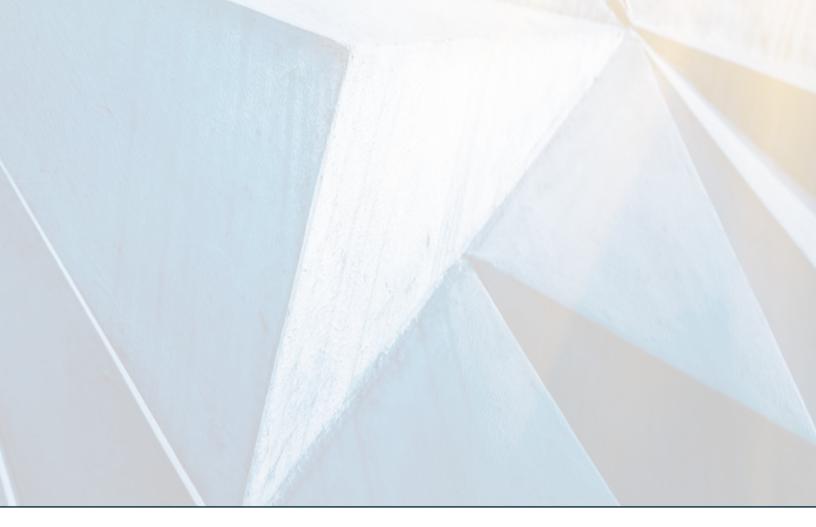# Advanced and Indirect Mitigation (AIM) Platform

Meeting Minutes – December 11, 2024

The Advanced and Indirect Mitigation (AIM) Governing Committee
December 11, 2024 | 10:00AM – 12:00 PM US Eastern Time | GC Meeting #18

Attendees (via Teams):

Governing Committee Members:

- Alexia Kelly (High Tide Foundation)
- Tim Juliani (WWF)
- Devon Lake (Meta)
- Kai Nino Streicher (SustainCert)
- Kelley Kizzier (Bezos Earth Fund)
- Lisa Spetz (H&M)
- Derik Broekhoff (SEI)
- Peter Skovly (Maersk)

Invited Observers:

- Brad Schallert (Winrock International)
- Elijah Innes-Wimsatt (CI)
- Ibrahim Eryazici (Dow)
- Laura Hutchinson (RMI)

ESC & Secretariat:

- Owen Hewlett (GS)
- Verena Radulovic (C2ES)
- Sam Pearl-Schwartz (GMA)
- Holly Lahd (GMA)
- Stacey McCluskey (GMA)
- Dan Smith (GMA)
- Clayton Gerber (GMA)

Discussion Topics:

Recap of last Governing Committee Meeting

1. Holly reviewed what was discussed during the last GC meeting. This included bifurcating the criteria, running a pilot of the Association test, and a new timeline.
    a. No questions from the GC.

Association Test Goal and Finding the Right Filter Level

1. Holly reviewed how we bifurcated the criteria, 1) the Association Test and 2) the remaining criteria (2 – 11). Noted that the Association Test is trying to be a filter for an intervention for what should be "associated" with a company's value chain. Holly discussed the problem with filters, where if it is too tight we may not let enough "good" value chain interventions through, while if it is too loose, we could face accusations of greenwashing and unwanted critiques. Holly urged the GC to reorient their mind to not just picking out exceptions, but how to find the right balance.
    a. No questions from the GC.

The Association Test

1. Holly introduced the three steps to the Association Test: 1) assessing your GHG inventory for components and subcomponents, 2) assessing the Intervention's Association to see if it matches components or subcomponents, and 3) assessing further association using one of the three laid out methods.
    a. One GC member asked for clarification as in the initial draft Step 2 was called Basic Association, but was not referred to as such here. Holly confirmed that there was no language change. It is still called Basic Association, this explanation was just providing contextualization for the association test
2. Holly introduced the new Association Test diagram
    a. One GC member noted that in the document the language is confusing in terms of approaches/methods. I.e. We have two methods under Physical Association Methods, but this breaks into Known Supplier or Customer Method or Sourcing and Use Region Method. Noted that the verbiage needs to be updated.
        i. AIM Secretariat agreed, and will make this edit for clarity prior to the pilot

3. Holly explained the definitions of components and subcomponents. Noted that there is no hierarchy between the two in terms of one being better than the other. This is strictly to help a reader identify items in their inventory
    a. One GC member wanted to know if there is there any limit to how far up you value chain you can go with subcomponents or if this is open ended.
        i. Holly noted that this is open ended now, with the expectation that the user would likely use their existing scope 3 inventory boundary as a guide in scoping a possible intervention
    b. One GC member wanted to know if there is a hierarchy at all to the list possible data sources for identifying components and subcomponents.
        i. Holly noted that there is no hierarchy in the draft. We want to see via the pilot test what data companies have access to.
    c. One GC member wanted clarity on the definition of a product, does it include services?
        i. Holly clarified that the Association Test uses GHGPs definition of product that includes both goods and services.
4. AIM offers three methods for aggregating components and subcomponents. This is optional but serves as guidance to help companies identify them.
    a. No questions from the GC.
5. This comes at needing a balance for the level of granularity that balances impact and credibility. Companies just want to be told how to do something and this addresses that need.
    a. GC discussion around this topic focused on how to get the right balance of this aggregation. Some GC members suggested providing additional guidance for companies to be more granular in their aggregation, but not have it required. Other GC members felt this section as written strikes a good balance. But GC eventually aligned around the fact that part of the pilot testing is to get a better sense of if we've hit the right mark on this and the GC can revisit after the pilot testing.
6. Holly reviews Step 2: Basic Association. Noted the three requirements outlined for this step and provided some examples.
    a. No questions from GC.
7. Holly reviews Step 3: Further Association. Noted the three methods (known supplier, sourcing and use, hard to abate sector)
    a. No questions from GC.
8. Holly reviewed Known Supplier or Customer Method and the requirement for this. Outlined what AIM considered a known supplier and known customer

