THE AIM PLATFORM

# Standard & Guidance

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## Acknowledgement Statement

The development of the Advanced and Indirect Mitigation (AIM) Platform Standard and Guidance has been shaped by the expertise, insights, and dedication of a broad and diverse group of contributors. Since the launch of the AIM Platform in 2023, the Secretariat and Governing Committee have engaged with corporate practitioners, greenhouse gas accounting experts, environmental NGOs, academic researchers, standard setters, and other stakeholders through multiple rounds of public consultation and pilot testing.

We extend our sincere appreciation to all those who participated in consultations, submitted feedback, and supported pilot testing of the AIM Platform's Association Test and Quality, Accounting, and Reporting (QAR) Standard and Guidance. Your input has been instrumental in building a practical, credible, and transparent framework for assessing and reporting value chain decarbonization interventions.

## Disclaimer



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# Table of Contents

# Executive Summary

Corporate action to address value chain emissions represent a massive opportunity to catalyze investment in decarbonization solutions. As of March 2026, over 10,000 companies have set SBTi validated climate targets (Science Based Targets Initiative, n.d.). These targets, if realized, could catalyze 7.1 trillion to 9.2 trillion USD in private sector decarbonization investments (Climate Policy Initiative, 2025).

SBTi-validated targets, as well as targets that align with the recommendations in the UN High-Level Expert Group Integrity Matters Report, require inclusion of scope 3 value chain emissions (UN HLEG, 2022)[1]. This is critical – for most sectors a company's value chain represents over 75% of their total greenhouse gas (GHG) emissions. However, over a decade of scope 3 reporting and target-setting experience has shown that companies face significant barriers to implementing interventions[2] that effectively address value chain emissions. One of the main barriers is determining whether an intervention is sufficiently associated with a company's value chain to be eligible for inclusion in corporate value chain reporting and contribute to achievement of climate targets. In addition, companies have sought guidance on quality criteria to apply to potential value chain interventions[3], as well as on how to account for and report an intervention in the context of a GHG emissions report.

Corporate value chains are complex, with thousands of suppliers for diverse product types, fluid sourcing networks, and varying sourcing contract structures and lengths. Companies operate under different regulatory regimes, product quality requirements, and competitive market pressures. For example, each segment of the semiconductor value chain has, on average, 25 countries involved in the direct supply chain and 23 countries involved in supporting market functions (Alam, Chu, Lohokare, Saito, & Baker, 2020).

Within the context of this complexity and fluidity, financing and implementing interventions requires reducing uncertainty around intervention eligibility. This includes confirming whether the intervention will remain eligible for demonstrating progress toward a company's targets throughout the intervention's lifetime, even as the company's value chain inevitably changes. Companies need credible, transparent approaches for assessing potential value chain interventions, selecting high-integrity interventions that meet quality criteria, and implementing interventions with suppliers and other counterparties in complex and dynamic supply chains.

The AIM Platform Standard and Guidance helps companies overcome key barriers by providing requirements and guidance that enables companies to confidently invest in high integrity value chain associated interventions and accurately account for and report the impacts of those interventions.

1 SBTi does not require scope 3 targets for certain small and medium enterprises.

2 An action intended to reduce or avoid greenhouse gas (GHG) emissions, or to remove and store GHGs from the atmosphere.

3 Also referred to as "scope 3 interventions".

# Chapter 1: About the AIM Platform Standard and Guidance



## Purpose of the AIM Platform Standard and Guidance

As companies set increasingly ambitious climate targets, they often face challenges in operationalizing their supply chain decarbonization strategies due to complex and shifting supply chains and uncertainty about how interventions can address them. Until now, companies have lacked practical standards and guidance for evaluating which interventions qualify as value chain interventions, how to assess their quality, and how to account for and report their impact.

The AIM Platform Standard and Guidance, herein referred to as the AIM Standard, addresses these needs. It offers requirements and guidance that support companies in making transparent, comparable, and defensible claims about their contribution to decarbonization through value chain interventions.

The AIM Standard is written to support value chain interventions that are not directly implemented through traceable purchasing decisions, product redesign, or supplier and customer engagement. By removing barriers that currently limit these interventions, the AIM Standard drives investment and creates demand for critical climate solutions. Increasing interventions in the near term will expand the availability and reduce the cost of climate solutions, allowing more companies to scale direct actions to reduce GHG emissions in the future.

Companies applying the AIM Standard should continue to take direct actions where available and feasible, including reductions to scope 1 and 2 emissions. Requirements or guidance on the application of direct value chain actions, or the use of market-based mechanisms for scope 1 and 2 emissions, are outside the scope of the AIM Standard.

## Relationship between the Association Test and the Intervention Quality, Accounting, and Reporting (QAR) Standard and Guidance

The AIM Standard is a unified framework that integrates two complementary elements drafted by the AIM Platform: 1) the Association Test, and 2) the Intervention Quality, Accounting, and Reporting (QAR) Standard and Guidance, hereafter referred to as the "QAR". Companies should use and reference the AIM Standard as a whole to ensure any claims made about a value chain intervention are appropriately associated, accounted for, and reported in accordance with the full AIM Standard requirements and guidance. References to these elements as separate or standalone documents is not encouraged.

For more details on the AIM Platform's prior publications, including draft versions of the Association Test and the QAR, and feedback from their public comment periods, please see the AIM Platform website.

More information about how a company should progress through the AIM Standard is outlined in the next section, "How to use the AIM Standard".

## Audience

The requirements and recommendations of the AIM Standard are written to inform companies investing in value chain interventions that they intend to report as part of their multi-statement GHG report. The audience of the AIM Standard is hereafter referred to as "reporting company", "company" or "companies". Where other actors are specified as the entity subject to a requirement or recommendation, it is assumed that the reporting company is responsible for ensuring these requirements are followed. For example, the company could specify these criteria in agreements with their intervention host or intervention outcome supplier. Section 5.1 provides more detail on how a company could manage compliance requirements with other relevant actors.

## Terminology

This document differentiates between requirements, recommendations, and permissible options:

- The word "shall" refers to requirements that companies must follow to conform to the standard.
- The word "should" refers to recommendations that companies are advised to follow but not required to follow for conformance.
- The word "may" refers to options that companies are permitted to follow.

Outside of the requirements and recommendations, the standard uses words like "will", "can", "need", and "must" to provide guidance on how a requirement or recommendation is implemented. These terms are not used to indicate additional requirements or recommendations.

The terms "justify" and "demonstrate" are used to indicate information that will be used to perform assurance against the AIM Standard, as detailed in Chapter 8.

The glossary, located in Appendix A, includes a comprehensive list of definitions for terms used in this document. Where possible, the terms in this document are consistent with their use and definitions in other key standards and guidance.

## Important Terms to Know

Specific terms used in the AIM Standard and crucial to understand in the context of this document.

| | |
|---|---|
| **Intervention** | An action intended to reduce or avoid greenhouse gas (GHG) emissions, or to remove and store GHGs from the atmosphere. Interventions can also be known as mitigation actions. |
| **Intervention Outcome** | The emissions benefit – usually an emissions reduction or removal – of an intervention. |
| **(Sub)components** | A term used to collectively refer to both Components (the goods and services companies directly purchase and sell) and Subcomponents (intermediate goods and services that are inputs to the components) that are part of a reporting company's physical inventory. When guidance is specific to either components or subcomponents alone, the appropriate term will be used throughout the document. |
| **Associated Interventions and Intervention Outcomes** | An intervention that is deemed sufficiently relevant to a (sub)component in a company's value chain following the AIM Standard Association Test is an associated intervention. The associated intervention's outcomes can then be reported in a comprehensive multi-statement GHG report following the subsequent requirements of the AIM Standard. |
| **Targeted (sub)component** | The (sub)component being addressed by an associated intervention. |
| **Comprehensive multi-statement GHG report** | A group of GHG reporting statements, in addition to a physical inventory statement, that provide companies with the opportunity to report interventions that are not directly reported or otherwise accounted for in a physical inventory. The AIM Standard introduces two reporting statements: the contractual inventory and the impact statement. |
| **Physical Inventory** | The foundational estimate of physical GHG emissions (and removals, if applicable) resulting from a company's activities. |
| **Reporting Company** | Used throughout the document to refer to the company that intends to report associated intervention outcomes in its comprehensive multi-statement GHG report following the requirements of the AIM Standard. "Company" or "companies" is also used as shorthand for reporting company. |
| **Intervention Host** | An entity that implements the intervention or owns or controls the site where the intervention is implemented or occurs. |
| **Intervention Outcome Supplier** | An intermediary or downstream actor that supplies the intervention outcome (e.g., an alternative fuel supplier that is distributing but not producing the fuel and therefore is not the Intervention Host). |
| **Intervention Host/Supplier** | This document will use the term "Intervention Host/Supplier" when the statement applies to both Intervention Hosts and Intervention Outcome Suppliers. When guidance is specific to either Intervention Hosts or Intervention Outcome Suppliers alone, the appropriate term will be used. |

Readers are encouraged to consult the glossary for detailed definitions of all relevant terms.

## Summary of Requirements and Recommendations

Appendix B contains a summary of the requirements and recommendations for each chapter. Many of the requirements and recommendations in this document are informed by, and to some degree rely on, external programs to support implementation. Appendix C summarizes references made to external programs, standards, or resources. Those references are also noted throughout this document where pertinent.

## Supported Claims, Use Cases, and Outputs of the AIM Standard

The AIM Standard is designed to be used by companies seeking to credibly report an intervention outcome associated with their value chain in a comprehensive multi-statement GHG report. In applying the AIM Standard, companies will produce the necessary documentation to determine value chain association, assess intervention quality, and account for and report intervention outcomes.

The AIM Standard was written for interventions targeting scope 3 emissions that cannot be fully accounted for and reported in the physical inventory. To understand how the AIM Platform fits into the GHG accounting and target-setting ecosystem, refer to the section "Position of the AIM Platform within the Climate Standards Ecosystem" in Chapter 2 below.

Users of this document should refer to Appendix D, Assurance to the AIM Standard Readiness Resources, while applying the AIM Standard to ensure items that require public and/or audit disclosure are properly recorded and documented.

## Sector Exceptions

The AIM Platform recognizes that the requirements, recommendations, and guidance outlined in the AIM Standard may not fully address the needs of companies seeking to pursue interventions in some sectors, such as electricity, due to those sectors' complexity and nuances. As sector exceptions are identified, the AIM Platform will publish separate guidance to address these sectors' specific needs. Companies pursuing interventions in identified sectors are strongly encouraged to follow the requirements, recommendations, and guidance outlined in relevant supplemental materials. The AIM Platform will continue to assess whether additional intervention or sector-specific guidance is needed over time.

Guidance for companies seeking to pursue electricity-related interventions is expected to be published following Version 1 of the AIM Standard in 2026.

# Chapter 2: About the AIM Platform



## Mission

The AIM Platform is a cross-sectoral, multi-stakeholder initiative that was established in early 2023. The AIM Platform's mission is to unlock vast new sums of private climate finance by bringing civil society and the private sector together to remove roadblocks to value chain mitigation and ignite sectoral transition.

## Vision

The AIM Platform's vision is a world where businesses can easily account for and claim value chain emissions interventions, driving the deployment of advanced, low-carbon technologies, and enabling the transition to a sustainable economy.

## Objectives

AIM Platform Objectives:

- **Enable credible decarbonization pathways**: Provide a structured framework to help companies leverage the full mitigation potential of climate targets by responsibly expanding the range of eligible interventions and managing associated risks.
- **Provide clarity and confidence for companies**: Deliver clear, actionable guidance to help companies determine whether specific interventions may be counted toward value chain emissions reduction targets.
- **Unlock near-term, outcome-focused climate investments**: Enable companies to channel near-term investments into high-impact interventions that deliver tangible climate outcomes today and support long-term value chain transformation.
- **Ensure assurable, high-quality interventions**: Provide criteria to ensure that all interventions are assurable and credibly contribute to science-aligned climate goals.

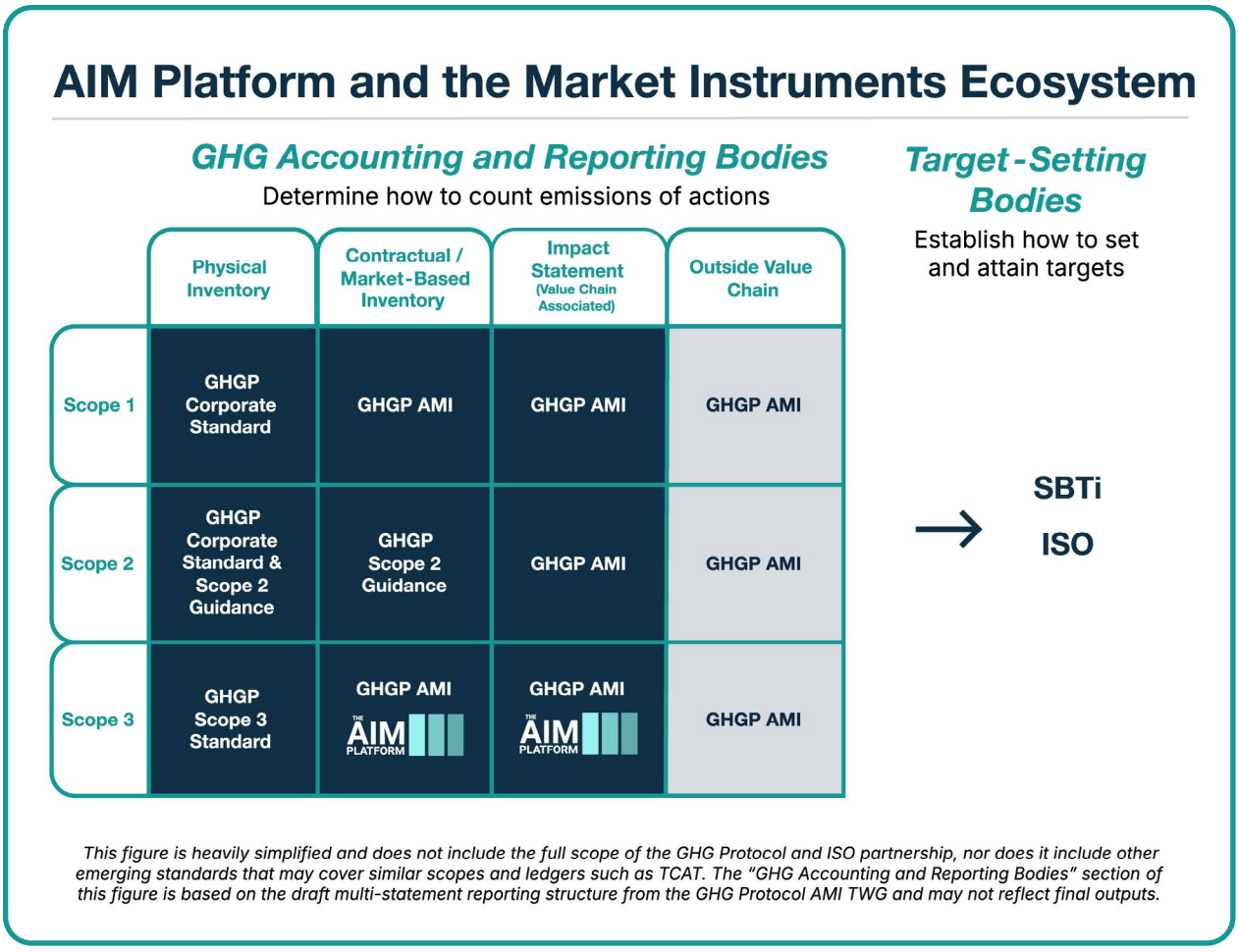
## Position of the AIM Platform within the Climate Standards Ecosystem

The sole focus of the AIM Platform is to fill a gap in the climate standards ecosystem by providing detailed requirements and guidance that enables companies to identify and account for high-quality, value chain associated interventions. By focusing on scope 3, the AIM Platform is able to conduct comprehensive pilot testing and thoroughly consider and address feedback received, resulting in detailed guidance. This remit ensures the AIM Standard is unique in the standards and guidance landscape and complementary to the work of other organizations, including

the Greenhouse Gas Protocol (GHG Protocol), the Science Based Targets initiative (SBTi), the International Organization for Standardization (ISO), and the Task Force for Corporate Action Transparency (TCAT). While the AIM Platform does not make decisions for existing standards, the intention is for interventions that meet the requirements set out in the AIM Standard to be reportable under leading accounting and reporting standards and counted towards climate targets set pursuant to leading climate target-setting standards. Leaders from the GHG Protocol, SBTi and members of ISO working groups have participated as observers to the AIM Platform drafting and development process, underscoring the efforts made to remain complementary.

