

GHG Protocol Actions and Market Instruments (AMI) White Paper

EFRAG Comment Letter

SRB & SR TEG Joint Online Meeting

26 May 2026



DISCLAIMER

The views expressed in this presentation are those of the presenter, except where indicated otherwise. EFRAG positions, as approved by the EFRAG SRB, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Objective and Background [01-01]

Objective

The objective of this session is for EFRAG SRB and SR TEG:

- a) to receive an update on the feedback received during the public consultation of the EFRAG AMI Draft Comment Letter and how it shaped the updated Comment Letter (CL); and
- b) to discuss and approve the final CL for the submission to the Greenhouse Gas Protocol (GHGP).

Background

- On 31 March 2026, GHGP launched for 60 days the **Actions and Market Instruments (AMI) Request for Information** (RFI). The consultation, previously open for feedback until 31 May 2026, was extended to 15 June 2026.
- In response to the RFI, EFRAG has prepared a Draft Comment Letter that was approved by EFRAG SRB for public consultation, which was carried out for 30 days between 16 April to 16 May 2026.
- Feedback gathered included engagement with 22 stakeholders and is summarised in Draft Feedback Statement (01-02) and considered in the updated Draft Comment Letter (01-03).

Content overview

1. Overview of Draft Feedback Statement [01-02]
2. Key messages proposed in updated Comment Letter [01-03]
 - a. Guiding messages (covering letter)
 - b. Proposed multi-statement reporting structure
 - c. Agreement with purpose, goals and objectives
 - d. Market-based GHG inventory statement
 - e. GHG impact statement
 - f. Non-GHG indicators
 - g. Other comments
 - h. Phase 2 questions for consideration
3. Next steps

The EFRAG Secretariat proposes pausing at key sections to gather comments from the SRB and SR TEG on the key messages presented.



