. explicitly acknowledging the role of local jurisdictions in setting reporting requirements with the GHGP continuing to serve as the foundational standard for accounting rules.</p> <p>EFrag has not specified in its response whether certain elements (statements) of the proposed AMI Standard/Guidance should be mandatory or voluntary (noting this is a topic to be addressed in the AMI's phase 2 developments).</p> |
| Risk of greenwashing | <p>4 stakeholders (2 preparers, 2 NGOs) highlighted the AMI's potential for greenwashing without appropriate integrity measures and safeguards. Feedback included the need for robust safeguards and clear eligibility criteria for traceability, the risks posed by increasing reliance on/use of market instruments by organisations and associated methodological complexities, as well as the need to avoid any aggregation of emissions between statements and avoid overlap.</p> <p>One preparer did not share the same concern provided the AMI guidance and methods are eventually accepted as a standard.</p> | <p>This feedback aligns with EFRAG Secretariat's response on the need for the AMI to ensure integrity and clarity, including the need robust safeguards and particular consideration related to the definition of key terms (e.g. 'physical traceability') and the development of consequential accounting methodologies.</p> |
| Purpose, Goals and Objectives | | |
| Overall AMI purpose, goals, and objectives | 2 stakeholders (preparer, industry association) agreed that the AMI White Paper extends beyond the core objective of the GHGP and risks undermining clarity and potential overlap | EFrag Secretariat acknowledged this mixed feedback on the overall purpose, goals, and objectives |

| Topic | Feedback received | EFRAG Secretariat position |
|---|---|--|
| | <p>with jurisdictional frameworks. One stakeholder called for clarity on whether the primary purpose related to reporting or accounting.</p> <p>One national authority highlighted it was not clear how the AMI fits together with the overarching goals of the GHGP Corporate Standard and that this needs to be better conveyed.</p> <p>One consultancy noted that a more standardised way to report on positive impact was aligned with the purpose of the GHGP providing guidance to companies preparing GHG inventories. Conversely, 2 stakeholders (1 preparer, 1 NGO) were supportive of the overall AMI purpose, goals, and objectives of the AMI Standard. They noted the AMI's proposed approach provides additional yet complementary disclosures.</p> <p>Similarity one preparer agreed with the AMI's overall purpose, goals and objectives, with a caveat that new developments should be paused until other ongoing standards are finalised.</p> | <p>by emphasising the need to clearly articulate the AMI's reporting and accounting concepts, and clarify the extent of alignment and interaction with the GHGP Corporate Standard and other GHGP workstreams.</p> |
| Interaction and alignment with reporting standards | <p>5 stakeholders (2 preparers, 2 business associations, 1 NGO) stressed that alignment with existing GHG Protocol standards and relevant regulatory frameworks is essential to maintain consistency, comparability and credibility. One of these stakeholders also made reference to frameworks such as the ESRS or IFRS S2 that already reference the GHGP, highlighting potential implications and uncertainty that any new AMI Standard could bring if not appropriately considered.</p> | <p>This feedback supports the EFRAG Secretariat's position which acknowledges the importance of alignment and coherence with existing GHGP and external standards and the need to consider their interaction and potential implications in an evolving landscape.</p> |
| Market-based GHG inventory (Statement 2) | | |
| Physical traceability definition and statement boundaries | <p>The need to clearly define what is meant by 'physical traceability' was a common area of feedback.</p> <p>Six stakeholders (2 preparers, 1 consultancy, 1 NGO, and 2 industry associations) provided feedback on the need for quality criteria to determine eligibility for reporting statements, alignment with regulatory frameworks (e.g. CBAM), clarity on how to distinguish traceability from connectivity, where to draw the line between the physical and contractual</p> | <p>This feedback supports EFRAG Secretariat's key message on the need for careful consideration to ensure a common understanding of what is meant by 'physical traceability', including clear eligibility and quality criteria for traceability mechanisms. EFRAG's response also acknowledges the risks identified by stakeholders on</p> |

| Topic | Feedback received | EFRAG Secretariat position |
|---------------------------------|---|---|