Operating on an ambitious timeline to accelerate corporate climate action, the AIM Platform intends to inform, align with, and influence GHG Protocol and SBTi.[4] The AIM Platform will continue to monitor the standards landscape and revise this Standard as needed to ensure its relevance and utility.

*Figure 1: The AIM Platform within the GHG Accounting and Target-Setting Ecosystem*




*This figure is heavily simplified and does not include the full scope of the GHG Protocol and ISO partnership, nor does it include other emerging standards that may cover similar scopes and ledgers such as TCAT. The "GHG Accounting and Reporting Bodies" section of this figure is based on the draft multi-statement reporting structure from the GHG Protocol AMI TWG and may not reflect final outputs.*

4 The AIM Platform does not determine what is included in a GHG inventory or what qualifies toward a science-based target.

# AIM Governance and Standard Development Process

Good governance is a critical imperative to the current and future success of the AIM Platform as a Standard and Guidance provider for organizations seeking to act on their scope 3 climate targets. The AIM Platform is organized and governed as follows:

- **AIM Platform Organizers**: The Organizers are the AIM Platform's three convening organizations: Center for Green Market Activation (GMA), Gold Standard, and Center for Climate and Energy Solutions (C2ES). The Organizers ensure the AIM Platform operates in alignment with its Guiding Principles and interacts appropriately with existing accounting and reporting standards. They are also responsible for establishing representative and inclusive governance and supporting robust consultation processes.
- **AIM Platform Governing Committee**: The Governing Committee is the key decision-making body for the AIM Platform. It is comprised of up to 15 independent members selected for their expertise and representation across sectors. Governing Committee members represent one of three groups: environmental non-profits, standard-setting bodies and academia, and private sector experts. The Governing Committee oversees the AIM Platform and approves all outputs.
- **AIM Platform Secretariat**: The Secretariat is composed of staff from the Center for Green Market Activation (GMA), Gold Standard, and Center for Climate and Energy Solutions (C2ES). The Secretariat authors papers and drafts of the AIM Standard for review by the Governing Committee and facilitates broad stakeholder participation through consultations and engagement activities.

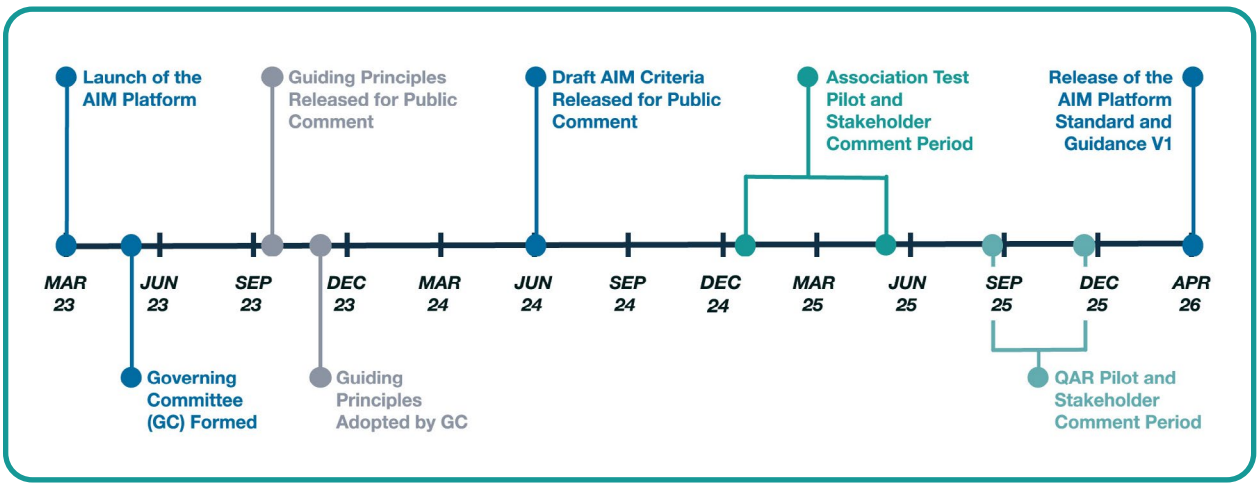
All governance documents, including meeting materials, can be found in the Governance Document Repository on the AIM Platform website.

Since its launch in 2023, the AIM Platform has engaged in an iterative, transparent development process grounded in public consultation and real-world piloting of its publications. This process has been critical to ensure that the resulting AIM Standard is both credible and practical across a wide range of sectors.

The Governing Committee and Secretariat intend to update the AIM Standard in a timely fashion to ensure continued usability and harmonization with other standards.

See Figure 2 for an overview of the AIM Standard Development process to date.

*Figure 2: AIM Standard Development Process*



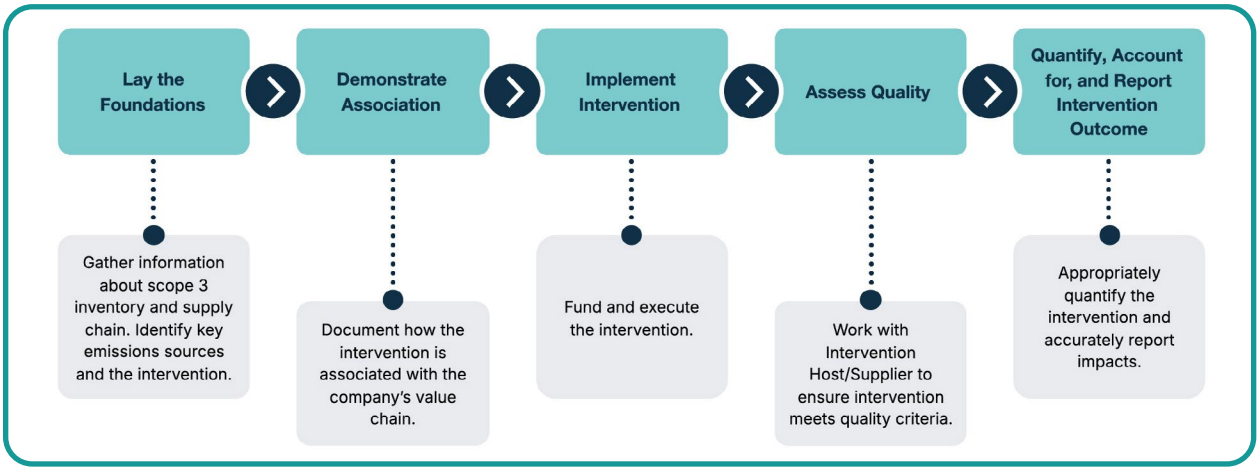
# Chapter 3: How to use the AIM Standard



## Navigating the Standard

The AIM Standard is designed to help companies move sequentially through the process of engaging in climate interventions, starting by determining an intervention's association to the value chain, then assessing intervention quality, and finally accounting for and reporting on outcomes. To assist with this, the AIM Platform has created a high-level flow chart and a detailed decision tree for companies to reference throughout the process. Figure 3 below provides a high-level snapshot of the entire process.

*Figure 3: High-Level Flow Chart Outlining the Steps of the AIM Standard*



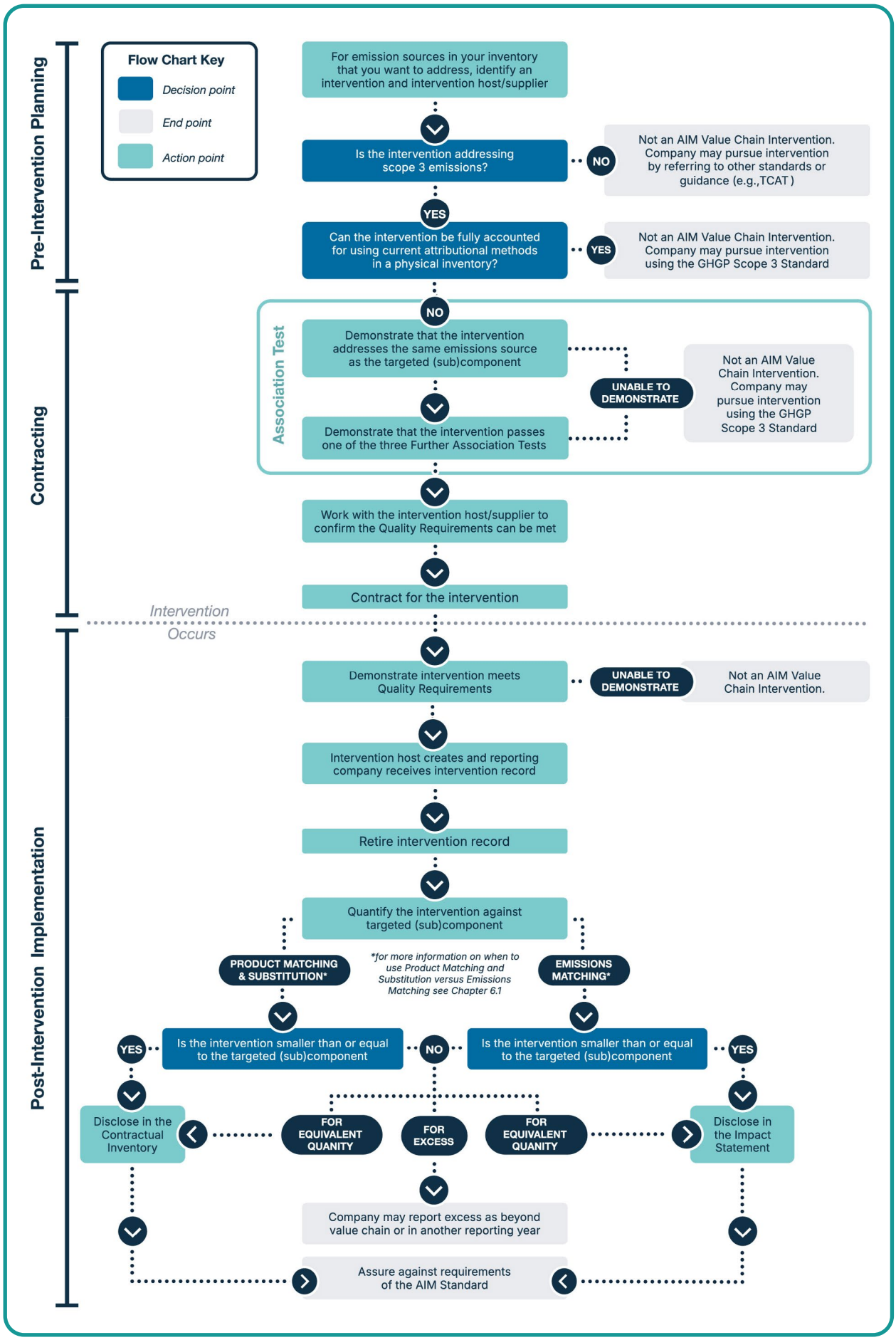

The high-level flow chart omits the operational details for various phases to aid in readability. The AIM Standard decision tree provides additional information about how to execute on the various stages of an intervention and accurately account for and report on the intervention outcomes. Companies seeking to pursue interventions may find it useful to review the decision tree early in the process to better understand the actions required.

## AIM Standard Decision Tree

This detailed decision tree contains all the major steps a company will go through when using the AIM Standard. The figure also previews key methodological decision points. It is important to note that, while the order in this decision tree may be typical for most companies, details may differ in some instances. Therefore, the decision tree should be viewed as a general guideline to the process rather than a prescriptive set of rules.

The decision tree is broken into three distinct phases: 1) pre-intervention planning, 2) contracting, and 3) post-intervention implementation. The steps in these phases are outlined in Figure 4 below:

*Figure 4: Flow Chart Outlining the Steps to the AIM Standard*



# Chapter 4: Association Test

## *4.1 Preparing for the Association Test*

To perform the Association Test and be able to adhere to subsequent steps of the AIM Standard, companies will first:

1. Identify, quantify, and locate the components and subcomponents accounted for in their scope 3 physical inventory that could be associated with the tested intervention (see Appendix E for more details).
2. Identify and locate the intervention they seek to associate with their value chain (see Appendix F for more details).
3. Determine when they will assess an intervention's association, and when the intervention's association will be established.

### Requirements:

- N/A – No requirements in this chapter.

### Recommendations:

- Companies should record the information obtained when identifying, quantifying, and locating the tested interventions, components, and subcomponents. This documentation will be necessary in performing subsequent steps of the AIM Standard and when undertaking assurance. An assurance readiness resource can be found in Appendix D.

### Guidance

#### *Understanding Emission Sources (Components and Subcomponents)*

Emissions source hot spots are specific products or processes that are the basis of greenhouse gas emissions in a company's value chain. For companies seeking to reduce their emissions, identifying and prioritizing addressing these emissions sources can be an effective and impactful way to achieve decarbonization goals and climate targets.

The AIM Standard uses the organizing concepts of components and subcomponents, hereafter referred to as "(sub)components", to help companies categorize value chain activities and emissions sources. (Sub)components are organizing concepts that are intentionally flexible so they can support the variety of interventions companies seek to associate.

Components are the products (goods or services) companies directly purchase and sell across their value chains. Components include:

- Products purchased from direct (tier 1) suppliers.
- Products sold to a company's customers (either end users or business-to-business customers).