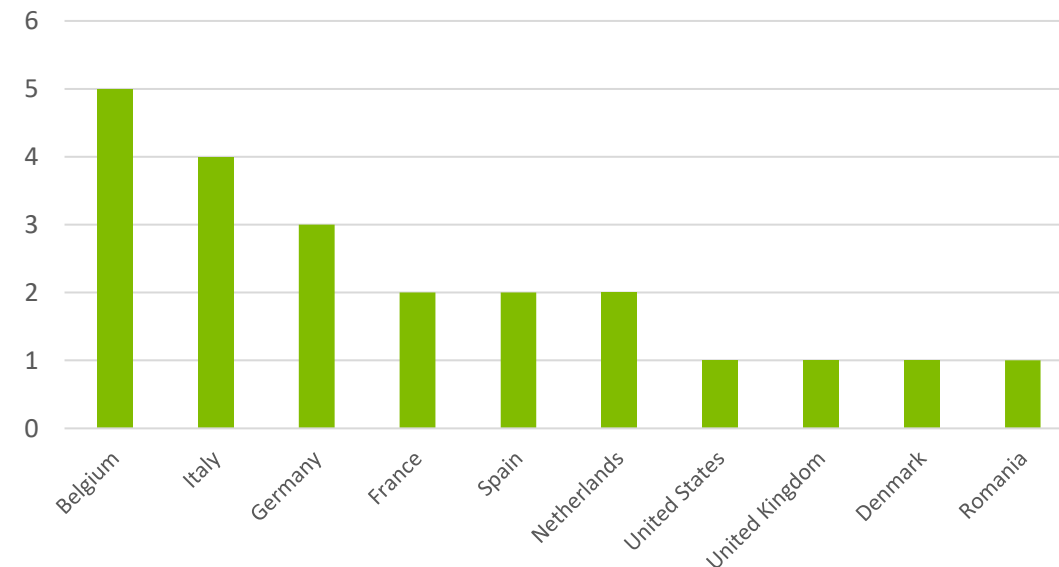
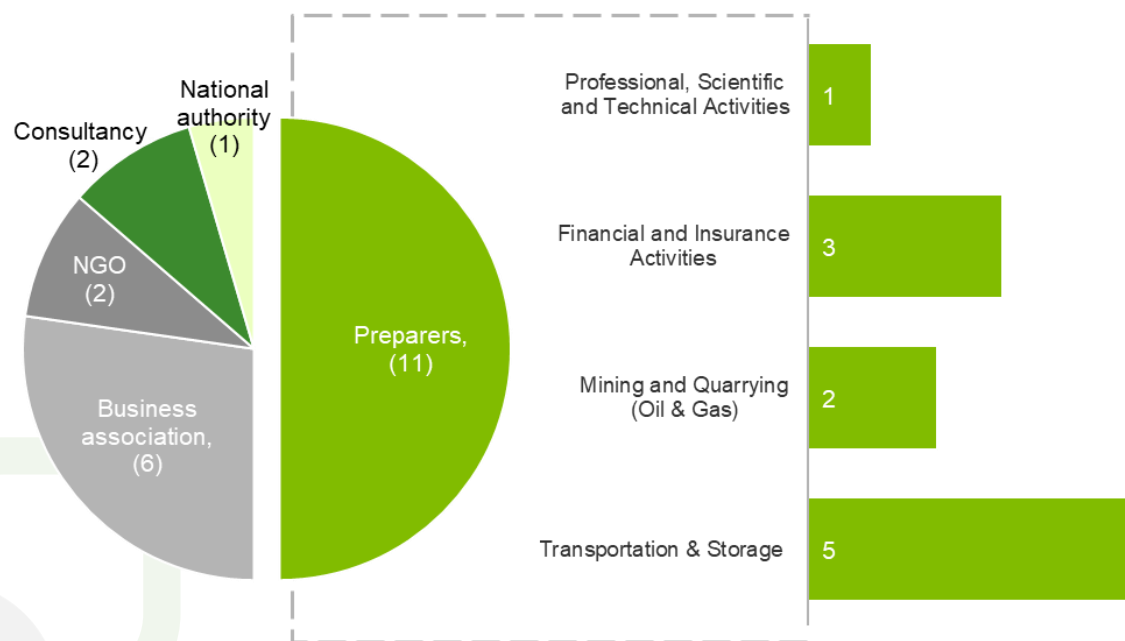
1. Overview of Draft Feedback Statement [01-02]

Stakeholder engagement

EFRAG engaged with a total of 22 organisations 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.

Two organisations provided **additional written perspectives** and feedback via email.



Summary of stakeholder comments



Broad agreement was received on the following:

- Clarity on whether the GHGP aims at introducing new accounting or reporting rules;
- That the consultation intervals of GHGP need to be longer than 60 days;
- The physical GHG inventory should remain the primary foundation for corporate GHG accounting;
- Greater clarity and consistency is needed across the proposed multi-statement reporting structure;
- The AMI should be aligned with existing GHGP standards and other relevant regulatory and voluntary frameworks;
- Address existing gaps and challenges in scope 1, 2 and 3 accounting before introducing more complex new elements;
- Avoided emissions should be accounted for separately, and clearly separated from scope 1, 2, and 3 emissions.



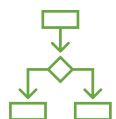
Mixed views were received on the following:

- The priority that needs to be given to consequential accounting (Statement 3);
- The need to develop non-GHG indicators (Statement 4);
- Whether and how to adopt a phased approach in developing the AMI Standard;
- Avoided emissions and whether there is a need and urgency to develop methodologies;
- EFRAG's messaging related to the AMI's purpose, goals and objectives extending beyond existing concepts in GHGP accounting and reporting standards.



Key messages proposed
in updated Comment
Letter [01-03]

a. Guiding messages (covering letter)



GHG Protocol decision-making criteria and hierarchy

GHG Protocol's governance procedures rank 'feasibility to implement' as its last criterion in its decision-making criteria and hierarchy.

