CMW's response to the request for information from Greenhouse Gas Protocol's Actions and Market Instruments working group

15 June 2026

On 31 March 2026, the Greenhouse Gas Protocol (GHG P) launched a request for information regarding a white paper it produced on greenhouse gas accounting and carbon market instruments. The document summarises the work of its Actions and Market Instruments' technical working group.[1]

GHG P is currently undertaking a widescale revision of its standards for corporate greenhouse gas reporting: its corporate, scope 2, and scope 3 standards are all actively being revised. GHG P has already recently completed its Land Sector and Removals Standard which Carbon Market Watch has analysed. The standard body is also developing a new standard for Actions and Market Instruments, which is the subject of the current request for information.

In this context, the Actions and Market Instruments working group is currently proposing a "multi-statement GHG reporting structure" for companies to use as a basis for greenhouse gas reporting, which would include four statements:

- Physical GHG inventory statement (statement #1 - attributional accounting), covering the current categories for Scopes 1-3 emissions reporting (except for Scope 2 market-based accounting which is in statement #2)
- Market-based GHG inventory statement (statement #2 - attributional accounting), covering the use of market instruments, such as renewable energy certificates

[1] Jonathan Crook, policy lead on global carbon markets at Carbon Market Watch, is a member of this working group and joined it to provide CMW's independent expert opinion and to represent a civil society perspective in these technical discussions.

- GHG impact statement (statement #3 - consequential accounting), covering interventions beyond a company's direct value chain, including carbon credits retired on a contribution basis and other potential metrics like the greenhouse gas impact of sold products
- Non-GHG indicators statement (statement #4 - indicator-based accounting), covering indicators that are not quantified in terms of classic greenhouse gas metrics (CO_2eq) but may still be relevant to demonstrate corporate decarbonisation plans, such as the existence and value of an internal carbon price, the share of electric vehicles sold by a car manufacturer or used in a company's vehicle fleet

The ongoing development of a new multi-statement GHG reporting structure marks a rare opportunity to improve corporate climate accounting, including by putting clear limits on the role of carbon credits, but also carries risks. GHG P does not frequently develop or update its standards, so the final guidance will stand for years to come. GHG P plans to launch a full draft Actions and Market Instruments standard for public consultation in 2027.

If the final outcome defines clear safeguards on where market instruments fit, and more importantly do not fit, this can increase transparency and comparability in corporate climate reporting and put an end to misleading practices where companies claim lower emission reductions from the use of unrelated market instruments. However, if the final outcome is weak, then it risks locking in, and even encouraging, misleading corporate accounting practices.

CMW's responses to the request for information are included below.

Contact

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Carbon Market Watch's responses to the questions listed in AMI's request for information

General

17. To what extent do you support or oppose the introduction of a new "multi-statement GHG reporting structure" for GHG reports?

"Multi-statement GHG reporting structure" according to options currently proposed in the White Paper would consist of:

- *Physical GHG inventory statement;*
- *Market- based GHG inventory statement;*
- *GHG impact statement;*
- *Non-GHG indicators statement*

Please note that the names of the statements may be subject to change in future.

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

18. 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

19. What changes or improvements would you recommend to increase your level of support for a multi-statement GHG reporting structure to inform Phase 2 of the Actions and Market Instruments standard development work?
Responses are limited to 4,000 characters.

Carbon Market Watch generally supports the proposal to develop a multi-statement GHG reporting structure. Clearly limiting the scope of market instruments to distinct ledgers can support transparency and avoid confusion in corporate greenhouse gas accounting: for instance, by ensuring that consequential accounting (quantification of GHGs as a result of specific interventions against counterfactual scenarios, e.g. carbon credits) is not inappropriately mixed up with attributional accounting (e.g. quantification of GHGs within a boundary and time period). However, if done wrong, and without clear safeguards, the multi-statement GHG reporting structure could hinder transparency.

For this reason, it is critical to clarify several points:

1. Mandatory reporting of statements 1 & 4:
    - It is essential that statement 1 in particular remains mandatory. The development of statements 2 and 3 must not come at the expense of statement 1, which should be made 100% clear in the white paper and in the ongoing work of AMI.
    - Statements 2 and 3 can provide additional insight but they should remain optional to complete, and if used, they must complement a completed statement 1. In addition, if a company reports Scope 2 emissions using market-based accounting (statement 2), it must also always report its Scope 2 emissions using location-based accounting (statement 1).
    - Statement 4 should also be mandatory as it has high potential to provide additional insight on non-GHG indicators that may be key to demonstrating progress towards corporate climate targets: for instance, the share of electric vehicles sold by a car manufacturer. The parameters of statement 4, including how the reporting criteria and requirements might vary by sector, should be further discussed but seem surmountable in order to make statement 4 mandatory to complete.
2. No double counting or netting between statements:

- It must not be possible for a reporting entity to count the same mitigation across different statements (except in the instance of mandatory reporting of location-based Scope 2 values, which must always be reported even if companies decide to also optionally report market-based Scope 2 values via statement #2).
- There must be added clarity that each statement is standalone and must be reported in the context of its own statement without aggregating values (i.e. netting). In other words, a company reporting its emissions should not be allowed to claim it adheres to GHG P reporting guidelines if it only discloses a net value aggregating values across statements 1-3: e.g. if, in statement 3, a company reports avoided emissions from the use of its products or claims lower emissions due to the purchase of carbon credits, these values cannot be aggregated with physical emissions reported in statement 1 since this could present a highly misleading view of the company's overall emissions.