Subcomponents are inputs to, or outputs from, components. Subcomponents include, but are not limited to:

- Input used to produce components.
- Component byproducts and waste generated in component production.
- Inputs required to use and dispose of sold components.
- Inputs required to transport components.

See Appendix E for more information on how a company can identify, quantify, and locate (sub)components.

### *Identifying and Contextualizing Interventions*

This document uses the term 'intervention' to refer to an action targeting a company's scope 3 emissions that is intended to reduce or avoid GHG emissions, or to remove and store GHGs from the atmosphere. For an intervention to successfully pass the Association Test, it must address emissions sources within a company's value chain.

When preparing for the Association Test, a company may have an intervention in mind that they would like to pursue, or a company may find it easier to identify emissions sources in their value chain first before considering potential interventions.

See Appendix F for more information on how a company can identify and locate an intervention.

### *Establishing Association*

The AIM Standard does not require companies to establish an intervention's value chain association annually. Rather, companies have options as to when they choose to perform the Association Test and establish an intervention's association with value chain. Milestones for when a company can perform the Association Test, and thus establish association, are as follows:

- When the intervention's purchase, funding, or financing binding agreement is signed between the company and the intervention producer.
- When the intervention is installed, reaches commercial operation, or comparable milestones.
- When the intervention outcomes occur.

### *Collecting and Documenting Information*

Companies will need to gather data in the process of preparing for the Association Test and when demonstrating Basic and Further Association. The information gathered during these steps will also be useful when applying the quality, accounting, and reporting requirements against the intervention. As such, it is recommended that companies record the information obtained when identifying, quantifying, and locating the tested interventions, components, and subcomponents.

## *4.2 Basic Association*

### Purpose of Basic Association

Basic Association is the first of two parts of the Association Test. It serves to ensure that an intervention a company seeks to invest in to address value chain emissions is associated with an emissions source in their physical inventory as a (sub)component.[5]

5 A physical inventory is a scope 3 emissions inventory prepared according to the current GHG Protocol scope 3 emissions reporting requirements. See Section 7.1, Separate Reporting Statements, for more details.

### Requirements:

- To pass Basic Association, the intervention shall address an emissions source that is included in the company's value chain as part of their physical inventory. The emissions source can be in the physical inventory as a component or subcomponent.

### Recommendations:

- Companies may use relevant sector-specific guidance to pass the Basic Association requirement.

## Note

Chapter 6 provides additional requirements for quantifying intervention outcomes (the emissions benefit of an intervention) relative to a (sub)component[6] when the intervention outcome is reported as part of a contractual inventory or impact statement (Section 7.1).

## Guidance

An emissions source is a process that releases GHG emissions into the atmosphere. Interventions reduce emissions by addressing the source directly (e.g., substituting a fossil fuel boiler with an electric boiler), or by impacting a process upstream or downstream that reduces emissions over the life cycle of a product (e.g., replacing fossil jet fuel with SAF produced by a waste feedstock). Understanding what underlying emissions source the intervention is addressing is critical to ensuring association.

Once the emissions source that the intervention is addressing is understood, the company needs to determine if that emissions source is part of their physical inventory, specifically, their scope 3 GHG emissions inventory prepared according to the current GHG Protocol Scope 3 reporting requirements. This can be straightforward or complex depending on how disaggregated a company's scope 3 data is or how far downstream or upstream the company sits relevant to the intervention. The emissions source may be directly associated with a component or a subcomponent, as defined in Section 4.1. Table 1 presents different examples of intervention emissions sources and whether Basic Association would be passed.

6 The quantity of the intervention in relation to the volume of emissions (i.e., (sub)components) it addresses will impact how much of the intervention outcome can be applied to a company's contractual inventory or impact statement. Refer to Section 6.1 for more details.

*Table 1: Examples of Matching Intervention Emissions Sources with Physical Inventory (Sub)components*

| Emissions Source Addressed by Intervention | Physical Inventory Emissions Source (e.g., targeted (sub)component) | Does this pass Basic Association? |
|---|---|---|
| Enteric fermentation emissions on dairy farms by adding feed additives | Purchased dairy | Yes, enteric fermentation is an emissions source in the dairy value chain. |
| | Purchased ice cream | Yes, dairy is a key input into ice cream and is therefore a subcomponent. Enteric fermentation is an emissions source in the dairy value chain. |
| | Transportation of ice cream to end consumer | No, the emissions source is fuel combustion due to transportation which does not include enteric fermentation. |
| Marine shipping upstream emissions by switching from conventional fossil fuel to low-emissions biofuels, reported in $CO_2e$/km | Shipping of bulk cargo | Yes, upstream shipping emissions are part of the value chain. |
| | Transport of goods | It depends. Yes, if the goods are traveling from overseas and it is reasonable to assume some percentage is transported by ship based on average data. No, if shipping is not a typical mode of transport for the goods or if that level of disaggregation is not possible given data availability. |
| | Business travel | No, business travel does not involve marine shipping. |
| Emissions from ammonia production by switching from natural gas to renewable electricity (green ammonia) | Purchased nitrogen fertilizer | Yes, ammonia production is an emissions source (subcomponent) to the production of nitrogen fertilizer. |
| | Purchased crops that include nitrogen fertilizer in their cradle-to-gate emissions factors | Yes, nitrogen fertilizer is a subcomponent, of which ammonia production is another subcomponent. However, the company will need to determine that fertilizer is part of the emissions factor used in their physical inventory. |

If an emissions source is part of an upstream or downstream processing step, companies will need to confirm that the emissions source is imbedded in the LCA or EEIO emissions factor being used to calculate their physical inventory. Additional guidance on disaggregating LCA and EEIO data is located in Appendix E.

Information on justifications or assumptions made to pass Basic Association is required for assurance against the AIM Standard (Chapter 8 and Appendix D).

## Using Sector-Specific Guidance

Where available, companies can use sector-specific guidance to match an intervention emissions source to an inventory emissions source. If using sector-specific guidance, it is important that the sector-specific guidance is relevant to the intent and requirements of Basic Association. Using sector-specific guidance to meet a specific AIM Platform requirement, e.g., Basic Association, does not necessitate meeting all the requirements of that guidance, nor does it indicate that the guidance is consistent with all other requirements of the AIM Standard.

One such sector-specific guidance is the Smart Freight Centre's Voluntary Market Based Measures Framework for Logistics Emissions Accounting and Reporting (2023). The framework states that an intervention needs to be in the same transportation mode as the targeted inventory

(sub)component to address the same emissions footprint. Interventions in a different mode than the targeted (sub)component are not considered to be addressing the same emissions footprint. For example, a company with aviation emissions in its inventory could address those emissions with a SAF intervention since SAF is addressing the same transport mode as the aviation emissions. The company could not use a SAF intervention to address its maritime emissions.

## Aggregating (Sub)Components to Maximize Intervention Investment

For many companies, the same emissions source occurs as a part of different (sub)components within its value chain. If a company decides to support an intervention addressing emissions related to a feedstock that is then used to create different variations of a product, the amount of that feedstock in all product variations within that company's physical inventory would be considered (sub)components and can be aggregated to inform the quantity of intervention outcomes they support. Aggregating these (sub)components can enable companies to pursue larger, more economical interventions than they would be able to if companies were only able to address emissions from individual (sub)components. However, companies cannot aggregate (sub)components that do not include the emissions source addressed by the intervention.

For example, assume a company invests in an intervention addressing emissions associated with semi-finished steel products and that semi-finished steel is an input, i.e., subcomponent, in all of the steel products included in its physical inventory. That company can aggregate the amount of semi-finished steel represented in all steel products in its physical inventory to inform the quantity of intervention outcomes the investment could support (see the section "Quantity Considerations" below). Table 2 provides examples of common interventions and corresponding products that can be appropriately aggregated.

*Table 2: Aggregation Examples*

| Intervention Emissions Source | Physical Inventory Emissions Source | (Sub)components with Emissions Source in their Cradle-to-Gate Emissions Factors |
|---|---|---|
| Clinker manufacturing | Products purchased that are or contain cement or concrete | ▹ Ordinary Portland Cement (OPC)<br>▹ Portland Limestone Cement (PLC)<br>▹ Blended cement (e.g., slag, fly ash, pozzolan blends)<br>▹ Ready mix concrete<br>▹ Pre-cast concrete<br>▹ Pre-stressed concrete<br>▹ High-performance concrete<br>▹ Lightweight concrete |
| Heavy-duty trucking emissions | Heavy-duty trucking operations within the value chain, including products transported using heavy-duty trucking | ▹ Less-than-Truckload (LTL)<br>▹ Truckload (TL)<br>▹ Drayage<br>▹ Package |

## Quantity Considerations

While matching the quantity of aggregated (sub)components with an intervention is not a requirement for Basic Association, decisions made at this stage in the process will impact how much of the intervention outcome can be applied to a company's contractual inventory or impact statement. Chapter 6 requires companies to ensure the quantity of intervention outcomes reported in a comprehensive inventory does not exceed the quantity of matched (sub)components within

their current value chain for a given reporting year. Understanding which (sub)components can be aggregated, how consistent or common those (sub)components are in the value chain, and what adjustments may be needed to accurately account for the intervention outcome will help avoid investing in an intervention that does not match the quantity of inventory (sub)components. Companies can still choose to invest in a larger intervention and report excess outcomes as beyond value chain or in subsequent reporting years.

### Basic Association for Interventions That Include Removals or Carbon Capture

If the intervention includes carbon capture or removals as the mechanism to address emissions associated with a specific emissions source, companies can associate the intervention with that emissions source. For example, if carbon capture has been added to a cement facility to reduce emissions associated with cement production and is included within the intervention outcome following the requirements of Section 5.4, companies could achieve Basic Association if they have cement in their physical inventory. If the carbon capture or removal occurs separately from the targeted (sub)component's emissions source, it cannot be associated with the company's value chain.

Determining whether removals are targeting a (sub)component's emissions source (versus removing unrelated emissions), can be more complicated in the Forestry, Land, and Agriculture (FLAG) sectors. For a FLAG intervention that includes removals to pass Basic Association, the removals need to occur either on the productive lands impacted by the intervention, or on adjacent or proximate non-productive land, as defined by the GHG Protocol Land Sector and Removals Standard.

In all cases, removals are reported separately following the requirements in Section 7.1.

## *4.3 Further Association*

### Purpose of Further Association

The Further Association test ensures that a company's tested intervention relates to a company's value chain in terms of supply chain relationship (Supplier or Customer method), geography (Sourcing or Use Region method), or key sector (Critical Sector method). Through these methods, companies are incentivized to intervene within or close to their known value chain as well as to make near-term impactful interventions in critical sectors, where physical traceability can be challenging or impossible.

#### Requirements:

- Interventions shall meet the requirements of one of the following three Further Association methods:
  - Supplier or Customer
  - Sourcing or Use Region
  - Critical Sector
- If using the Critical Sector method, companies shall justify the barriers to using the other two methods.

#### Recommendations:

- N/A – No recommendations in this chapter.

## Guidance

Each of the three Further Association methods has its own set of requirements.

The Supplier or Customer method and the Sourcing or Use Region method require a company to demonstrate a supply chain relationship or a geographic relationship between the intervention and the company's value chain. These methods do not require companies to match all targeted (sub)components with a specific supplier or customer or in a specific sourcing or use region.[7] Companies will want to consider the relevance of requirements in other standards or sector-specific guidance when determining how geographically close to match intervention outcomes to inventory (sub)components.

Companies using the Critical Sector method need to justify the barriers to using the other two methods in addition to other method-specific requirements. Justification can vary depending on the sector, intervention availability, and the nature of a company's value chain. Justification can be either quantitative or qualitative. A non-exhaustive list of justifications can be found in Table 3. More information on the Critical Sectors method can be found in Section 4.3.3.

*Table 3: Examples of Justifications a Company Could Use to Move Forward with Critical Sector Method*

| Intervention | Potential Justification |
|---|---|
| Consulting company purchasing SAF Certificates to address its employees business travel emissions | Company notes that as a consulting firm, it has no ability to directly purchase SAF or influence its airlines to use SAF on the specific flights its employees' are on.<br>Company notes the airports where SAF is currently being uplifted and demonstrates that its employees are flying into and out of different locations. |
| Technology company purchasing Low-Emissions Steel Certificates to address the steel in its sold products | Company quantifies its upstream steel emissions using EEIO analysis, and explains that it lacks certainty in accurately identifying the country of origin of its inventory steel subcomponents. As such, it cannot identify a Sourcing Region. |
| Consumer Package Goods (CPG) company purchasing Zero-Emissions Trucking Certificates to address its upstream distribution emissions | Company details the operational and/or economic barriers to working with carriers shipping their goods in the same sourcing region as their identified trucking (sub)components – lack of charging infrastructure or insufficient demand from other customers on the given lanes to support battery electric truck deployment, estimates of cost premiums, etc. |
| Real estate company purchasing low-emissions cement certificates to address its building emissions | Company describes how cement and concrete is a hyper-localized industry with little movement of product over large distances. Company details the lack of ability to invest in decarbonized solutions or purchase cement EACs from producers in the region that they are building. |
| Consumer Package Goods (CPG) purchasing intervention outcomes for providing capital investment for a low-carbon ethylene facility | Company explains that ethylene production happens only at a large scale in relatively few locations, and then is a highly traded intermediate good with near-zero traceability. Company demonstrates it cannot accurately define a sourcing region for its tier 2+ upstream ethylene (sub)components. |

7 Relative geography can impact the amount of intervention outcomes that can be accounted for and reported. See Chapter 6.

### 4.3.1 Supplier or Customer Method

#### Requirements:

- To pass the Supplier or Customer method, companies shall demonstrate that the intervention host is a supplier or a customer of the targeted (sub)component at the time of signing a binding intervention agreement.

#### Recommendations:

- N/A – No recommendations in this chapter.

### Guidance

The Supplier or Customer method enables companies to pursue interventions with their upstream or downstream partners. It addresses uncertainty about future business relationships, which often discourages companies from investing in long-term interventions with suppliers or customers. By providing assurance that such interventions remain valid despite future changes in the value chain, the method encourages continued investment.

A supplier is a business with which the company either:

- Has a supply contract for the inventory (sub)component at the time a binding intervention agreement is signed.
- Is a current supplier (or supplier's supplier) to a company that has a supply contract for the inventory (sub)component at the time a binding intervention agreement is signed.

A customer is a downstream consumer to whom the company sells (sub)components. This can include:

- Other companies.
- Residential customers.

Likely data sources companies can use to determine if an intervention meets the Supplier or Customer method can be found in Table 4.