| | <p>inventory, what qualifies as an adequate audit trail, and avoiding unintended consequences on renewable energy procurement.</p> <p>One preparer expressed concern on how boundaries for market instruments would be defined by the GHGP and whether that would lead to overlaps between the proposed AMI reporting statements.</p> <p>One preparer stated that physical traceability should be based on clear geographic and temporal matching rules with transparent contractual evidence.</p> <p>One preparer welcomed the AMI structure as a way to account for market-based instruments beyond those existing in Scope 2 (e.g. book and claim), noting the need for clear rules to ensure credible reporting. They also noted the proposal could help unlock finance for market-based decarbonisation solutions.</p> <p>One business association argued that instruments which already meet Scope 2 quality criteria should remain in the physical inventory, highlighting that any changes to instruments meeting current quality criteria could be disruptive to emissions reporting under other frameworks and standards (e.g. ESRS E1-6, SFDR, IFRS S2 and SBTi). Similarly, a national authority noted the AMI introduces a fundamental shift away from the GHGP's current Scope 2 reporting, as well as added complexities in the EU regulatory landscape with current inconsistencies between the CBAM and EU ETS on physical-based electricity accounting, which the AMI risks further complicating.</p> | <p>this topic, including disruption to corporate reporting practices, conflicts with existing climate policies and standards, and impacts to target setting (see specific feedback on this below).</p> |
| Implications for target setting | <p>4 stakeholders (2 preparers, 1 industry association, 1 technology provider) cautioned that any changed to the way in which market-based instruments are accounted for could disrupt existing target-setting approaches. Comments included the fact that the AMI White Paper creates uncertainty thus impeding action, in particular related to how eligibility criteria for market instruments will be defined and whether they would 'count' towards science-based targets. Similarly, feedback highlighted the implications and flow-on effect that any GHG accounting and reporting changes would have on existing sector frameworks, e.g. the</p> | <p>EFRAG Secretariat has acknowledged this feedback in its response noting the need for clarity on AMI developments to avoid the risk of conflicting with existing standards and initiatives, which can in turn impact emissions target setting and progress reporting.</p> |

| Topic | Feedback received | EFRAG Secretariat position |
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| | Carbon Risk Real Estate Monitor (CRREM) and the tracking of building emissions trajectories. | |
| Additionality | 3 stakeholders (1 preparer, 1 technology provider, 1 industry association) highlighted the importance of addressing additionality as it relates to market instruments, whilst also noting that it is a complex area and the need for caution such that it does not disincentivise positive action towards decarbonisation solutions. One stakeholder further emphasised the need to address the risk of sustaining markets for contractual instruments once cost parity is achieved. | EFRAG Secretariat has captured this feedback in its response, highlighting the importance of additionality for climate impact and integrity. Related complexities on defining additionality and applicability across markets at varying levels of maturity were also highlighted. |
| Chain of custody models | 3 stakeholders (1 NGO, 1 industry association, 1 national authority) raised comments on the challenges and complexities related specifically to different types of chain of custody (CoC) models and their potential eligibility across AMI statements. One of these stakeholders further argued that site-to-site transfers inherently break physical connectivity, and that attributional methods such as overclaiming should be prohibited. One preparer referred to the use of book and claim systems for SAF and noted that the AMI's proposed market-based statement could be an enabling framework for accounting for this type of CoC model. | EFRAG Secretariat has acknowledged this feedback in its response, linked to the key message on the need to define 'physical traceability' and eligibility criteria for market instruments. EFRAG's response also notes that some of the more technical aspects of CoC models are proposed for the AMI's phase 2 workstream and as such has not included extensive detailed commentary on the various types of CoC models and their potential eligibility at this stage. |
| GHG impact statement (Statement 3) | | |