3. Clarify criteria for physical traceability:
    - Credit mass balance must not be eligible in the physical inventory through Statement #1. While this is already hinted at not being possible in Table H.1, it should be clearly stated. Moreover, the definitions of mass balance in section 5.6 would benefit from better clarity in the ongoing work of AMI: credit mass balance and rolling average mass balance must be clearly distinguished from one another with clear safeguards, e.g. regarding physical traceability requirements through the use of rolling average mass balance.

20. Would you like to provide additional feedback on specific elements of the multi-statement GHG reporting structure by answering additional survey questions? Please note that if you select "no" the survey will end.

Yes
No

Purpose, Goals and Objectives

21. To what extent do you agree with the "Purpose, goals and objectives" (outlined in Section 4 of the White paper)?

Strongly agree

Agree
Neutral / Unsure
Disagree
Strongly disagree

22. Please explain the rationale behind your previous response and add what changes or improvements you would recommend for "Purpose, goals and objectives" (Section 4 of the White paper)
Responses are limited to 4,000 characters.

No comment.

Statement 2: Market-based GHG inventory statement

23. To what extent do you think the Market-based GHG inventory statement should be included within a multi-statement GHG reporting structure?

"The market-based GHG inventory of emissions (and removals, if applicable) is complementary to the physical inventory. It allocates emissions associated with the reporting entity's activities from a common activity pool, based on qualified contractual arrangements for the purchase of goods and services (across scopes). It allows chain of custody models that establish contractual traceability from suppliers to the reporting company."
– (White paper p. 5, further see p. 37)

Please note that the statements described in the White Paper are provisional and will be further specified in Phase 2, among others regarding calculation methods, quality criteria and safeguards, etc. – but we are seeking feedback if it generally should be included.

It should be included
I am neutral about it
It should not be included

24. Please explain the rationale behind your previous response and provide any additional comments on the Market-based GHG inventory statement that should inform Phase 2 of the Actions and Market Instruments standard development work.
Responses are limited to 4,000 characters.

As detailed above, statement 2 should be optional, while statement 1 must always be mandatory. For Scope 2 accounting, this means that location-based accounting must always be reported, even if market-based accounting is also optionally reported. It must not be possible for a company to only report Scope 2 market-based values in statement #2 while electing not to disclose Scope 2 location-based values in statement #1.

In addition, some market-based instruments are immature in terms of their development or fall significantly short in actually delivering real mitigation, casting further doubt on their broader impact and underscoring why their use should be optional. For instance, peer-reviewed research has repeatedly found that the purchase of unbundled renewable energy certificates, namely when mismatched in terms of time (namely annual matching) and location, provides negligible emission reductions: cf. https://www.sciencedirect.com/science/article/pii/S0301421517306213 & https://www.nature.com/articles/s41558-022-01379-5 & https://www.sciencedirect.com/science/article/pii/S0959652624032402. Despite this, many companies, including some of the biggest tech companies, have exhibited a preference for market-based accounting in Scope 2, perhaps unsurprisingly because it gives the impression of extremely low or non-existent Scope 2 emissions. For these reasons and others, statement #2 must always be optional and complementary to statement #1, or else this will continue to allow companies to misrepresent the scale of their true physical emissions (beyond Scope 2 alone) and to potentially put resources into ineffective but easily accessible market instruments instead of taking more direct and potentially difficult steps to actually reduce their physical emissions (e.g. supplier engagement).

Statement 3: GHG Impact statement

25. To what extent do you think the GHG impact statement should be included within a multi-statement GHG reporting structure?

"The GHG impact statement provides a dedicated, structured statement for reporting on the impacts of actions taken by the reporting company inside and outside its value chain (e.g., emissions avoided, reduced, or removed). It applies to actions such as projects, interventions, investments, production/sale of products, purchase/consumption of products. This statement uses consequential accounting methods that aim to quantify the global change in GHGs in the atmosphere resulting from a given action."
– (White paper p. 6, further see p. 39).

Please note that the statements described in the White Paper are provisional and will be further specified in Phase 2, among others regarding calculation methods, quality criteria and safeguards, etc. – but we are seeking feedback if it generally should be included.

It should be included
I am neutral about it
It should not be included

26. To what extent do you agree with the proposed sub-categories for the GHG impact statement?

The statement is divided into five categories: "1. Within organizational boundary impacts; 2. Value chain associated impacts; 3. Sector associated impacts; 4. Beyond value chain and sector (global) impacts; 5. GHG impacts of sold products" – (White paper p. 6, further see p. 39).
Please note that the names of the categories may be subject to change in future.