*Table 4: Data Sources for Supplier or Customer Method (non-exhaustive)*

| | Data Source |
|---|---|
| For suppliers: | The reporting company's active procurement contracts for the targeted (sub)component. This information is likely contained within a company's procurement system. |
| For subcomponent suppliers to suppliers: | Documentation from a supplier that the subcomponent supplier provided products to the direct supplier. |
| | Certain sector-specific reporting programs. For example, the Higg index includes some Tier 2 manufacturer data for member apparel companies. |
| | Some company-supplier contracts may contain contract provisions containing a list of permissible companies from which the supplier can source subcomponents. Possible subcomponent suppliers listed by name in such contracts can qualify so long as the supplier meets the requirements of this method. |
| For customers: | The reporting company's sales contracts. These contracts may be found in a company's business development and delivery records. |
| | For companies that sell to wholesalers, who in turn sell the products to downstream customers, it may be possible to identify downstream customers by obtaining information from the wholesaler. |

Companies are not required to trace interventions to the specific facility producing the sourced (sub)components but rather only to a facility of the supplier that produces the sourced (sub)component.

As long as the intervention occurs with a supplier or customer at the time of contracting, it remains eligible to meet Further Association, even if that supplier no longer provides (sub)components to the company in the future.

Refer to Section 5.8 for additional information on intervention crediting periods.

### Example: Supplier or Customer Method

Company A, a chemicals company, is looking to invest in an intervention with a supplier, Supplier Y, that will decarbonize a high-impact (sub)component in its value chain. Supplier Y produces this (sub)component at two different facilities (Facility A and B) and determines that Facility A is the best option for the intervention even though Company A sources the (sub)component from Facility B.

To demonstrate conformity with the requirements laid out by the Supplier or Customer method, Company A must demonstrate that Supplier Y is a supplier at the time the binding intervention agreement is signed. Company A satisfies this requirement by referencing the procurement contract with Supplier Y, which is housed in its internal procurement system. This provides the necessary documentation to confirm the commercial relationship required.

Even though the intervention is not at the specific facility the (sub)component is sourced from, by demonstrating that the intervention addresses (sub)components from a supplier's facility, Company A is able to assert that the intervention meets the requirements of Further Association. Further, the AIM Standard gives Company A confidence that the outcomes of the intervention can still be claimed even if Supplier Y is not a supplier in the future because Supplier Y was a supplier when association was established.

## 4.3.2 Sourcing or Use Region Method

### Requirements:

- To pass the Sourcing or Use Region method, companies shall demonstrate that the intervention is located within the same sourcing or use region as a targeted (sub)component.
- If the intervention is in the Forest, Land, and Agriculture (FLAG) sectors, the GHG Protocol Land Sector and Removals Standard or an equivalent standard shall be used to set the boundary of the sourcing region.[8]

### Recommendations:

- Companies may use sector-specific guidance to define the sourcing or use region in non-FLAG sectors if available.

### Guidance

The Sourcing or Use Region method allows companies to pursue interventions that occur within a likely group of suppliers (or downstream customers) located in the regions the company sources from or sells into.

8 Using the LSRS or equivalent standard to set the sourcing region boundary does not necessitate meeting all the requirements or guidance of that Standard.

The determination of whether to apply a sourcing region versus a use region will depend on the intervention. Sourcing regions are most appropriate for upstream interventions targeting suppliers, while use regions apply to downstream intervention focused on product use. Sourcing and use regions are defined as follows.

A sourcing region[9] is:

- A geographically and economically defined group of suppliers providing equivalent goods or services that can be demonstrated to be associated with the reporting company's value chain (Value Change Initiative, 2025).

A use region is:

- A defined market or region in which a company's sold products are used.

## Sourcing Region

Companies pursuing interventions in the FLAG sectors are required to define the sourcing region boundary using the GHG Protocol Land Sector and Removals Standard or an equivalent standard. This provides consistency between the sourcing region for the scope 3 physical inventory and scope 3 intervention accounting following the AIM Standard for FLAG-related interventions.

### Example: Determining a Sourcing Region for a FLAG Intervention

A global food and beverage company is looking to invest in an intervention that would reduce corn-related emissions. Given that the intervention is in the agriculture sector, the company used the Land Sector and Removals (LSR) Standard (Greenhouse Gas Protocol, 2026) to set the boundary of its sourcing region. Per the LSR, a sourcing region is "*a predefined, spatially explicit land area that supplies a given raw material to the first point of aggregation or first processing facility in the value chain*". Further, when physical traceability to the first point of aggregation is known, companies "*shall include only attributed productive lands within the sourcing region*".

The company knows it sources 85% of its corn from a food hub (an organization that collects the agricultural outputs of 30+ farms for selling and distribution) in Iowa, U.S., but does not have visibility in its supply chain as to which specific farms within the food hub it procures corn from. As the food hub is the first point of aggregation for the corn, the company determines the food hub is the sourcing region boundary.

The company uses the LSR Standard to demonstrate it has met the requirements of the Sourcing or Use Region method and moves forward with pursuing an intervention to address corn emissions at one of the food hub farms.

If not using the Land Sector and Removals Standard or other sector-specific guidance, the sourcing region can be defined using the hierarchy in Table 5 below. Companies can determine the sourcing region boundary that works best for the targeted (sub)component, data availability, and as intervention type allows.

9 The concept of a Sourcing Region was first explored in the draft GHG Protocol's Land Sector Removal Guidance and was later built on by VCI through the concept of a Supply Shed. SBTi's Corporate Net-Zero Standard Version 2.0 has broadened the concept further into what are known as Activity Pools. As noted in VCI's November 2025 *Activity Pools – Exploration by Value Change Initiative*, the core concept that "emissions and mitigation efforts must occur within a physically and economically plausible boundary that could credibly serve the reporting entity" remains, regardless of the term used.

*Table 5: Sourcing Region Hierarchy*

| Option # | Sourcing Region Boundary | Description |
|---|---|---|
| 1 | Sub-national region | When the company can demonstrate that the targeted (sub)component is produced within a specific subdivision of a country (e.g., state, province, or regulatory or economic zone). |
| 2 | Country of origin | When the company can demonstrate that the relevant (sub)component is produced in a specific country. |
| 3 | Broader than country of origin | When the country of origin cannot be identified, companies can set the sourcing region boundary at the next most granular level supported by available data, such as a region of economic integration or a defined common product market. |

Companies using option 3 will need to identify the most granular sourcing region beyond country of origin that their available data supports, and document the justification for selecting that boundary. Broader sourcing regions include, for example, regions of economic integration or common product markets, with considerations to the homogeneity of the market and how that relates to the targeted (sub)component. Examples of regions of economic integration include:

- Benelux Union.
- The East African Community (EAC).
- ASEAN Free Trade Area (AFTA).

Companies can also set the sourcing region boundary using common product markets. Common product markets are most applicable to highly fungible commodities and are often characterized by shared market governance and trade infrastructure. The following criteria can be used to establish appropriate common markets:

1. The common market uses consistent and publicly referenceable geographic boundaries.
2. The common market boundary is designed at the most granular level possible for the (sub)component and intervention type.
3. The common market demonstrates homogeneity in key characteristics relevant to the (sub)component (e.g., production methods, regulatory environment, or emissions intensity).

Many products are produced using inputs sourced from and production processes conducted in multiple countries, which makes determining the location of (sub)components challenging. For example, when a company sources the same (sub)component from multiple countries, the company can choose to select a single country of origin as the sourcing region boundary. Appendix E provides additional guidance on locating (sub)components.

Likely data sources to demonstrate the appropriate sourcing region for the (sub)component include, but are not limited to:

- Import and/or shipping records.
- Product labeling (e.g., apparel tag “made in country ABC”).
- Written communication from suppliers indicating (sub)component origin.
- Certificates of origin.
- Audit reports.
- Third-party certification or assurance statements.

## Example: Sourcing Region

A global technology company is looking to invest in an intervention that would reduce emissions related to widget manufacturing for one of its products. The company cannot identify a known supplier of the widget. The company therefore decides to demonstrate compliance with the Sourcing or Use Region method.

After assessing available data, the company determined it did not have sufficient information for the intervention type it wanted to pursue to set the sourcing region boundary at country of origin. However, the company was able to determine that it likely sources the majority of its widgets [the (sub)component] from countries in the ASEAN Free Trade Area (AFTA). Because the Sourcing or Use Region method offers flexibility for companies to choose a boundary that works best for them based on data available, the company sets this region as the sourcing boundary.

The company identifies an intervention that would electrify one stage of the production process of the widget in Thailand. Because the intervention's location is within the region set as the sourcing boundary, AFTA, the company satisfies the requirements of the Sourcing or Use Region method.

### Use Region

Use regions can be determined based on the hierarchy outlined in Table 6 below.

*Table 6: Use Region Hierarchy*

| Option # | Use Region Boundary | Description |
|---|---|---|
| 1 | Sub-national region that is relevant to the (sub)component and the intervention | When (sub)component use telemetry data is available, allowing the company to identify countries and sub-national regions of product use. |
| 2 | Country-level boundary | When the point-of-sale country is known. |
| 3 | Applicable multi-country region | When multi-country region point of sale is known (e.g., European union, AFTA). |

Companies using option 3 will need to identify the most granular use region beyond country-level that their available data supports, and document the justification for selecting that boundary.

Many products are used in multiple countries and can cross borders without a paper trail, making determining the use region for a (sub)component difficult. Appendix E provides additional guidance on locating (sub)components.

Likely data sources to demonstrate the appropriate use region for the (sub)component include, but are not limited to:

- A company's point-of-sales records.
- Export records.
- For connected devices (e.g., mobile phones, gaming systems), user usage data maintained by the company.

### 4.3.3. Critical Sector Method

#### Requirements:

- To pass the Critical Sector method, companies shall demonstrate that the intervention supports decarbonization in a critical sector.

#### Recommendations:

- N/A – No recommendations in this chapter.

## Guidance

The Critical Sector method recognizes that there are critical technologies that need to be scaled in certain sectors to decarbonize the global economy. Many of the technologies that can drive decarbonization in these sectors are yet to reach commercial scale, are available in limited quantities and limited locations, lie far upstream in company value chains, and/or carry a significant cost premium relative to existing technologies. As a result, it can be difficult for a company looking to intervene in these sectors to do so directly with a supplier or customer or in a region they operate in. The Critical Sector method allows companies to pursue qualifying interventions without having to establish a physical link between the company and the intervention host.

Companies pursuing the Critical Sector method are required to demonstrate how the intervention supports a critical sector through one of the following three pathways: 1) by demonstrating that the intervention is on the AIM Platform Critical Technologies List (see Table 7), 2) by demonstrating that the intervention meets the AIM Platform Decarbonization Potential Thresholds for Critical Sectors (see Table 8) compared to an intervention baseline, or 3) by demonstrating other qualitative or quantitative metrics (see Table 9 for further guidance on other potential metrics).

Companies only need to use one of the methods to meet this requirement. For example, if a company demonstrates their intervention is on the Critical Technologies List, it does not also need to assess its decarbonization potential.

The Critical Technologies List and the decarbonization potential thresholds cover seven heavy transport and materials sectors. However, companies are not limited to these sectors when using the Critical Sectors method. Companies can pursue intervention in other sectors if they can demonstrate the intervention supports decarbonization in a critical sector using other qualitative or quantitative metrics.

## Critical Technologies

Table 7 includes a list of technologies that the AIM Platform considers critical to decarbonization. Companies supporting interventions on the Critical Technologies List satisfy the requirements of the Critical Sector method.

*Table 7: Critical Technologies List*

| Sector | Process Step | Critical Technology |
|---|---|---|
| Aluminum | Refining | ▹ Mechanical vapor recompression using 100% zero-emissions electricity.[10]<br>▹ Boilers powered by hydrogen[11] or electricity and/or thermal energy storage using 100% zero-emissions electricity.<br>▹ Calciners powered by hydrogen, electricity, and/or thermal energy storage using 100% zero-emissions electricity. |
| | Smelting | ▹ Switch to 100% zero-emissions electricity using carbon anodes<br>▹ Inert anodes powered by 100% zero-emissions electricity.<br>▹ Alternative process (e.g., HalZero) powered by 100% zero-emissions electricity.<br>▹ CCUS for process emissions from carbon anode-based smelting.[12] |
| Cement & Concrete | Clinker | ▹ CCUS with > 90% capture rate. |
| | Cement | ▹ Cement produced with supplementary cementitious materials (SCMs), which are not derived from fossil fuel-based processes and produce an LCA abatement of 50% or greater relative to OPC.<br>▹ Cement alternatives produced with non-carbonate feedstock and 100% zero-emissions electricity. |
| | Concrete | ▹ Concrete produced from cement or clinker meeting the above requirements. |
| Steel | Iron | ▹ Blast furnace with CCUS with > 75% capture rate.<br>▹ Natural Gas DRI with CCUS with > 90% capture rate.<br>▹ Hydrogen DRI.<br>▹ Electrowinning using 100% zero-emissions electricity. |
| | Steel | ▹ Basic Oxygen Furnace + CCUS with > 75% capture rate.<br>▹ Electric Arc Furnace with 100% zero-emissions power. |
| Chemicals | Hydrogen & Ammonia | ▹ Electrolyzer-based hydrogen production using zero-emissions electricity.<br>▹ Methane conversion + CCS with > 90% capture rate.<br>▹ Electrochemistry using zero-emissions electricity. |
| | Petro-chemicals | ▹ Fuel switching for steam cracking using near-zero-emissions fuels.<br>▹ Electrification of steam cracking (i.e., e-cracking) using zero-emissions electricity.<br>▹ Traditional steam cracking + CCUS with > 90% capture rate.<br>▹ Novel chemical recycling (e.g., depolymerization, solvolysis, or abated pyrolysis).<br>▹ E-Methanol-to-Olefins (or low-emissions bio-MTO).<br>▹ Electrochemistry using zero-emissions electricity. |
| Aviation | SAF | ▹ Power-to-Liquid (PtL) produced using green hydrogen.<br>▹ Hydrogenated Esters and Fatty Acids (HEFA) produced using a feedstock with an induced land use change (ILUC) value of 0 or less and LCA Abatement of at least 60% according to the Carbon Offsetting and Reduction Scheme of International Aviation (CORSIA) Default Lifecycle Emissions Values for CORSIA Eligible Fuels.<br>▹ Alcohol to Jet (AtJ) produced using a feedstock with a CORSIA ILUC value of 0 or less and LCA Abatement of at least 60%.<br>▹ Gasification and Fischer-Tropsch (FT) produced using a feedstock with a CORSIA ILUC value of 0 or less and LCA Abatement of at least 60%. |

10 RE100 Technical Criteria should be used to determine zero-emissions electricity sources and geographic matching.

11 Green Hydrogen must meet RFNBO definition established by RED III. Other Hydrogen production pathways must result in a product with a GHG intensity of less than or equal to 3.4 kg of $CO_2e$ per kg of Hydrogen produced.

