

Advanced and Indirect Mitigation (AIM) Platform

AIM Association Test Pilot Meeting #1 (January 16, 2025) | Meeting Minutes

An initiative jointly developed by:



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Attendees (via Teams):

Pilot Participants:

- Jude Abel (Deloitte)
- Jenn McCullars (Southern Company)
- Julia Green (Southern Company)
- Anna Bryan (Signet Jewelers)
- Caitie Reck (Netflix)
- Mel Shank (Patagonia)
- Marisa Donnelly (Engie w/ Meta)
- Thilak Doss (Shell)
- Evan Scandling (REI Co-op)
- Inken Ohlsen (Maersk)
- Jamila Yamani (Salesforce)
- Amita Kanti (P&G)
- Kayla Carey (ClimeCo w/ Warburg Pincus)
- Kristin Dannemiller (International Paper)
- Kathleen Lynch (Levi Strauss & Co.)
- Marlene Machemy (HPE)
- Jasmin Martinez (P&G)
- Morgan Torres (Amazon)
- Nemi Vora (Amazon)
- Nora Lovell Marchant (AMEX)
- Olivia Donner (lululemon)
- Eric Pan (Warburg Pincus)
- Phillip Gillam (lululemon)
- Thuy Phung (PepsiCo)
- Justin Rehn (Signet Jewelers)
- Gabriela Renteria (P&G)
- Noora Singh (PepsiCo)
- Mark Staples (Shell)
- Stefan Gerlicz (Netflix)
- Devon Lake (Meta)

AIM Secretariat:

- Holly Lahd (GMA)
- Kim Carnahan (GMA)
- Sam Pearl Schwartz (GMA)
- Stacey McCluskey (GMA)
- Verena Radulovic (C2ES)
- Owen Hewlett (GS)

Date/Time: January 16th, 2025 – 11:00AM – 12:30PM ET

- Start Time: 11:00AM
- End Time: 12:16PM

Meeting Topics

Welcome and Introductions

- Stacey McCluskey welcomed the pilot participants to the kickoff meeting and walked through the agenda. The secretariat and pilot participants introduced themselves, their organizations, and a goal they have of pilot process.

Overview of the AIM Platform, Development Process to Date, and Pilot Goals

- Sam Pearl Schwartz reviewed the goals of the AIM Platform and explained AIM's relationship with GHG Protocol and SBTi. He also:
 - outlined the AIM Platform publication development process to date, and 2025 workplan.
 - reviewed the goals of the AIM Association Test pilot.
 - Laid out the participant and organizer expectations during the pilot process.

Draft AIM Association Test Walkthrough and Step 1 Deep Dive

- Holly Lahd walked participants through a high-level overview of the three steps of the AIM Association Test, including a brief discussion on the claim (that an intervention is associated with a company's value chain) the Association Test is designed to support.
- She also discussed the term 'intervention' and its meaning in the context of the AIM Association Test, and how to aggregate Components and Subcomponents.
- The AIM secretariat plans to organize a working subgroup of pilot participants and other subject matter experts to further develop the Association Test guidance on the use of input-output (IO) tables to identify and quantify subcomponents, and to aggregate components and subcomponents. Pilot participants interested in joining the subgroup should contact Stacey McCluskey.

Summary of Participant Q&A

Q: To confirm, AIM would like clarification on whether the terms Components and Subcomponents are helpful and clear?

A: Yes

Q: As understood, there are components and subcomponents going into fuel and electricity, as well as fuel and electricity going into making components and subcomponents. How does that play into the AIM Platform's understanding and thinking of Components and Subcomponents?

A: Correct, fuel and electricity are subcomponents for many components. However, since components are the products a company directly purchases or sells, electricity and fuel are not components (unless a company sells electricity and fuel as its sold products). Electricity and fuel a company directly purchases are accounted for in scopes 2 and 1, respectively.

Q: How do we determine the suitability of components and subcomponents for our intervention? For example, steel can be used in a few different functions. Does it matter that we would be aggregating different functional steels across the value chain? The benefit would be when buying steel EACs we could have a larger impact, but it could be harder to substitute.

A: Step 2 will go further into whether the intervention can perform the same function as the subcomponent or component, or if you can demonstrate it as a known input or output. The level of aggregation is something the AIM Platform hopes to test in the pilot process. For example, NAICS codes will work well for some sectors, but not for others. Piloting should help us figure out if we need to draft sector specific guidance.

Q: If we are not using IO data to identify components and subcomponents, can we identify quantities of physical commodities via sourcing/accounts receivable data? If so, how do we resolve with our emissions inventory (and is it necessary to?)

A: Yes, using sourcing information is a permitted method to identify and quantify components. A company does not need to use the same data to identify components and subcomponents as it uses to calculate its GHG inventory. However, the emissions from components (and subcomponents) must be accounted for in a company's GHG inventory to use the Association Test.

Q: Is the plan to mandate the use of IO in identifying components and subcomponents? Some industries have a clear bill of materials or, in the instance of chemicals, you have the molecular breakdown.

A: No, the use of IO tables is not a requirement to identify subcomponents. If your company has access to information that allow you to identify subcomponents (e.g. bill of materials or molecular formula) companies can use those sources and document the data sources used. Breakdown. A learning goal of the pilot process is to understand what methods can support subcomponent identification.

- Comment: A participant also noted even when using other means (e.g., molecular approach) to get the component's footprint, the IO approach might also help to disaggregate that footprint into and by the underlying root commodities required to generate the various subcomponents.

Q: The intervention our company is exploring affects a manufacturing process that produces multiple components and subcomponents. Is it acceptable to invest in an intervention that addresses components/subcomponents our company does not sell the finished product for?

A: Yes. This could be a process change such as switching from a coal furnace to one powered by renewable energy. The next meeting will discuss defining interventions for the purposes of the basic association test (step 2).

Q: What are the implications around the reported emissions for the purchase of those components from other companies? Could reporting and claiming emission reductions from interventions that pass the Association Test lead to double counting with other value chain partners?

A: Not necessarily. Reporting on emission impacts of interventions is not covered in the Association Test, but the AIM Platform does plan to address reporting and claiming in future AIM publications.

Review Homework #1 Assignment and Next Steps

- Stacey McCluskey reviewed expectations of the homework assignments and provided an overview of Homework #1 questions. Homework 1 responses are due February 14.
- Stacey McCluskey reviewed the pilot testing timeline and reminded pilot participants of the AIM Platform's request to list all participants in the upcoming press release.