Please rate each category if it should be included or not.

	It should not be included	I am neutral about it	It should be included
Within organizational boundary impacts	**X**		
Value chain associated impacts	**X**		
Sector associated impacts		**X**	
Beyond value chain and sector (global) impacts			**X**
GHG impacts of sold products		**X**	

27. Should any of the GHG impact statement sub-categories be merged for simplification and greater clarity? (multiple answers possible)

None should be merged
Within organizational boundary impacts should be merged with value chain associated impacts
Within value chain associated impacts should be merged with sector-associated impacts
Sector-associated impacts should be merged with Beyond value chain and sector (global) impacts
Value chain associated impacts should be merged with GHG impacts of sold products
Other: Please see response to Q30

28. To what extent do you agree or disagree that consequential reporting approaches within the GHG impact statement should reflect both positive and negative impacts of actions?

Strongly agree
Agree
Neutral / unsure
Disagree
Strongly disagree

29. How should GHG impacts of sold products (e.g. avoided emissions) be treated in the GHG impacts statement?

It should be included in the GHG impact statement
It should be included but in a separate statement from the GHG impact statement
I am neutral about it
It should not be included at all

30. Please explain the rationale behind your responses in this section and provide any additional comments on the GHG impact statement that should inform Phase 2 of the Actions and Market Instruments standard development work.

Responses are limited to 4,000 characters.

It is not currently clear enough how certain categories in statement #3 will be kept distinct from accounting in statement #2. For example, “within organizational boundary impacts”, “value chain associated impacts”, and “sector associated impacts”, all could overlap, depending how the accounting is applied, which could lead to double reporting/counting of emissions across statements which may generate confusion and lead to misrepresentation. Statement #3 should focus predominantly on “beyond sector and value chain impacts”, with a possible inclusion of "sector associated impacts" depending on scope.

It is critical to ensure that reporting in statement #3 not be used for netting across statements, especially since statement #3 entails consequential accounting which is distinct from attributional accounting and prone to gaming. If double counting and netting were to be permissible, project-level interventions with weak methodological rules and minimal or conflicted verification processes could be used to misleadingly report lower value chain emissions of a company: e.g. an agrifood company reporting lower Scope 3 emissions due to the generation of carbon credits (within or outside of its value chain) relying on counterfactual baselines. There is an additional risk that some companies self-certify such outcomes within their value chains with unclear or non-transparent methodologies and no impartial third-party auditor. Ample research has shown significant flaws across the carbon crediting market (cf. Carbon Market Watch’s response to the European Commission’s recent call for evidence regarding carbon credits: https://carbonmarketwatch.org/wp-content/uploads/2026/04/CMW-feedback-to-call-for-evidence-on-international-credits-in-2040-target.pdf).

For these reasons, it is critical that statement #3 remain optional, be limited to “beyond sector and value chain impacts” (with a potentially limited scope for sector associated impacts), and not be eligible for double counting/netting across statements. Moreover, any companies reporting values in statement #3 must transparently disclose all relevant information underpinning these values (e.g. all intervention-level documentation including methodologies, uncertainties, project design documents, data, third-party audits, etc.).

Finally, regarding question 29 about the GHG impacts of sold products (e.g. avoided emissions), it is critical that any claimed values regarding this category are not also reflected in other statements (i.e. no double counting or netting as also indicated earlier as a clearer general principle across all statements). While the GHG impacts of sold products could provide additional insight into a company’s operations, claims of avoided emissions from sold products on the basis of counterfactual scenarios risk to be highly subjective, uncertain, self-certified, and can be very susceptible to gaming (much like the generation of carbon credits or other market instruments on the basis of counterfactuals). It must be clear that the GHG impacts of sold products not be counted in statements #1 and #2.

Statement 4: Non-GHG Indicators

31. To what extent do you think the Non-GHG indicators statement should be included within a multi-statement reporting structure?
"This statement provides a standardized reporting structure for various metrics and indicators not expressed in CO2 equivalent (CO2e) but that might influence organizations' decarbonization actions and other decisions."
- (White paper p. 6, further see p. 41)

It should be included
I am neutral about it
It should not be included

32. What level of detail should the AMI Standard provide for Non-GHG Indicators?

The AMI Standard should only provide general categories and leave definition of specific indicators to sector-specific and jurisdiction-specific initiatives
The AMI Standard should define specific indicators
Other

33. Please explain the rationale behind your responses in this section and provide any additional comments on the Non-GHG indicators statement that should inform Phase 2 of the Actions and Market Instruments standard development work.
Responses are limited to 4,000 characters.

As mentioned above, we are in favor of mandatory reporting under statement #4. We support the recommendations made in ECOS' submission to the request for information: https://ecostandard.org/publications/action-and-market-based-instruments-ecos-feedback/

Concluding questions

34. 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.
Responses are limited to 4,000 characters.

No comment.

35. What other important questions should the standard answer in Phase 2 that are not already included in Annex A?
Responses are limited to 4,000 characters.

No comment.