12 Any CCUS technologies can be leveraged including amine, cryogenic, membrane, or next generation approaches.

*Table 7: Critical Technologies List (continued)*

| Sector | Process Step | Critical Technology |
|---|---|---|
| Shipping | Sustainable Fuels | ▹ E-Ammonia produced using green hydrogen.<br>▹ E-methanol produced using green hydrogen.<br>▹ E-methane produced using green hydrogen.<br>▹ Green Hydrogen Fuel Cell or direct combustion.<br>▹ Bio-methanol produced using a feedstock qualifying under EU RED Annex IX[13], or with a CORSIA[14] ILUC value of 0 or less and LCA abatement of at least 60%.<br>▹ Bio-methane produced using a feedstock qualifying under EU RED Annex IX, or with a CORSIA ILUC value of 0 or less and LCA abatement of at least 60%. |
| Trucking | Alternative Powertrain | ▹ Battery electric vehicles (BEVs) with a Gross Vehicle Weight Rating (GVWR) or greater than 19,501 pounds (8,846 kg).<br>▹ Fuel cell electric vehicles (FCEVs) with a GVWR of greater than 19,501 pounds (8,846 kg) utilizing green hydrogen. |

## Decarbonization Potential Thresholds

Table 8 includes the intervention decarbonization potential thresholds by sector.

*Table 8: Decarbonization Potential Thresholds for Critical Sectors*

| Critical Sector | Intervention Decarbonization Potential Thresholds |
|---|---|
| Aluminum | 60% |
| Cement/Concrete | 50% |
| Steel | 60% |
| Chemicals: Ammonia | 70% |
| Chemicals: HVCs | 40% |
| Aviation | 60% |
| Maritime (Shipping) | 60% |
| Heavy-duty Trucking | 60% |

In this document, the decarbonization potential threshold is the maximum, scientifically or technically feasible extent to which greenhouse gas (GHG) emissions can be reduced, eliminated, or captured as a result of implementing an intervention, measured against an intervention baseline.

Interventions that meet the intervention decarbonization potential threshold for its relevant sector as compared to an intervention baseline satisfy the requirements of the Critical Sector method. Refer to Appendix I, Determining a Credible Baseline, for more information on how to choose an appropriate baseline.

If companies determine an intervention's decarbonization potential before the intervention has been implemented, they may only have an estimated or expected emissions intensity. If so, the estimated value can be compared to the intervention baseline to calculate a decarbonization

13 *Renewable Energy – Recast to 2030 (RED II)*. (n.d.). The Joint Research Centre: EU Science Hub. https://joint-research-centre.ec.europa.eu/welcome-jec-website/reference-regulatory-framework/renewable-energy-recast-2030-red-ii_en

14 *CORSIA*. (n.d.). https://www.icao.int/CORSIA

potential percentage.[15] Estimated values must include assumptions and be sufficiently detailed for an assurance provider to assess.

## Other Qualitative or Quantitative Metrics

Table 9 provides examples of interventions and potential qualitative or quantitative metrics that justify the intervention supports decarbonization in a critical sector and therefore meets the requirements of the Critical Sectors method. Justifications must include specific sources and be sufficiently detailed for an assurance provider to assess.

*Table 9: Example Qualitative or Quantitative Metrics*

| Intervention | Potential Metric |
|---|---|
| Electrify a section of rail infrastructure. | Intervention is targeting a priority emissions source as outlined in table A.2: List of scope 3 priority emissions sources, from the SBTi draft V2 Corporate Net Zero Standard. |
| Replace the carbon used in the charge and injection process of making steel in an electric arc furnace with biomass. | Technology is on the International Energy Agency (IEA) ETP Clean Energy Technology Guide, a list of technologies that contribute to reaching net zero emissions. |
| Construction of an LC3 plant to replace traditional Original Portland Cement with a novel cement mix using calcined clay. | The expected global warming potential of the concrete falls within Band C or better of the Global Cement and Concrete Association's (GCCA's) globally applicable definitions for cement or concrete, in line with the "Draft GMA+RMI Book and Claim Framework" for cement and concrete. |
| Development of a steel plant using molten oxide electrolysis for iron production paired with electric arc furnace steel production. | The expected GHG intensity of the crude steel produced falls within Performance Level 3 or Performance Level 4 of the Responsible Steel Production Standard. |
| Replacing primarily-fossil-based grid electricity with on-site renewable and storage for semiconductor manufacturing. | According to a report by SEMI and the Semiconductor Climate Consortium, decarbonizing electricity usage during semi-conductor manufacturing is a key lever to reduce semiconductor value chain emissions, equal to >1% of global totals. Intervention fully addresses electricity emissions from manufacturing. |

15 Using an estimated or expected emissions intensity is only allowed in this instance. For all other requirements that reference using an emissions intensity, companies must use the intervention record.

# Chapter 5: Intervention Quality

## Purpose of Quality Criteria and Implementation Mechanisms

Companies need to know that the intervention occurred and that it meets minimum quality criteria. Companies will meet these requirements by ensuring that their intervention host/supplier[16] implements assessment and information sharing practices for each of these quality criteria.

## Overview of Intervention Quality Requirements

To meet the requirements for intervention quality, reporting companies need to ensure that intervention hosts/suppliers:

- Convey an accurate emissions outcome.
- Mitigate negative social and environmental impacts.
- Demonstrate regulatory surplus.
- Mitigate double counting risks.
- Ensure timely delivery of intervention information.

A company can demonstrate that these quality criteria have been met through the following three implementation mechanisms:

1. The agreement between the reporting company and the intervention host/supplier.
2. Independent assessment conforming to a relevant standard or methodology to confirm that key information intervention hosts/suppliers share about the intervention outcomes and other impacts is accurate and correctly implemented (see Appendix C).
3. The system of record (i.e., the intervention record) that intervention hosts/suppliers use to share information with reporting companies.

Table 10 below depicts when each of the three specified implementation mechanisms may be necessary to meet the five quality criteria.

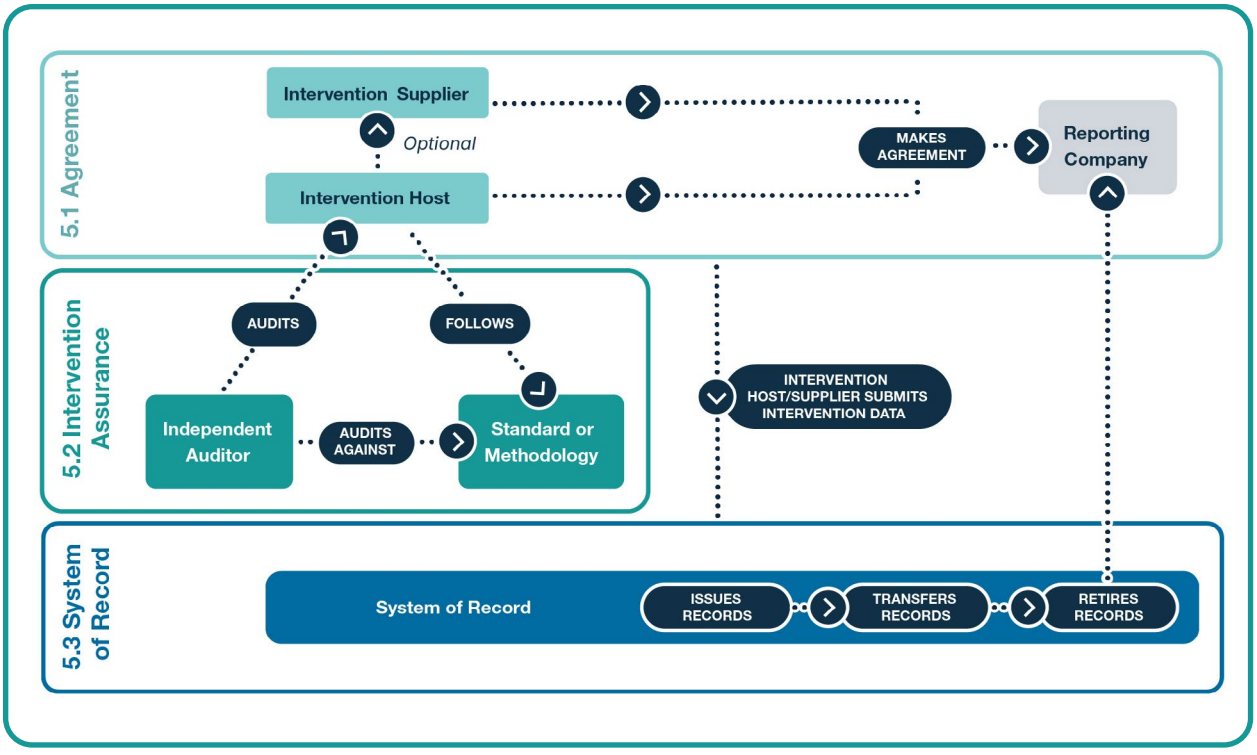
16 This document uses the term "intervention host/supplier" when the statement applies to both intervention hosts and intervention outcome suppliers. When guidance is specific to either intervention hosts or intervention outcome suppliers alone, the appropriate term will be used.

*Table 10: Implementation Mechanisms*

| | | Implementation Mechanisms | | |
|---|---|---|---|---|
| | | Agreement | Intervention Assurance | System of Record & Record Information |
| Quality Criteria | Accurate Emissions Outcome | ✓ | ✓ | ✓ |
| | Social and Environmental Impacts | ✓ | ✓ | ✓ |
| | Regulatory Surplus | ✓ | | ✓ |
| | Unique Right to Report | ✓ | | ✓ |
| | Record Creation Timing | ✓ | | ✓ |

The following chapters detail requirements, recommendations, and guidance for each of these quality criteria and their implementation mechanisms. Refer to Figure 5 for an understanding of the relationship between these actors and implementation mechanisms.

*Figure 5: Overview of Quality Implementation Mechanisms and Actors*




## Implementation Mechanisms for Quality Criteria

Sections 5.1 through 5.3 are the implementation mechanisms for quality criteria as shown in Table 10 above. These mechanisms can be used to demonstrate that the quality criteria in Sections 5.4 through 5.8 have been met.

## 5.1 Agreement

### Purpose of Agreement:

Companies will enter into an agreement with their intervention host/supplier. Because reporting companies are not implementing interventions or their quality assessment safeguards directly, it is important that the parties agree on what quality criteria the intervention host needs to meet, and how it will demonstrate that it meets each of those criteria.

### Requirements:

- N/A – No requirements in this chapter.

### Recommendation:

- The agreement between the company and intervention host/supplier should specify how the intervention host will meet and demonstrate conformance with all quality criteria.

### Guidance

Reporting companies will enter into an agreement with their intervention host/supplier for the rights to specific emissions outcomes. This agreement will, among other things, specify quality criteria for the intervention and how the reporting company will receive a record of that intervention. Note that an agreement is required to demonstrate the reporting company's unique right to report (see Section 5.7).

The agreement itself does not need to list out all quality criteria and implementation mechanisms. It can, for instance, simply specify the use of a registry that in and of itself would guarantee that the intervention host has effectively met all quality criteria. This is an acceptable approach if the registry has minimum requirements for issuance in line with the AIM Standard quality criteria requirements and it incorporates the required double counting and timing safeguards.

The following sections identify specific criteria and implementation mechanisms that will need to be covered in order to demonstrate conformance with the AIM Standard's intervention quality requirements.

## 5.2 Intervention Assurance

### Purpose of Intervention Assurance

In order to ensure that the information companies receive about each intervention they support is accurate, the first two intervention quality criteria (emissions outcomes and other social and environmental impacts of the intervention) must be independently assessed by auditors against a relevant standard or methodology. The remaining intervention quality criteria (regulatory surplus, unique right to report, and record creation timing) do not require this intervention assurance process. Instead, an intervention demonstrates that it meets these criteria through information shared in an agreement and/or a system of record.

Independent assurance that the intervention occurred and that key information shared including the intervention emissions outcomes is accurate and consistent with an appropriate reference method is critical. This ensures that reporting companies can confidently claim intervention outcomes with knowledge that the interventions met all quality criteria.

There are two components to intervention assurance:

1. The use of a standard or methodology that details a method for evaluating an intervention against each of the required quality criteria (e.g., a method for calculating emissions from steel production to demonstrate an accurate emissions outcome).
2. An audit of the intervention host against that standard or methodology, to ensure that they are following it correctly and therefore sharing accurate information that can be used for disclosure by the reporting company.

### Requirements:

- Interventions shall undergo third-party assessment to an appropriate standard by an auditor to independently assess stated emissions outcomes and other impacts. See Section 5.2.1 for details on determining an appropriate standard.
- Companies shall ensure that the intervention host/supplier is using one or more appropriate standard(s) or methodologies to evaluate the intervention's technology and process characteristics, emissions calculations, and broader social, environmental, and stakeholder impact.
- Audits to evaluate each intervention quality criterion against an appropriate standard or methodology shall occur in line with requirements outlined in that standard or methodology, when audit parameters are specified. If unspecified, audits shall include an ex-post assessment, and shall occur within 5 years of intervention occurrence.

### Recommendations:

- In addition to the audit requirements above, in instances where standards or methodologies do not specify granular auditing procedures, audits should:
  - Be conducted by accredited auditors,
  - Be conducted to convey, at minimum, limited assurance[17],
  - Include an ex-ante and ex-post assessment, and
  - Include a regular site evaluation.

## Guidance

The following information will help companies determine an appropriate standard(s) or methodology(ies) and how to determine whether auditing levels are appropriate.

### 5.2.1 Determining an Appropriate Standard or Methodology

Companies will need to work with their intervention host/supplier to ensure the intervention host is using an appropriate standard or methodology to establish the intervention's emissions outcome and social and environmental impacts. The standard or methodology can be defined in an agreement and then later confirmed in the receipt of an intervention record and/or other documentation that specifies which standard or methodology the intervention host/supplier used.

As defined in the AIM Standard, a "standard" is an auditable procedure that details a robust approach for evaluating and confirming the characteristics, outcomes, and/or other impacts of an intervention. A standard also describes a formal assurance process that includes a detailed auditing procedure. Some standards include and require use of specific methodologies in addition to the higher-level standard. A "methodology" is an auditable set of requirements for evaluating and confirming the characteristics, outcomes, and/or other impacts of an intervention. In the AIM Standard, a "standard or methodology" always refers to either of the above, adopted by an intervention host/supplier.

17 "Limited assurance" is the level of assurance where the nature and extent of the verification activities have been designed to provide a reduced level of assurance on historical data and information.

See Appendix C for a reference list of standards or methodologies that may be well-suited both for particular intervention types and more broadly, organized by covered criteria.

To be "appropriate", standards or methodologies must enable the assessment of all, or part of, the requirements for accurate emissions outcomes and social and environmental impacts listed in Sections 5.4 and 5.5. In addition, they must also follow the hierarchy for selection of a suitable standard or methodology listed below. Some sector-specific standards and methodologies encompass all pertinent criteria, whereas others may focus exclusively on emissions or broader sustainability and stakeholder engagement criteria, or on a subset of each. Intervention hosts may use a standard or methodology with partial coverage and demonstrate coverage of the remaining criteria with another standard, methodology, or supplemental verification process.