| Impact statement - Avoided emissions / Clear separation of avoided emissions | One preparer questioned the need for an additional standard given existing guidance, while another stakeholder (preparer) supported it, citing shortcomings in the current guidance A national authority noted that avoided emissions should be clearly and unambiguously excluded from any scope 1, 2, 3 inventory. 4 stakeholders (3 preparers and 1 consultant) agreed that avoided emissions should be housed in a separate statement. | EFRAG Secretariat acknowledges the feedback and considers it is already appropriately reflected in the CL. |
| Consequential accounting challenges | 3 stakeholders expressed concerns on the methodological complexities associated with consequential accounting. One preparer raised concerns on comparability, subjectivity, and | This feedback has been addressed in EFRAG's response, with recognition of the significant challenges |

| Topic | Feedback received | EFRAG Secretariat position |
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| | <p>governance in the absence of strict safeguards. Another preparer- acknowledged the inherent complexities of consequential accounting, and as such advocated for a phased approach within Statement 3, prioritising guidance on the GHG impacts of sold products before addressing other categories. The same stakeholder also highlighted the need to better articulate the concept of ‘negative impacts from actions’ in relation to avoided emissions and investments in emissions reductions.</p> <p>One technology provider cautioned that ambiguity in language could further complexify consequential accounting requirements.</p> | <p>raised by consequential accounting and therefore the need to carefully consider the underlying details of consequential accounting methods.</p> |
| Greenwashing risk | <p>4 stakeholders (2 preparers, 1 industry association, 1 national authority) flagged significant greenwashing risk, citing reliance on counterfactual baselines that are subjective and easily manipulated, and selective disclosure of positive GHG impacts from actions without also considering potential negative impacts. One of these stakeholders highlighted that the reporting of both positive and negative impacts, with transparency on assumptions, are essential. Two stakeholders (1 prepare, 1 consultancy) did not share the same concerns on the risk of greenwashing provided appropriate safeguards and clear guidance is developed.</p> | <p>EFRAG acknowledged the risks associated with greenwashing on avoided emissions in its response, in particular highlighting concerns on methodological robustness, the current limitations of existing guidance, and the need for consistency and alignment.</p> |
| Double counting of avoided emissions | <p>The risk of double counting avoided emissions across value chain actors was raised as a concern by two stakeholders (1 industry association and 1 NGO), however another stakeholder (preparer) questioned whether this was in fact a genuine concern given claims on avoided emissions can be true for multiple actors contributing to a specific product/action within the value chain.</p> | <p>EFRAG acknowledged the mixed feedback on this matter in its response and has supported further work on this matter to ensure avoided emissions disclosures are consistent and transparent.</p> |
| Avoided Emissions - alignment with existing guidance | <p>One preparer commented on the existing guidance on avoided emissions (WBCSD) and the need to address how avoided emissions are reported. They noted the advantage of having a guidance which sits ‘in one house’ and a preference for this to be the GHG Protocol to help foster comparability and interoperability.</p> | <p>This feedback aligns with EFRAG Secretariat’s key message in the DCL on the need to align with existing guidance and avoid fragmented market practices, however EFRAG did not extend to explicitly recommending that the GHGP lead and</p> |

| Topic | Feedback received | EFRAG Secretariat position |
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| | | develop global rules for avoided emissions. |
| Non-GHG indicators (Statement 4) | | |
| Market need for non-GHG metrics | 6 stakeholders (1 consultant, 3 preparers, 1 business association, 1 industry association) questioned the need for a statement on non-GHG indicators, with some saying it should not be included. This was part of broader feedback that the GHGP is extending beyond its traditional remit of developing GHG accounting rules. Some stakeholders warned that introducing additional requirements would lead to potential inconsistencies and overlap with existing frameworks that already define non-GHG indicators (e.g. ESRS, EU Taxonomy, ISSB). Feedback on the AMI's proposed inclusion of Statement 4 also referred to an increase in overall complexity of the AMI, and that it would blur the boundary between accounting and disclosure frameworks. | EFRAG Secretariat has acknowledged this feedback and reflected it in its response to the GHGP, specifically questioning the necessity of 'Statement 4', its global applicability and therefore overall uptake. |