a. One GC member noted that in many cases working with a known supplier, scoping can take time. Maybe it makes sense to add some sort of time buffer around the signing of the binding agreement to increase flexibility?
   i. AIM Organizers agreed was an interesting point and would consider.
9. Holly reviewed Sourcing and Use Region Method and the requirements for this. Outlined what AIM considered a sourcing region and a use region. Noted a challenge in drafting this was a lot of examples of Supply Shed are for FLAG, so we have included how this might be documented for other sectors.
   a. No questions from GC.
10. Sam outlined the Hard to Abate Sector method. Noted that this is similar to the previously known Positive List approach. Sam outlined the requirements for this method.
   a. No questions from GC.
11. Sam outlined the Critical Sector List. Noted that these are from MPP. Noted that there is a desire to expand this list. Considering if AIM should just choose sectors to add or if there are other credible sources to point to
   a. No questions from GC.
12. Sam outlined the AIM Positive List for Pilot Testing, saying that we looked at reputable sources to determine important technologies for decarbonization. Sam described that this is a list for piloting, but will change before the final draft. Noted that we hope to find an organization to partner with
   a. GC discussion revolved around whether these were the right technologies for the positive list. Multiple GC members expressed that this list was not comprehensive enough as is (either from the technologies list, or too US focused and not reflecting the reality of how technologies are defined in the EU or globally).
      i. Sam reiterated that this list was a draft, the team is in active discussions with outside groups that could provide the expertise to develop a methodology to create and update this list. The draft list is just to have something to refer to in the pilot testing process
   b. Multiple GC members also questioned the intent of the positive list. Is it trying to be comprehensive, how have carbon markets utilized positive lists in the past – limited success, but trying to create a pathway for some things to qualify easily while also having another pathway for other options.
      i. Sam noted that this was indeed the intention of the positive list. Provide a clearer/simpler path for certain technologies we think are important, but still have the other pathway of market pen+decarb threshold

c. One GC member described how hard it would be to demonstrate compliance with the positive list if it has additional qualifications (i.e. hydrogen backed by renewable energy)

      i. AIM Secretariat noted, however Sam reiterated that if you remove the backed by renewable energy the team does not think hydrogen alone should be on the positive list. So need to think of a path forward.

d. Sam described the updates to the market penetration + Decarbonization pathways requirements.

      i. GC members agreed with the update to market penetration to go from global to continental to national. One GC member questioned whether allowing granularity all the way to the state level made sense

      ii. GC members largely agreed with the decision to adjust the decarb potential from a blanket 60% to a number for each sector, but noted as with the positive list that we need a clear methodology for how we're setting and updating those values.

13. Holly explained that interventions that pass the three steps are "associated with the company's value chain". From here they need to go through criteria 2 – 11 to be considered an AIM Value Chain Intervention. Noted AIM platform itself is not a climate target setting body. We cannot say what is eligible for that. We need to be careful on what we say the output is as we don't know if SBTi or GHGP will adopt the work.

a. No questions from GC.

Association Test Feedback & Approval

1. Motion up for vote: Move.the.draft.Association.Test.forward.to.pilot.testing.and. stakeholder.consultation.period?and.enable.the.AIM.Secretariat.to.make.any. necessary.editorial?non_substantive.edits.prior.to.the.draft.being.released

a. All GC members present voted in favor of the motion

b. Note: that some GC members provided their vote via email and have been recorded as such.

c. With votes provided by email, the quorum of 75% in favor was achieved, and the motion passed.

d. List of Votes:

      i. Alexia Kelley: Aye

      ii. Cynthia Cummis: Aye

      iii. Derik Broekhoff: Aye

      iv. Devon Lake: Aye

      v. Elena Schmidt: Vote Pending

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    vi.   Graham Winkelman: Vote Pending

   vii.   Kelley Kizzier: Vote Pending

  viii.   Lisa Spetz: Aye

    ix.   Meinrad Buerer: Aye

     x.   Peter Skovly: Aye

    xi.   Tim Juliani: Aye

   xii.   Kai Nino Streicher: Aye

  xiii.   Charles Hernick: Aye

  xiv.   Jordan Faires: Aye

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<u>Association Test Pilot Program</u>

1. Stacey outlined the AIM pilot. Noted the companies that have expressed interest thus far, as well as asks for participants.
   a. One member noted that company names being listed can be a barrier. Holly and Stacey confirmed that being listed is a nice request but not a requirement.

<u>Looking Forward to 2025</u>

1. Holly noted that monthly GC calls will be had in 2025, and that Stacey will be sending these out. Reminded GC to connect us with companies who would be a good fit in FLAG, Steel, or Mining
   a. No questions from GC.

Meeting concluded at approximately 11:40AM US Eastern Time.