In addition, the following hierarchy can be used to determine if a standard or methodology is appropriate for assessing the emissions outcome or social and environmental impacts of an intervention.

1. If available, use a standard or methodology that applies to the host's specific intervention type (e.g., sector or process specific) and is broadly accepted, up-to-date, third-party reviewed[18] or developed with a multi-stakeholder process, and publicly available.[19]
2. When such a standard or methodology is not available, intervention hosts may justify their use of any one of the following (no hierarchy) as the best available alternative:
    a. A broadly applicable standard or methodology (e.g., ISO 14067, which provides requirements and guidelines for quantifying the carbon footprint of a product, or the GHG Project Protocol or ISO 14062-2, which specify project-level accounting requirements and guidance).
    b. An intervention-specific standard or methodology under development (e.g., Verra program methodologies under development under the broader Verra standard), with a preference for methodologies that are being developed using a multi-stakeholder process and/or that will undergo third-party review.
    c. A proprietary methodology, built from a more broadly applicable standard or methodology, that is publicly available (e.g., Dow Carbon Footprint Ledger Methodology, based on ISO 14067 and the GHG Protocol Product Standard), with a preference for methodologies that have undergone third-party review.

Standards or methodologies may evaluate discrete practices at the granularity of the implemented intervention, or they may evaluate ongoing site or facility-level practices more broadly but still convey appropriate claims for discrete outputs from that site. Both approaches are valid for the purposes of this requirement.

Some interventions occur as a series of steps that are implemented across multiple entities in a supply chain. In these cases, sometimes the intervention host/supplier will need to obtain information about standards or methodologies used by their upstream partners in addition to their own assessment to be able to substantiate these criteria. For example, if a shipping company is the intervention host and purchases and uses sustainable fuels in their operations, they will need to obtain information about the sustainability assessment of the fuel they use in order to demonstrate that their shipping service meets emissions and other impacts criteria, in addition to using a standard or methodology to appropriately calculate emissions from the processes they operate (i.e., using the fuel on a voyage).

In cases where a reporting company is working with an intervention supplier (e.g., a market intermediary, as opposed to the host that is physically implementing all or part of the intervention), the supplier will need to obtain and share information about standards or methodologies adopted by the host in order to share this detailed information with the reporting company.

18 Third-party review includes review by an individual or group of people that are independent from the body that developed the standard or methodology.

19 Publicly available means accessible for use – either for free or at a cost – by any pertinent entity.

Further, intervention hosts/suppliers may already be required to undergo assessment to demonstrate they meet these criteria for another purpose. For instance, intervention hosts/suppliers often already need to robustly demonstrate emissions and other impacts for regulatory compliance (e.g., to meet a clean product definition under the EU Renewable Energy Directive, or to meet permitting requirements[20]) or to meet investor requirements (e.g., to secure financing from a development finance institution like EBRD[21]). These existing requirements for other purposes – so long as they cover the required quality criteria and are independently assessed – can demonstrate conformance with AIM Standard requirements.

### 5.2.2 Determining Whether Auditing Levels are Appropriate

Standards typically define an audit procedure, independence requirements, accreditation process, cadence, and level of assurance. Methodologies as defined by the AIM Standard do not specify these details.

When sector- or use case-specific standards or methodologies include specific auditing requirements and cadence, those specific procedures take precedence. However, in all cases audits must be conducted independently (by a third party).

In instances where standards or methodologies do not specify granular auditing procedures, audits must at minimum be conducted in line with the requirements in this Standard (must be independent, include an ex-post assessment, and occur within 5 years of intervention occurrence). Further recommendations for auditing parameters also apply (see Table 11 and Appendix C for details).

*Table 11: Minimum Recommended Auditing Specifications and Levels*

| Auditing procedure component | Minimum recommended level |
|---|---|
| 1. Auditor accreditation | ▹ Auditors are accredited to audit to the standard or methodology by a third party, demonstrating that they have the qualifications to assess against the standard or methodology's specifications. |
| 2. Auditor independence | ▹ Auditors are independent (i.e., a third party) from the standard or methodology holder and the intervention host and have robust conflict of interest safeguards in place. |
| 3. Auditing cadence | ▹ Audits occur every 5 years if an existing product or project with no major changes.<br>▹ Audits occur every 2 years if a new product or project, or in the event of a material change.[22] |
| 4. Level of assurance | ▹ Audits are conducted to a limited assurance[23] level.<br>▹ Audits are encouraged to convey to a reasonable assurance[24] level for inputs to emissions outcome assessments. |
| 5. Site evaluations | ▹ Audits include one site visit or equivalent site evaluation every 5 years if there have been no material changes, or every 2 years if a new product or project or in the event of a material change.<br>▹ If multisite, auditors visit and evaluate a representative sample among all sites during each visit. |
| 6. Validation and verification | ▹ Audits include an ex-ante assessment.<br>▹ Audits include an ex-post assessment. |

20 Environment Agency & Department for Environment, Food & Rural Affairs. (2023, April 3). Develop a management system: environmental permits. GOV.UK. https://www.gov.uk/guidance/develop-a-management-system-environmental-permits

21 EBRD. (2024). Environmental and Social Policy. https://www.ebrd.com/home/news-and-events/publications/institutional-documents/environmental-and-social-policy-2024.html

22 As is related to the minimum recommended auditing specifications and levels, a "material change" is a significant alteration or substantial modification in circumstances, operation, or terms within the scope of an audit

23 "Limited assurance" means the level of assurance where the nature and extent of the verification activities have been designed to provide a reduced level of assurance on historical data and information.

24 "Reasonable assurance" means the level of assurance where the nature and extent of the verification activities have been designed to provide a high but not absolute level of assurance on historical data and information.

Companies whose intervention hosts/suppliers are using a standard or methodology that specifies a minimum set of audit parameters may also use the above recommendations to encourage their intervention hosts/suppliers to undergo a more comprehensive audit, as may be an applicable option under their specific standard or methodology.

## *5.3 System of Record and Record Information*

### Purpose of System of Record and Record Information

Reporting companies will receive information about intervention outcomes through a system of record mutually agreed upon with their intervention host. A system of record defines the process and tools through which intervention records that detail intervention outcomes are created and transferred to one or more reporting companies to enable claims. Using the best available system of record ensures that information about the interventions that reporting companies support is as comprehensive and robust as possible.

In order to enable companies to claim intervention outcomes, an intervention record must convey sufficient information to enable its credibility to be evaluated. Such evaluation requires quantitative and qualitative information, as well as context for how that information was produced, such as key calculation assumptions.

#### Requirements:

- Intervention outcomes shall be conveyed to the reporting company using a system of record that meet the following "basic" requirements: defines and transparently discloses key data and assumptions, reflects intervention assurance, ensures unique records, and utilizes a chain of custody model when intervention outcomes are quantified per unit of product.
- Companies shall justify their use of an alternative system of record when a preferred registry exists but is not used. A "preferred registry" is one that meets basic requirements as defined in Section 5.3.1, and is independently governed, validates information, and is operated transparently.
- Accurate, verified information about the intervention shall be conveyed to the reporting company in an intervention record. Intervention records shall include all details that are relevant and necessary to assess conformance with quality criteria requirements, and to account for and report on the intervention.

#### Recommendations:

- Reporting companies and their intervention hosts should use the best available system of record – e.g., a preferred registry when available – for each intervention.

### Guidance

In this chapter and throughout this Standard:

- A system of record refers to the process and tools through which intervention records are created and transferred to one or more reporting companies to enable claims.
- An intervention record is the definitive documentation that details information about a given instance of an intervention that occurs, which is used to substantiate emissions outcomes claims.
- Across all types of systems of record:

- "Issuance" is the process of intervention record creation.
- "Transfer" is the process by which an intervention host shares the intervention record with a buyer.
- "Retirement" is the process that confirms the assignment of an intervention record to a specific beneficiary, conveying the right to claim the specified intervention's outcomes.

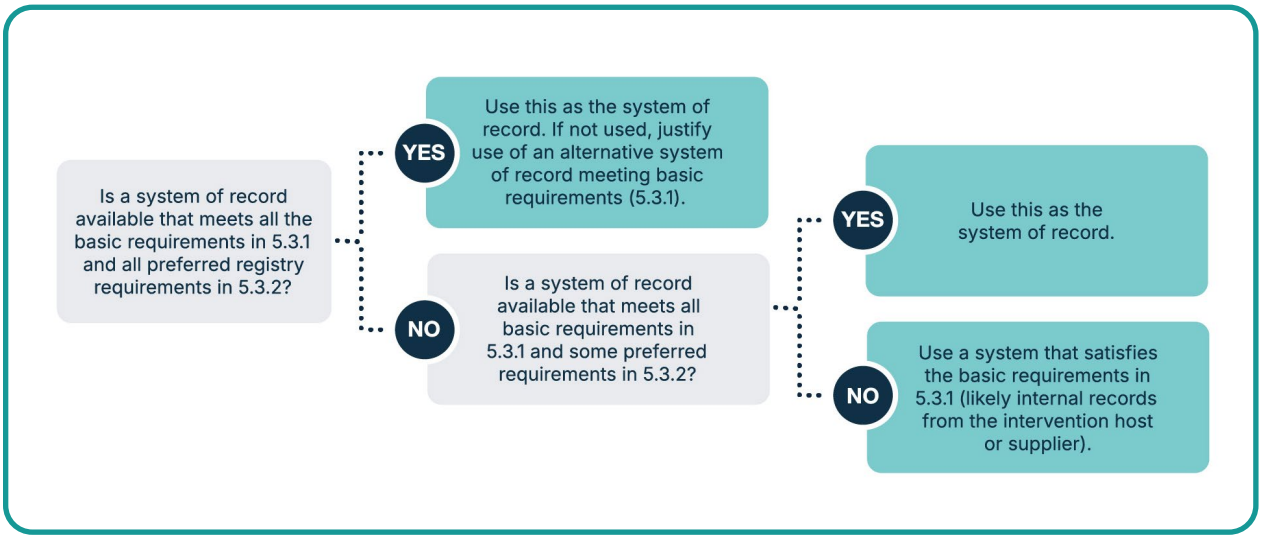
- A "registry" refers to a digital platform that enables consistent issuance, transfer, and retirement of intervention records according to a specified set of procedures. A registry can provide reporting companies with additional confirmation that the intervention they supported is unique, not double counted, and that the information they receive is complete and accurate according to best practices.

Many interventions may not be able to make use of any registry, let alone a preferred registry, particularly if an intervention type is first-of-kind and no registry has yet been developed for that specific use case. In this situation, intervention hosts will often use internal recordkeeping systems.

As such, all systems of record need to meet a basic set of requirements (Section 5.3.1) at a minimum, but companies are recommended to use the best available system. The use of an alternative system of record needs to be justified when a preferred registry (meeting requirements in Section 5.3.2) is available.

Companies will need to work with their intervention host to evaluate what options exist for systems of record, and work with them to select (and if needed, justify) the most appropriate option. Refer to Figure 6 for a decision tree reporting companies can use to determine which system of record is most appropriate.

*Figure 6: System of Record Decision Tree*




## 5.3.1 Basic System of Record Requirements

A system of record must define and transparently disclose key data and assumptions, reflect intervention assurance, ensure unique records, and utilize a chain of custody model when outcomes are communicated per unit of product. These constitute the basic requirements for a system of record. The following sections provide guidance for implementing these requirements.

### *Document Key Data and Assumptions*

To abide by this requirement, systems of record will:

a. Convey key data in each intervention record to enable accurate reporting,

b. Define all relevant assumptions, methodologies and data sources, and

c. Share all of the above information with the reporting company at minimum.

Key intervention record data will include all information about the intervention that is necessary for the company to assess its conformance with the relevant standard(s), regulatory surplus, any other criteria agreed contractually, and information needed to accurately account for and report the intervention outcomes. This information, all of which may not be applicable to every intervention, includes but is not limited to the following:

- Emissions outcome quantity and units (see Section 5.4).
- Product/activity output type (e.g., crude steel) or project/process type (e.g., biodigester).
- Product or service quantity.
- Date(s), such as:
  - Intervention date or date range (e.g., production date of good or service, or project start and end dates).
  - Intervention commercial operation year.
  - Date of intervention record creation (e.g., issuance date).
  - Credit or certificate vintage year.
  - Other relevant production, outcome, or implementation dates or date ranges.
- Intervention host name (company and facility) and location (city and country).
- Intervention type and relevant technical details (e.g., process, relevant technologies, feedstock).
- Standards or methodologies that the intervention host is certified to, relevant to the intervention scope and timeline, and their details (standard or methodology name, type of criteria assessed, audit scope (ex-ante or ex-post), validity period, certification number, auditor).
- Declaration of any regulatory requirements that relate to the intervention outcomes (see Section 5.6).
- If the record conveys an emissions reduction value, the intervention baseline.[25]
- Disaggregated emissions data by process step or type, as available. Specifically, disaggregation of emissions, removals, and any credits outside of the system boundary[26] that will enable accurate accounting and reporting.[27]

Intervention hosts may share some of these data as supplementary information outside of an intervention record. For instance, if they are using a third party system that only tracks a subset of these characteristics, they can provide supplemental information separately.

Relevant assumptions, methodologies, and data sources that need definition include:

25 See Appendix I for considerations for selecting an intervention baseline.

26 See Section 5.4 for details about the calculation system boundary.

27 Companies may wish to consider additional emissions outcome disaggregation specifications to enable reporting in line with specific emissions accounting, reporting, and target-setting frameworks. See Section 6.2 for more details.

- Any standards or methodologies that the system of record is designed to follow or be consistent with, and any record of independent assessment to those standards or methodologies if applicable.
- If applicable, the list of applicable standards or methodologies that the system of record can validate as inputs to the record issuance process, and documentation detailing how the system of record validates the conformance of an intervention host and/or intervention to those standards or methodologies.
- A detailed description of any calculation methods that the system of record applies during or following the issuance process that serve as inputs to data viewed by system of record users. This includes data sources for any conversion factors or assumptions applied.

### *Reference Intervention Assurance Information*

To confirm the validity of intervention outcomes and other key information reflected in the intervention record, each intervention record needs to reflect the intervention assurance process. Specifically, each intervention record (in combination with supplementary information shared with the reporting company, if necessary) needs to contain:

a. Audited intervention outcome data, and

b. Information which confirms that required intervention assurance process(es) occurred, and confirms when these processes took place (e.g., audit or final assessment date, audit or certification validity) and scope (e.g., ex-ante versus ex-post audit, standard or methodology and coverage).

### *Ensure that all Created Records are Unique*

To prevent double issuance, the system of record is required to implement checks to ensure that each issued record (or set of records in the event of co-claiming) represents a unique intervention.

### *Utilize a Chain of Custody Model*

This requirement only applies to interventions with outcomes communicated per quantity of a product.