→ *EFRAG considers this decision-making criteria **should not be applied as a hierarchy** but rather as principles with equal validity depending on the context, to avoid conflicting criteria and to allow for more nuanced decision making.*



Public consultation timeframe

The GHG Protocol's 60-day Request for Information (RFI) period was too short to carry out a due process needed to develop a fully substantiated response.

→ *EFRAG recommends the GHG Protocol **allows sufficient time** to consult on and receive comments on standard-related developments.*



On 22 May the GHGP announced an **extension to the RFI** deadline; an additional 2 weeks (**new deadline 15 June**).

This extension **reinforces our point on the need for clear and adequate consultation timelines** from the start.

b. Proposed multi-statement reporting structure



Clarifying new reporting vs. accounting requirements

The concepts of accounting and reporting are not clearly articulated. There is concern that emphasising a new ‘reporting structure’ rather than the development of new emissions accounting requirements may conflict with existing mandatory reporting. This warrants particular attention as the AMI develops.



Stakeholder feedback
Consistent

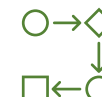


Ensuring a GHG scope 1, 2, 3 inventory is the foundation

Clarifying and ensuring that the preparation of a GHG inventory based on well-established attributional accounting methods remain the foundation for integrity-based scope 1, 2, and 3 emissions is critical.



Stakeholder feedback
Consistent



Adopting a phased approach to the AMI Statements

Prioritising the physical and market-based inventories, in preference to simultaneously developing a consequential accounting statement could help ensure attention remains focussed on critical GHG accounting issues.



Stakeholder feedback
Mixed views

b. Proposed multi-statement reporting structure *(cont.)*



Focus on GHG accounting issues of importance

The AMI can be perceived as extending the GHGP scope in a horizontal manner rather than vertically addressing the challenges of GHG accounting. EFRAG recommends a focus on thematic areas of most importance to avoid diverting attention from important technical matters.



Stakeholder feedback
Consistent



Maintaining consistency and coherence on boundaries

Consistency and coherence of reporting boundaries across AMI statements, and connectivity between sustainability and financial statements is important for an overall coherent AMI reporting architecture, and to aid future adoption by existing reporting standards.



Stakeholder feedback
Consistent



Align with ongoing standard developments

Developing new requirements, while interconnected sustainability and climate standards are also being developed (incl. GHGP, CSRD, ISO, SBTi) risks further complexifying emissions reporting. Recommend key GHG accounting issues are addressed in a coordinated way whilst seeking alignment and consolidation with ongoing standard developments.



Stakeholder feedback
Consistent

c. Agreement with purpose, goals and objectives

Extending beyond existing concepts in GHGP Standards

The AMI extends beyond concepts in the Corporate, Scope 2 and Scope 3 standards. Whilst complementary, they are distinct. For consistency, comparability and usability, consideration should be given to how the AMI will complement or impact ongoing GHGP revisions, as the interaction between different workstreams is not well articulated.



Stakeholder feedback
Mixed views

Alignment with the direction of GHGP Corporate Standard

The proposed revision of the GHGP's Corporate Standard and its objective statements centres its primary goal on emissions accounting and development of a GHG inventory based on standard approaches and principles. We recommend the GHGP recognises this as the primary goal of the AMI.



Stakeholder feedback
Consistent



The role of jurisdictions in setting reporting requirements

Should the GHGP's work shift closer or extensively to GHG reporting, we recognise a risk of tension and overlap with existing mandatory requirements in local jurisdictions. We recommend the GHGP focuses on accounting rules, acknowledging the role of local jurisdictions in setting reporting requirements.



Stakeholder feedback
Consistent

d. Market-based GHG inventory statement



New approach for market-instruments lacks clarity

Separation of market-instruments from the 'physical inventory' is a new approach that adds complexity and risks disrupting current practices. It is unclear what structural changes this will have on GHG reporting and their feasibility to implement (e.g. requiring multiple inventories, additional statements or other modifications). EFRAG requests clarification on this matter.