| Sector relevance for non-GHG metrics | One preparer supported the inclusion of a non-GHG statement, noting its relevance for the aviation sector and non-CO ₂ climate impacts. An NGO also supported its inclusion encouraging the GHG Protocol to recommend its use and define a common set of cross-sectoral indicators to complementary Statements 2 and 3. | EFRAG Secretariat notes this feedback is supportive of 'Statement 4' however does not align with majority views received on the need for non-GHG indicators (as noted above). Nonetheless this feedback has been specifically acknowledged in the comment letter to the GHGP. |
| Other topics | | |
| Cost-benefit and market appetite | 4 stakeholders (1 consultant, 2 preparers and 1 business association) stressed the need for a cost benefit assessment before finalising the AMI framework, to better understand market needs and applicability. | EFRAG Secretariat notes the feedback is in agreement with the DCL and the key message on the need to test market appetite. This reaffirms EFRAG's response to the GHGP. |
| Feasibility, complexity, and implementation practicalities | 5 stakeholders (4 preparers and 1 business association) shared concern that the proposed AMI multi-statement approach risks becoming overly complex, confusing, and difficult to apply, asking for further clarity on how this would look in practice. One of these stakeholders (preparer) further suggested the AMI focus on enhancing transparency while | EFRAG Secretariat has acknowledged this feedback in its CL highlighting the potential risks of further complexifying the emissions reporting landscape, and the need for overall clarity on the AMI Standard/Guidance. |

| Topic | Feedback received | EFRAG Secretariat position |
|---|---|--|
| | maintaining conceptual clarity. One stakeholder (consultancy) identified challenges for the AMI's application by SMEs noting the proposal is too complex whilst at the same time acknowledging this as an important development for improving emissions performance. | |
| Sector-specific applicability | One preparer welcomed the AMI initiative as an important development providing a structure for reporting the use of market-based instruments and action-based claims specifically in hard-to-abate sectors. Another preparer questioned how the AMI will consider sector specific requirements, ensuring they do not conflict with established frameworks and guidance. Additionally, two stakeholders (1 industry association, 1 technology provider) supported the AMI's sector-agnostic approach and suggested that any future AMI Standard defer to industry specific frameworks and accounting rules to address industry specific GHG accounting challenges. | EFRAG Secretariat acknowledged this feedback in its response to the GHGP, calling for flexibility on industry specific requirements and including reference to a selection of external standards and frameworks as examples (namely in the real estate and logistics sectors). |
| Coordination and alignment with external frameworks | 3 stakeholders (1 preparer, 1 business association, 1 technology provider) flagged the need for coordination with existing frameworks and standard developments. Concerns centred around the potential uncertainty and incoherence that the AMI Standard could create with existing disclosures (e.g. ESRS, IFRS, EU taxonomy, SFDR and EU ETS) as well as related technical frameworks and standards such as ISO (on chain of custody models) and the SBTi (in relation to target setting). | This feedback has been acknowledged by the EFRAG Secretariat in its response to the GHGP, highlighting the need for alignment and consideration of external initiatives and standard developments as the AMI develops. |
| Prioritising existing GHG accounting issues | One preparer highlighted the need to address existing gaps in scope 1, 2 and 3 accounting (particularly market-based scope 3) that remain unresolved. A similar point was made by another stakeholder (preparer) citing an urgent need for answers on attributional accounting matters with the current uncertainty impacting investment decisions. One industry association highlighted the need to consider emissions boundary issues specific to the real estate sector (namely the scope 2 and scope 3 landlord-tenant boundary) and how the AMI would treat such situations. | This feedback supports EFRAG Secretariat's position in the DCL on the need to focus on critical GHG accounting matters that need to be solved and that the AMI may divert attention away from that. |