Chain of custody models are means by which inputs, outputs, and associated attributes are transferred, monitored, and controlled as they move through each step in a supply chain (ISEAL, 2025). These models are commonly utilized by sustainability certification systems to define how attributes need to be tracked in reference to physical product flows in formal systems.

Systems of record need to reference a defined chain of custody approach or a comparable alternative for tracking intervention characteristics, meaning that the system needs to:

1. Be functionally consistent with a defined model, and
2. Transparently indicate the model that is utilized.

    a. *Defined model*

    Chain of custody models are defined in broad guidance and standards such as the ISEAL Chain of Custody Models and Definitions Guidance (ISEAL, 2025) or ISO 22095, as well as in sectoral chain of custody standards and guidance such as the RSB Book and Claim Manual. If the system of record cannot make use of a standard or methodology that formally implements a chain of custody model for the intervention, the intervention host/supplier can align in practice with as many of the core tenets of the most relevant model as possible.

b. *Model transparency*

A system of record must transparently indicate both the model used or referenced in the system and any models used in the upstream physical supply chain of the intervention, if applicable. A system of record may transparently indicate which chain of custody model, or set of models, is referenced in broader system documentation and/or in specific intervention records.

## Example: Basic System of Record

A reporting company is working with an intervention host in a sector that does not have a defined digital registry. As an interim approach, the intervention host establishes an internal recordkeeping system using Excel, PDFs, and associated documentation to share intervention records with the reporting company.

In order to meet the basic requirements, the intervention host:

- Documents all key data and assumptions and shares them in a mixture of PDFs (one for each intervention record) and supplementary documentation with the reporting company.
- References the standards and independent audits that pertain to the information in each intervention record. In this case, it shares the Environmental Product Declaration data and its reference Product Category Rule, as well as information about the timing and scope of the last audits.
- Establishes and documents a process to check that each intervention record PDF it creates and sends to a reporting company is unique (i.e., is not a duplicate of the same exact unit of intervention outcomes that has already been generated or sent). Note that if co-claiming is in scope, individual intervention records created and delivered to different parties may reflect the exact same intervention outcomes.
- Because the intervention host is sharing intervention outcomes with the reporting company that corresponds to an amount of product (e.g., as $CO_2e$/unit of product), it also shares details about the chain of custody approaches that the system is following. It indicates – either in each PDF of intervention information shared with the reporting company, or in a document outlining how its process functions overall – that its system operates in line with the ISO 22095 definitions for the book and claim chain of custody model for the system itself, and for the mass balance model, which is used upstream of intervention record issuance.

### 5.3.2 Preferred Registry Requirements

Registries that meet the following requirements in addition to the basic requirements (outlined in Section 5.3.1) represent the best available systems of record, or "preferred registries". Companies must justify their use of an alternative system of record when a preferred registry exists but is not used.

#### *Independent Governance*

Preferred registries must be managed by an independent entity that is impartial to any intervention host/supplier's product, and/or via a multilateral governance process to mitigate conflicts of interest in decision-making and operations.

#### *Data Validation*

Preferred registries need to validate key information for additional confirmation that intervention records are accurate and unique. These additional validation checks will ensure that:

a. Intervention hosts are independently assessed to an appropriate standard or methodology prior to issuance on the platform. Registries can validate that necessary third-party assessment(s) have been completed and that assessment(s) is within its specified validity.

> **Example: Data Validation**
>
> A SAF certificate registry could cross-reference a certification database to validate that the entity and/or facility that produced the SAF underlying the issuance has an active certification to the scheme(s) specified in the issuance.

b. Only appropriate co-claiming can occur for the same intervention outcomes, preventing erroneous double claiming within the platform. If co-claiming is enabled, the registry ensures that any co-claiming adheres to the limitations outlined in Section 5.7.

c. Intervention hosts/suppliers adopt procedures to prevent double selling of intervention attributes. For example, an intervention host can undergo an independent bookkeeping audit that checks for any instances where intervention outcomes are doubly sold. A registry, then, would check that the intervention host requesting issuance has undergone this independent audit and has been found to be in conformance. Alternatively, a registry may require attestation that a supplier is not erroneously double selling intervention outcomes as part of its terms and conditions.

#### *Function Transparently*

Preferred registries need to function transparently, by publicly disclosing:

- Procedures for how the system assesses, issues, transfers, and retires intervention records.
- Retirement data, including entities with a right to report intervention outcomes[28], associated outcome quantities and key information required to evaluate intervention and outcome quality.

# Intervention Quality Criteria

Sections 5.4 through 5.8 outline requirements and recommendations for intervention quality criteria, and how to implement each.

## *5.4 Accurate Emissions Outcomes*

### Purpose of Accurate Emissions Outcomes

In order to enable accurate emissions accounting and reporting of value chain interventions, intervention hosts must calculate intervention outcomes in line with a standard or methodology that details comprehensive emissions accounting practices, and be independently assessed to that standard or methodology.

Intervention emissions outcomes can be validly calculated using many methods.[29] The AIM Standard includes quality criteria that apply broadly to all of these equally valid methods, focusing on underlying calculation parameters to ensure that emissions outcomes conveyed are accurate, relevant, complete, and consistent regardless of the calculation method used.

28 Note that beneficiaries may be anonymized if they choose to remain confidential.

29 Methods to calculate intervention emissions outcomes include product and process lifecycle assessment and project accounting. Methods may be attributional, consequential, or reflect elements of both approaches.

Further, it is necessary for the intervention host to demonstrate that the intervention – the specific technology and/or process change – rather than an accounting adjustment resulted in the associated intervention outcome(s). This section covers only the fundamental requirements for assessing an accurate emissions outcome, which will be calculated by an intervention host or supplier. Emissions outcomes of interventions will then be conveyed to reporting companies in one or more forms in an intervention record – as an emissions intensity and/or change in emissions (emissions reduced, avoided, or removed) compared to a baseline. Chapter 6 describes the next steps that reporting companies will take to translate each of these types of calculated outcomes into credible GHG reporting.

### Baselines

In simplest terms, a baseline is a starting point and basis for comparison. In the AIM Standard, there are two types of baselines:

- Project baselines, a specific term used to describe the emissions before an intervention using project accounting, used when calculating an emissions reduction outcome.
- Intervention baselines, a general term used to describe the reference activity data of the intervention. Intervention baselines can be a project accounting baseline, a pre-intervention emissions intensity, or an appropriate regional benchmark for the intervention.

To define or choose a credible baseline, see Appendix I.

### Requirements:

- The outcomes of interventions shall be calculated to reflect what is physically or chemically possible within the defined system boundary of the intervention in accordance with an appropriate standard or methodology.
- The outcomes of interventions shall be found to result from the specific implemented technology and/or process change according to an appropriate standard or methodology.

### Recommendations:

- N/A – No recommendations in this chapter.

### Guidance

Intervention hosts are responsible for selecting, adhering to the requirements of, and undergoing audits against a standard or methodology to establish an accurate emissions outcome. This is typically a standard or methodology covering a lifecycle assessment (LCA), product carbon footprint (PCF), product category rule (PCR), or project accounting approach that is applicable to the intervention type (see Section 5.2). However, reporting companies will need to ensure that their intervention hosts are using a standard or methodology that can be used to independently confirm that interventions occur and their emissions estimates are credible for emissions disclosure. The following guidance is intended to support companies in assessing how their intervention hosts/suppliers evaluate and establish emissions outcomes.

## 5.4.1 Calculation

An accurate emissions outcome calculation will define an appropriate system boundary and ensure that a comprehensive calculation is done within that system boundary to reflect what is technically

implemented. Companies will need to ensure that the standard or methodology the intervention host uses to calculate intervention emissions outcomes reflects the following considerations.

### *System Boundary*

The system boundary[30] defines the scope of the assessment, which is comprised of all processes and emissions sources that are included in the calculation of the intervention emissions outcomes. Clearly identifying the system boundary provides confidence that all relevant sources of emissions, emissions reductions, and emissions removals (if applicable) are included. A comprehensive system boundary will at minimum include all key sources that are unique to the intervention and contribute to the lower emissions outcome. If the intervention system boundary includes removals, this assessment will need to evaluate those removals for permanence and ensure intervention hosts have a system in place to manage any reversals.

### *Lifecycle Emissions*

Lifecycle emissions typically consider the emissions from all stages of the product or process lifecycle from origin to production, and sometimes through use and disposal. The appropriate lifecycle emissions boundary will follow the definition of the system boundary. For example:

- If the system boundary includes all steps of a process from the origin of inputs to the production of a final product, the lifecycle scope would reflect that (e.g., include cradle-to-gate emissions).
- If the system boundary includes all steps of a fuel lifecycle from its feedstock origin of inputs to its use, the lifecycle scope would be cradle-to-grave (or in transport, well-to-wheel or well-to-wake).
- If the system boundary only defines a specific process step or project and has insignificant secondary effects, the lifecycle scope would be gate-to-gate or equivalent.

Companies may choose to:

- Prioritize their intervention host's use of a standard or methodology that covers as many of these life cycle stages as is reasonable to assess the intervention's holistic impact, while balancing sectoral norms.
- Compare the lifecycle emissions' scope to their own reporting boundary for a comparable product or process to ensure consistency in coverage for emissions disclosure.

Absent other sectoral norms, cradle-to-gate lifecycle boundaries are a common approach.

### *Relevant GHG Emissions*

In order to cover relevant GHG emissions, a standard or methodology will:

- Consider all Kyoto Protocol gases that are material (e.g., constitute more than x% of total GHG emissions) to the intervention and its system boundary.
- Use up-to-date Global Warming Potentials (GWPs) to calculate $CO_2e$.
- Use the same calculation approach to quantify the intervention emissions outcomes as was used to calculate the intervention baseline, if applicable.[31]

### *Accurate Attribution*

30 In standards or methodologies that use project accounting, this may be referred to as a 'GHG Assessment Boundary'.

31 See Appendix I for further guidance on baseline selection when a standard or methodology does not specify a baseline selection and calculation approach, for use in accounting and reporting.

An accurate intervention emissions outcome calculation will ensure that emissions outcomes reflect what is physically or chemically possible within the defined system boundary of the intervention (the product or process). This means that the resulting emissions total attributed to any given product cannot be lower than that which can be achieved at a product or process level (within the system boundary) from the technology or process change that was implemented. An attributed emissions outcome is not possible, for example, if a process using natural gas today switches to green hydrogen as a fuel source, the fuel portion of emissions could technically be eliminated. If emissions characteristics of the hydrogen are applied beyond the fuel portion of total emissions, or in total reflect a larger portion of hydrogen than is implemented, that is not possible. For interventions that are  projects, emissions outcomes are not attributed to a unit of product, so attribution is not a consideration.

When emissions outcomes are proportionally attributed or distributed within product groups or between co-products, respectively, on an energy or otherwise physically-determined basis, this accuracy is guaranteed.[32] However, intervention hosts may adopt other approaches as defined by a standard or methodology, provided they fulfil the accurate attribution requirement described above.

## Example: Accurate Attribution

A reporting company is supporting an intervention with a fuel producer that is integrating a portion of renewable feedstock into their otherwise conventional fuel production process. The fuel producer is using 5% Used Cooking Oil (UCO) and 95% crude oil inputs, and producing various refinery products, including naphtha, diesel, and kerosene. The fuel producer is using the ISCC EU RED Standard that defines appropriate calculation methods for the emissions attributed to its products. The reporting company is purchasing attributes from the diesel portion of the refinery output.

The intervention host needs to accurately attribute characteristics of the renewable feedstock to its outputs, and can achieve this one of two ways as per the EU RED Standard:

**Proportionally:**

UCO characteristics are distributed across naphtha, diesel, kerosene, and other outputs proportionally to the physical blending of materials (e.g., by mass or volume). E.g., UCO is distributed between co-products consistently with the ratio they are produced in. The diesel (and all other co-products) output is a blend of 5% UCO and 95% crude oil. This 5% share conveys an emissions intensity of 10 $gCO_2e/MJ$.

**Non-proportionally (called "flexible assignment" under EU RED):**

UCO characteristics are distributed across naphtha, diesel, kerosene, and other outputs non-proportionally (e.g., not following a defined ratio by mass, volume, cost, etc). This means that any given co-product could be attributed a larger share of UCO characteristics, e.g., more than 5% of diesel could have attributed UCO characteristics, so long as the total share of UCO characteristics does not exceed the UCO input volume, reflecting any conversion losses. Each unit of diesel with attributed UCO characteristics, even with flexible assignment, reflects an emissions intensity of 10 $gCO_2e/MJ$.

Under the EU RED Standard being followed by this intervention, the specific UCO emissions characteristics could not be further "stacked" in a subset of output to reflect a lower emissions profile per unit of diesel (e.g., a unit of diesel could not be attributed a lower emissions value than 10 $gCO_2e/MJ$). However, in other standards this may be an option.

*This example is based on the ISCC EU 203-02 Mass Balance Guidance, Version 1.2. (ISCC, 2025). Numbers are illustrative.*

32 Attribution is the process of assigning specified characteristics to outputs within a chain of custody system boundary. Distribution is the process of assigning specified characteristics between co-products of the same process. Proportional attribution is the assignment of specified characteristics to outputs that mirrors the physical blending of materials with a manufacturing process. Free attribution (also known as non-proportional attribution) is the assignment of specified characteristics in a way that does not mirror the physical process (ISEAL 2025).

### 5.4.2 Implementation

In order to adequately assess that the intervention caused an emissions outcome, the intervention needs to be independently assessed to confirm that the specified intervention technology or process change was implemented. This may be established through independent assessment of intervention documentation and site evaluations (e.g., onsite audits). It is equally acceptable for such an assessment to take place during the course of an assessment to a standard or methodology or separately.

Further, in order to ensure that a quantified emissions outcome is a result of an intervention, an audit also needs to confirm that the intervention emissions outcome was realized through that technology or process change and that no other change could have caused the outcomes.

Such an assessment could include evaluating whether the emissions factors used to substantiate the emissions outcome adequately reflect the physical processes and technologies implemented.

Standards or methodologies may identify a hierarchy for data types that can substantiate emissions estimates. For example, primary data or secondary emissions factors that closely match technology type or process type in a particular operating context such as geography should be prioritized over generic emissions factors that may not closely match technology or process type. Audits to the standard or methodology evaluate the appropriateness of the choice of emissions factors to estimate components of the emissions profile for the product or project.

## *5.5 Social and Environmental Impacts*

### Purpose of Social and Environmental Impacts

Companies funding interventions have an obligation to minimize any harmful impacts of those actions and to ensure interested and affected stakeholders are consulted, where relevant.

#### Requirements:

- Intervention hosts shall apply sound stakeholder engagement practices and social and environmental safeguards to mitigate the risk of adverse social and environmental impacts, according to one or more appropriate standards or methodologies.

#### Recommendations:

- N/A – No recommendations in this chapter.