Stakeholder feedback
Consistent



Physical traceability; definition and challenges

Clear definitions of 'physical traceability' and 'physical connectivity' are needed to ensure a common understanding, including eligibility and quality criteria for various traceability mechanisms (e.g. Chain of Custody models). Clarity on audit trail and transparency requirements is also needed to clarify which market instruments could qualify under different AMI statements.



Stakeholder feedback
Consistent



Conflicts with current policies standards, and target setting

Developing multiple reporting statements can conflict with existing climate policies, standards, and initiatives, including target setting and progress reporting. GHGP should seek to align with other initiatives, relevant jurisdictional regulations, and ongoing GHGP Scope 2 Standard revisions on key concepts, safeguards, and quality criteria.



Stakeholder feedback
Consistent

d. Market-based GHG inventory statement (*cont.*)



Defining additionality is key for integrity and impact

Clear definitions on additionality will be key to ensure climate impact and integrity, and applicability of contractual instruments across markets of varying maturity. Clarity will be required to avoid the risk of sustaining markets for contractual instruments once cost parity is achieved, thus competing with direct decarbonisation actions.



Stakeholder feedback
Consistent

e. GHG impact statement



Consequential accounting complexities need due care

The significant challenges raised by consequential accounting must be recognised. The high-degree of judgement and subjectivity involved in counterfactual calculations risks impacting comparability, credibility and decision-usefulness. Critical elements for development include defining foundational principles, providing clear objectives and examples, and ensuring robust measurement methodologies.



Stakeholder feedback
Consistent



GHG impacts of actions should be an optional feature

A set of accounts to hold the consequential GHG impacts of actions should be an optional feature of the GHG inventory and clearly separated from the physical and market-based GHG inventories. Requiring its reporting – or not – and how to report on it should be left to the jurisdictional reporting standards.



Stakeholder feedback
Mixed views



Avoided emissions need further consideration

EFRAG notes mixed views on avoided emissions, including recognition of a market-need and support for developing robust methodologies aligned with existing standards and guidance. Concerns however exist on the risk of greenwashing and double-counting. EFRAG supports further work on this topic to address these concerns and meet stakeholder needs.



Stakeholder feedback
Mixed views

e. GHG impact statement (*cont.*)



Report both positive and negative GHG impacts

Clear guidance, criteria and safeguards are needed to mitigate the risk of one-sided reporting and selective disclosure of positive impacts only. ESRS explicitly prohibits the netting of positive and negative impacts – alignment is therefore important to avoid contradictions with ESRS and minimise greenwashing risk.



Stakeholder feedback
Consistent



Prioritise global impact category/methodologies

We expect the AMI Standard would not require reporting on all currently proposed categories, however for simplicity, practicality and comparability we recommend prioritising the development of methodologies that assess impacts at the global level.



Stakeholder feedback
Mixed views



Adopt a holistic approach, consider trade-offs

Standardising the quantification of GHG impacts from actions supports a more holistic approach for the disclosure of systemic positive and negative impacts, however special consideration is needed for trade-offs between impacts on different topics (e.g. positive climate impacts that may negatively impact biodiversity).



Stakeholder feedback
Not specified

f. Non-GHG indicators



Necessity for non-GHG indicators is questioned

This statement appears to depart from setting standardised GHG accounting rules, introducing specific reporting requirements. Mixed stakeholder feedback included support for the additional relevant contextual and sector-specific information it can provide, as well as deeming it unnecessary). EFRAG has reiterated its position that the GHGP's focus on GHG accounting matters should remain a priority.



Duplication with other standards and initiatives

The ESRS already foresees the reporting of non-GHG metrics (e.g. energy use, Capex/Opex for transition plan actions), as do other reporting standards and frameworks (e.g. ISSB Sustainability Standards, EU Taxonomy KPIs). As such, their inclusion as part of the proposed AMI reporting structure could be seen as duplicative.



Global applicability and uptake uncertain

Development of sector-agnostic metrics with universal applicability would be a significant challenge given the industry, jurisdictional, and often company-level specific nature of such indicators. EFRAG has therefore questioned its global applicability and uptake, and whether such indicators may be better housed outside of the proposed AMI Standard/Guidance.



Stakeholder feedback
Mixed views

g. Other comments



Cost-benefit and market appetite

To understand expected uptake of the AMI Standard/Guidance, the GHGP should check current market appetite and readiness by undertaking an adequate cost-benefit analysis to ensure that provisions chosen in the future standard deliver greatest value relative to the efforts required.



Stakeholder feedback
Consistent



Flexibility for industry specific requirements and constraints

EFRAG supports AMI's sector-agnostic approach for a standard that can be used as a foundation for sector-specific requirements. We recommend deferring to and coordinating with external sector frameworks and guidance where relevant. Developing a broad range of use cases in Phase 2 will also be important to understand sector implications and practicalities.



Stakeholder feedback
Consistent



Provide more transparency on GHGP decisions taken

The AMI White Paper provides limited information on the justification for decisions taken on its proposed approach (noting it is not yet a draft standard). Greater transparency on the GHGP's process, decision-making, and underlying rationale for inclusions by publishing a detailed basis for conclusions (or similar) alongside future updates would be welcome.



Stakeholder feedback
Not specified

h. Phase 2 questions for consideration



RFI Qs. 34: What other important questions should the standard answer in Phase 2 that are not already included in Annex A?

EFRAG Secretariat proposed response

- a. **Which traceability requirements and criteria to adopt?** What is their impact on the accounting of specific market instruments under the Scope 1, 2 and 3 categories? And how will they interact with existing policy/regulatory rules?
- b. **What are the potential impacts of conceptual clarifications** on the Corporate Standard and current accounting/reporting practices for Scope 1, 2, and 3 emissions?
- c. **How should the standard address trade-offs** between: 1) Local vs. global impacts of actions, and; 2) Climate vs. non-climate impacts (e.g., biodiversity, social outcomes)?
- d. **How can the standard evolve GHG accounting and reporting practices** while balancing: 1) The need for conceptual clarity; 2) The risk of increased complexity. *[EFRAG considers this will require strong engagement with the GHG accounting community, with further consultations/engagement moments and transparent consideration of stakeholder feedback].*

Questions to SRB and SR TEG

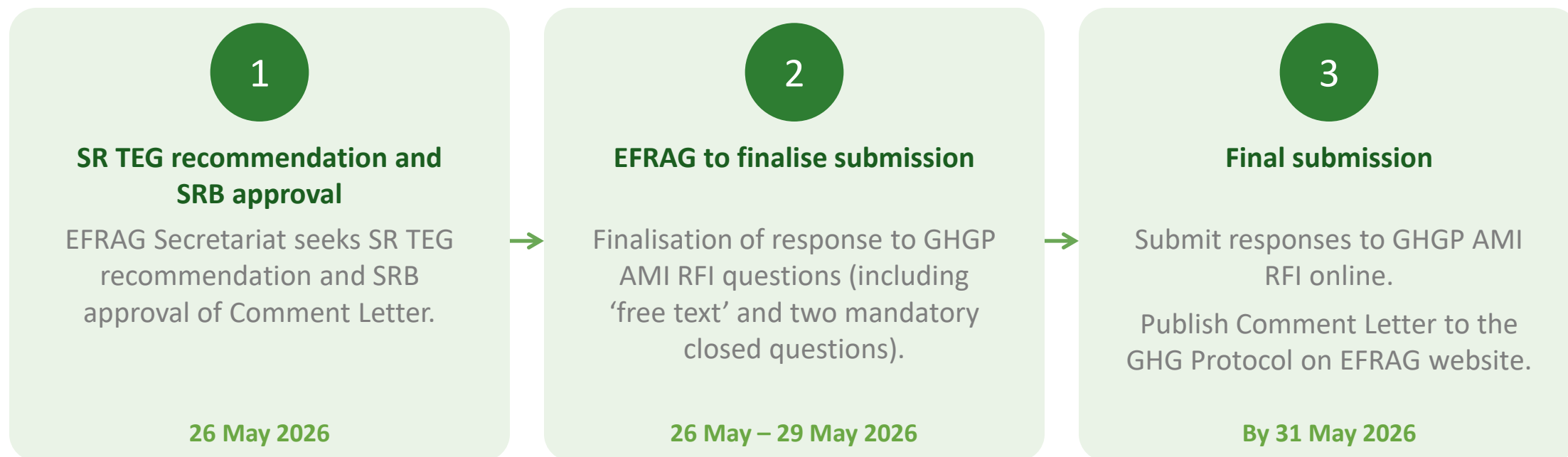
Questions to EFRAG SRB & SR TEG:

- Do EFRAG SRB or SR TEG have any comments on the feedback received and the proposed changes to EFRAG's Draft Comment Letter?
- Do EFRAG SR TEG recommend the Comment Letter?
- Do EFRAG SRB approve the Comment Letter?



3. Next steps

Process for final submission



Responding to the RFI

Proposed approach

- The response of EFRAG is proposed to be conveyed via the [online Request for Information Survey](#) of GHGP.
- The comment letter content identifies the technical questions in the RFI that the EFRAG Secretariat intends to address.
- It is proposed not to respond to the multiple-choice or scaling questions included in the survey, except for the **two mandatory closed questions**.
- The RFI does not allow for including attachments. Therefore, EFRAG Secretariat **proposes including a hyperlink to its comment letter published on the website** in response to the following RFI question:
 - *Question 33. If you have any other comments and remarks about the White Paper that should inform Phase 2 of the Actions and Market Instruments standard development work, including specific examples or case studies that you believe should be explored, please provide them here.*

RFI Questions (Section)	EFRAG Response
1 – 3 Introduction and Data privacy acknowledgement*	<input checked="" type="checkbox"/>
4 – 15 Demographics*	<input checked="" type="checkbox"/>
16 – 19 General*	<input checked="" type="checkbox"/>
20 – 21 Purpose, Goals & Objectives	<input checked="" type="checkbox"/> 21
22 – 23 Stm. 2: Market-based GHG inventory statement	<input checked="" type="checkbox"/> 23
24 – 29 Stm. 3: GHG Impact statement	<input checked="" type="checkbox"/> 29
30 – 32 Stm. 4: Non-GHG Indicators	<input checked="" type="checkbox"/> 32
33 – 35 Concluding questions	<input checked="" type="checkbox"/>

*Section includes mandatory questions

Mandatory RFI multiple-choice questions

Qs. 16. To what extent do you support or oppose the introduction of a new “multi-statement GHG reporting structure” for GHG reports?

- Strongly support
- Support
- **Neutral / don’t know / insufficient information**
- Oppose
- Strongly oppose

*EFRAG Secretariat
proposed responses*

Qs. 17. What benefits or challenges do you think that a multi-statement reporting structure could result in? Please select all that apply.

- It fulfills business needs to credibly account for and report on actions and market instruments
- It supports global climate mitigation
- It supports providers of market instruments with a clear framework for developing and communicating instrument claims related to corporate GHG accounting
- It enhances transparency on companies’ GHG emissions and climate action for all stakeholders
- It increases comparability between companies
- It reduces comparability between companies
- It increases reporting complexity
- It requires additional resources
- **Other (“See response to other RFI questions”)**

Questions to SRB & SR TEG

Questions to EFRAG SRB & SR TEG:

- Do EFRAG SRB and SR TEG agree with the proposed approach for responding to the RFI? If not, please share your comments.
- Do EFRAG SRB and SR TEG agree with the proposed answers to the RFI's two mandatory closed questions? If not, please share your comments.

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THANK YOU



Appendices

PROPOSED MULTI-STATEMENT REPORTING STRUCTURE