### Guidance

One or more standards or methodologies that an intervention host implements needs to cover both social and environmental safeguards and stakeholder engagement. Every standard or methodology will cover these elements differently. Assessment to one or more standards or methodologies that collectively covers each theme – effectively confirming that the intervention host has implemented practices to mitigate the risk of relevant adverse social and environmental impacts – is sufficient to demonstrate conformance with this requirement. For some interventions, not all elements will be material or relevant. Consequently, standards or methodologies should be used appropriately for the given intervention type.

The phrase "standards and methodologies" encompasses the broad range of available frameworks that can be used to assess social and environmental safeguards. As detailed in Section 5.2, intervention hosts may leverage an existing assessment for another purpose to demonstrate conformance with these criteria. In some instances, permit requirements, financing requirements, etc. may be sufficient to cover this requirement. For instance, intervention hosts often already need to robustly demonstrate how they mitigate other impacts for regulatory compliance (for instance, to meet a clean product definition under the EU Renewable Energy Directive, or to meet permitting requirements[33]) or to meet investor requirements (for instance, to secure financing from a development finance institution like EBRD[34]).

For example, an intervention host may be required to conduct a stakeholder engagement process and meet defined social and environmental risk mitigation requirements (e.g., covering legality, labor rights, water and air quality) in order to obtain an operating permit, meet requirements for a grant, etc. This permit or grant requirement functions under a regulatory program (e.g., a standard) that requires an assessment process that determines whether that intervention host can operate or receive funding (e.g., an independent audit), so in this case demonstrating a valid permit or receiving the grant would be sufficient to meet this requirement.

### 5.5.1 Social and Environmental Safeguards

Standards or methodologies applied to meet this requirement must cover pertinent social and environmental safeguards.

This could include social impacts such as legality, rights, development, and security, and environmental impacts with respect to water, air, waste, and ecosystem health. Each of these impact areas is relevant in a different way and to a different degree for every intervention. As a result, not all standards or methodologies will include all of these criteria. Table 12 provides examples of sample social and environmental criteria and associated considerations. It is not always necessary to assess all of these criteria in order to meet this requirement.

33 Environment Agency & Department for Environment, Food & Rural Affairs. (2023, April 3). *Develop a management system: environmental permits.* GOV.UK. https://www.gov.uk/guidance/develop-a-management-system-environmental-permits

34 EBRD. (2024). *Environmental and Social Policy.* https://www.ebrd.com/home/news-and-events/publications/institutional-documents/environmental-and-social-policy-2024.html

*Table 12: Example Safeguarding Criteria and Associated Considerations*

| Category | Criteria | Considerations |
|---|---|---|
| Social | Legality | ▹ The intervention is in line with relevant laws and regulations within its jurisdiction(s). |
| | Human and Labor Rights | ▹ No forced labor is employed.<br>▹ Employees are paid fairly and equally, with gender equity.<br>▹ The health, safety and welfare of those employed is safeguarded.<br>▹ Interventions avoid any use of child labor (noting that in settings where the role of children in family-owned facilities is acceptable, the intervention does not cause any increase in child labor). |
| | Land Rights | ▹ Existing access to land and land title/rights is protected by the intervention host.<br>▹ Any change to land access or title is given through free, prior and informed consent and is independently monitored.<br>▹ Interventions avoid the displacement of people. |
| | Rural and Social Development | ▹ Stakeholders participating in the intervention give free, prior and informed consent to do so.<br>▹ Community access to resources, safety and welfare are considered and safeguarded in intervention design.<br>▹ The intervention does not hinder or prohibit the normal economic and social development of the community. |
| | Local Food Security | ▹ Interventions avoid negative impacts on food access and security, particularly to communities that rely upon them. |
| Environmental | Water | ▹ Water quality, access, quantity and recharge are considered in intervention design and are not negatively impacted by the intervention. Interventions consider opportunities to improve water-related matters relevant to context.<br>▹ Pollution of water sources is strictly avoided. Interventions consider opportunities to mitigate water source pollution in targeted facilities. |
| | Air Quality | ▹ Ambient air quality is not negatively impacted by the intervention, for example through short-lived climate pollutant emissions from vehicles production. Interventions consider opportunities to improve air quality relevant to context. |
| | Waste Management | ▹ Waste products are minimized by the intervention.<br>▹ Waste associated with the intervention is optimized for reuse or recycling. Interventions should consider opportunities to support the minimization of waste produced by facilities targeted by interventions.<br>▹ Waste that cannot be reused or recycled is managed so it does not pollute water sources or soil. |
| | Conservation | ▹ Interventions maximize the opportunity to conserve and/or enhance natural resources, for example through riparian zone protection and enhancement, buffer zones, or nature zones.<br>▹ Biodiversity is protected. Interventions should seek opportunities to enhance natural biodiversity. |
| | Soil | ▹ Soil health enhancement is considered as part of intervention design.<br>▹ Causes or enhancement of soil erosion are avoided. Interventions consider opportunities to improve soil stability and mitigate other sources of soil erosion. |
| | Animal Welfare | ▹ Animal cruelty is avoided.<br>▹ Animal hygiene, safety and comfort is incorporated into intervention design. |

An intervention-specific or sector-specific standard or methodology may identify dimensions of each of these impact areas – and requirements to match – that are particularly material in that intervention context. A more broadly applicable standard or methodology may articulate a broader spectrum of considerations, where the materiality of each dimension in any specific context may be evaluated by an auditor.

### 5.5.2 Stakeholder Engagement and Ongoing Monitoring

Standards or methodologies must provide an auditable framework that evaluates the intervention host's monitoring activities, including stakeholder engagement. This could include evaluation that:

- Intervention hosts conduct a suitable stakeholder consultation with relevant and affected stakeholders to identify opportunities to optimize the intervention design and identify safeguarding risks, where applicable.
- Intervention hosts conduct a safeguarding risk assessment of the intervention that covers all pertinent criteria. Based on a risk assessment, mitigation measures are implemented, monitored, and adjusted throughout the intervention as needed.
- Where relevant, ongoing stakeholder feedback and grievance mechanisms are implemented, and intervention hosts take care to ensure that feedback is freely given and fairly acted upon, avoiding harassment, bullying, or intimidation of stakeholders.

## *5.6 Regulatory Surplus*

### Purpose of Regulatory Surplus

A critical dynamic feedback loop exists between voluntary action and regulation that, when successful, advances climate progress in ways that neither can alone. Voluntary action provides innovation and investments to evolve technologies and reduce costs, as well as provides proof that these actions are possible. Policymakers leverage advances made by voluntary action to justify regulations that scale action and impact. To continue the cycle towards increased ambition, voluntary action must exceed regulatory requirements.

#### Requirements:

- Intervention outcomes, when reported by a company in a contractual inventory or impact statement, shall represent emissions benefits that exceed regulatory requirements placed on the intervention host or another entity in its immediate supply chain.[35]
- Reporting companies shall confirm with the intervention host that the intervention outcome does not represent emissions reductions that were required to comply with a regulatory requirement applicable to the host or another entity in its immediate supply chain.

#### Recommendations:

- N/A – No recommendations in this chapter.

### Guidance

An intervention outcome reported by a company in a contractual inventory or impact statement represents a voluntary action to address scope 3 emissions. As such, it is important for the credibility of the company that the intervention outcome represents actions that were not already required by law.

35 Immediate supply chain refers to a direct supplier or customer of the intervention host that supplies or consumes part of the intervention.

### 5.6.1 How to Assess Regulatory Surplus

To abide by this requirement, reporting companies will need to require that their intervention host/supplier demonstrate regulatory surplus, and intervention hosts will need to provide attestation that any intervention outcomes sold or transferred to the company were not the result of actions that were required by regulation or law applicable to the host or another company in the host's immediate supply chain.

For example, a regulatory requirement for emissions reductions by the host's immediate supply chain partner could be:

- A downstream requirement: If the intervention host is a fuel producer, and the transport company that buys the fuel uses it to meet their own regulatory requirement.
- An upstream requirement: If the intervention host is a concrete producer that uses low-emissions cement, and the low-emissions cement producer they source from uses that cement to meet their own regulatory requirement.

Companies will need to require that intervention hosts declare any regulatory requirements that overlap with the specific intervention outcomes in the intervention record. Companies can then use this information to confirm whether the intervention outcomes represent regulatory surplus.

### 5.6.2 What Constitutes Regulatory Surplus

Regulatory surplus means that intervention outcomes were not created through actions that were required by regulation or law applicable to the host or by another company in the host's immediate supply chain.

Actions required by law include:

- Actions that are mandated (e.g., adoption of a specific low-emissions technology).
- Emissions reductions that are mandated (e.g., a required reduction in GHG emissions per unit of output at an industrial facility or a requirement to meet a net emissions threshold).
- Creation and use of credits representing emissions reductions specifically to achieve regulatory compliance (e.g., credits representing implemented emissions reductions created in a regulated cap and trade system and used to meet a regulatory emissions threshold requirement).

The following do not constitute actions required by law:

- Actions or credits that are designated for voluntary use.
- Actions or credits that represent emissions outcomes that exceed required levels.
- Actions that generate monetary incentives, and do not include a requirement for participation.
- Actions that put a price on emissions but do not set an emissions limitation or emissions reduction requirement specific to an intervention host or their immediate supply chain.

If there is evidence from a credible public source that an existing law is not being followed, this can be used to justify why an action is not subject to a regulatory requirement.

#### *Actions in Surplus of Requirements*

If an intervention host exceeds its regulatory requirement, any emissions outcomes beyond that requirement represent regulatory surplus.

Within regulations that allow companies to generate and sell credits representing this surplus (for example, Low Carbon Fuel Standards), intervention hosts may sell credits representing outcomes beyond those it uses for its own regulatory compliance to other obligated parties. If these same discrete intervention outcomes are also sold to and used by a company towards scope 3 voluntary action, it needs to be ensured that all other requirements of the AIM Standard have been met (especially with respect to double counting – see Section 5.7):

- To ensure double claiming does not occur in a given scope 3 value chain layer, the company purchasing and using the regulatory credit for its compliance would not be able to pass the emissions outcomes represented by the credit on to any customers or suppliers in their own value chain.[36]

As laws vary by jurisdiction and change frequently, the AIM Platform has provided a decision tree and examples in Appendix G to ease the process of determining whether an intervention outcome abides by the regulatory surplus requirement. Sector-specific programs also may provide additional guidance for demonstrating regulatory surplus.

## *5.7 Unique Right to Report*

### Purpose of Unique Right to Report

Reporting companies need to demonstrate a unique right to report in order to credibly report intervention outcomes in a contractual inventory or impact statement. A unique right to report means the company has the sole ability to claim the emissions outcomes associated with an intervention within a specific value chain layer.[37]

Demonstrating this requires that the company possess documentation which conveys the right to report intervention outcomes for each intervention. It also requires that the company proactively manage double counting risks. Double counting is defined in this context as the risk that an intervention outcome is erroneously accounted for more than once, which would mean that the company's right to report is not in fact unique.

Double counting can take the form of:

- Double selling, in which an intervention host/supplier sells the intervention outcomes to another buyer in addition to the company,
- Double issuance, in which an intervention record representing the exact same intervention is created more than once with the same or between distinct systems of record, and
- Double claiming, in which the same intervention outcomes are claimed by more than one company within a value chain layer (e.g., two companies claimed the same intervention outcomes to address the same types of emissions in comparable value chains, where co-claiming between these companies is not valid). See Figure 7 for an example of value chain layers.

Not all double counting is erroneous – just as scope 3 physical emissions inventories reflect shared emissions across different actors in physical supply chains, co-claiming can occur if companies are claiming the same intervention outcomes in different value chain layers. However, it is important that companies mitigate the risk of erroneous double counting by working with their intervention host/supplier and by using a system of record that conveys unique intervention records.

36 Note that selling these surplus outcomes to another company for use towards scope 1 reductions – whether regulated or voluntary – will require the intervention host to ensure double counting or claiming is not occurring relative to their own scope 1 emissions. Intervention hosts are referred to GHG Protocol and GHG accounting and claim standards or regulations for more information.

37 A value chain layer is a unique role in a value chain for which companies need to secure a unique right to report intervention outcomes

## Requirements:

- In order to make an associated claim, a company shall demonstrate a unique right to report the intervention record and its outcomes through possession of an appropriate, retired intervention record and a legally binding agreement with the intervention host/supplier that includes mechanisms for mitigating double selling, double issuance, and double claiming risks, and management of co-claims.
- Companies operating in different value chain layers (one company per layer) may co-claim intervention outcomes in cases where emissions from the related (sub)component would typically be reported in each of the value chain layers, up to the total quantity of intervention outcomes in each layer. The company and the intervention host/supplier shall agree the degree to which intervention outcomes may be co-claimed and how co-claims will be managed and tracked.

## Recommendations:

- N/A – No recommendations in this chapter.

### Guidance

Companies are required to manage the following double counting risks, and in so doing secure their unique right to report intervention outcomes, through:

a. An agreement with their intervention host/supplier that specifies mechanisms used to mitigate risks,[38] and

b. Possession of a unique and valid intervention record that is retired in their name prior to expiration and within its reporting timeframe.

### 5.7.1 Double Selling

The agreement must mitigate the risk of double selling, meaning a situation where the intervention host/supplier sells the exact same intervention outcomes to another company. This includes selling the same intervention outcomes as a different type of product. For example, if the intervention host sells intervention outcomes to a company to support a specific claim in their value chain layer, the host may not sell those same intervention outcomes with a physical product nor in another form to another company to address the same value chain layer.

### 5.7.2 Double Issuance

The agreement must mitigate the risk of double issuance, or a situation where the intervention host/supplier issues the intervention outcomes more than once for any given value chain layer (neither multiple times within a given system of record, nor in multiple discrete systems of record).

However, a given intervention outcome may be represented in multiple linked intervention records that can be claimed by entities in distinct value chain layers. For instance, a given SAF certificate unit may include discrete claims for an air transport provider, freight forwarder, and freight shipper (see Section 5.7.4).

38 As described in Section 5.1, the agreement does not have to specify all quality criteria including all the details of each double counting risk mitigation mechanism. It could simply, for example, specify the use of a registry that checks for these risks, which would satisfy this requirement. Contractual language that effectively covers all double counting risks as described below is intended to suffice as meeting this requirement.

### 5.7.3 Double Claiming

The agreement must mitigate the risk of double claiming, meaning a situation where an intervention host/supplier's physical customers use the intervention outcome data for their emissions reporting if those outcomes have already been sold to a separate company to support a claim.

In order to mitigate double claiming of intervention outcomes by their physical customers, intervention hosts need to communicate that their physical customers are not able to use the specific intervention data for their emissions reporting because those intervention outcomes are already uniquely claimed by another company. This is also applicable in cases where an intermediary data provider is collecting data from suppliers and sharing this data with direct physical offtakers (e.g., the Higg Index in textile supply chains).

Intervention hosts may share an applicable average emissions factor as an alternative to specific intervention data with physical customers (e.g., an effective market average emissions intensity, which may include the intervention emissions profile) for use in their reporting.

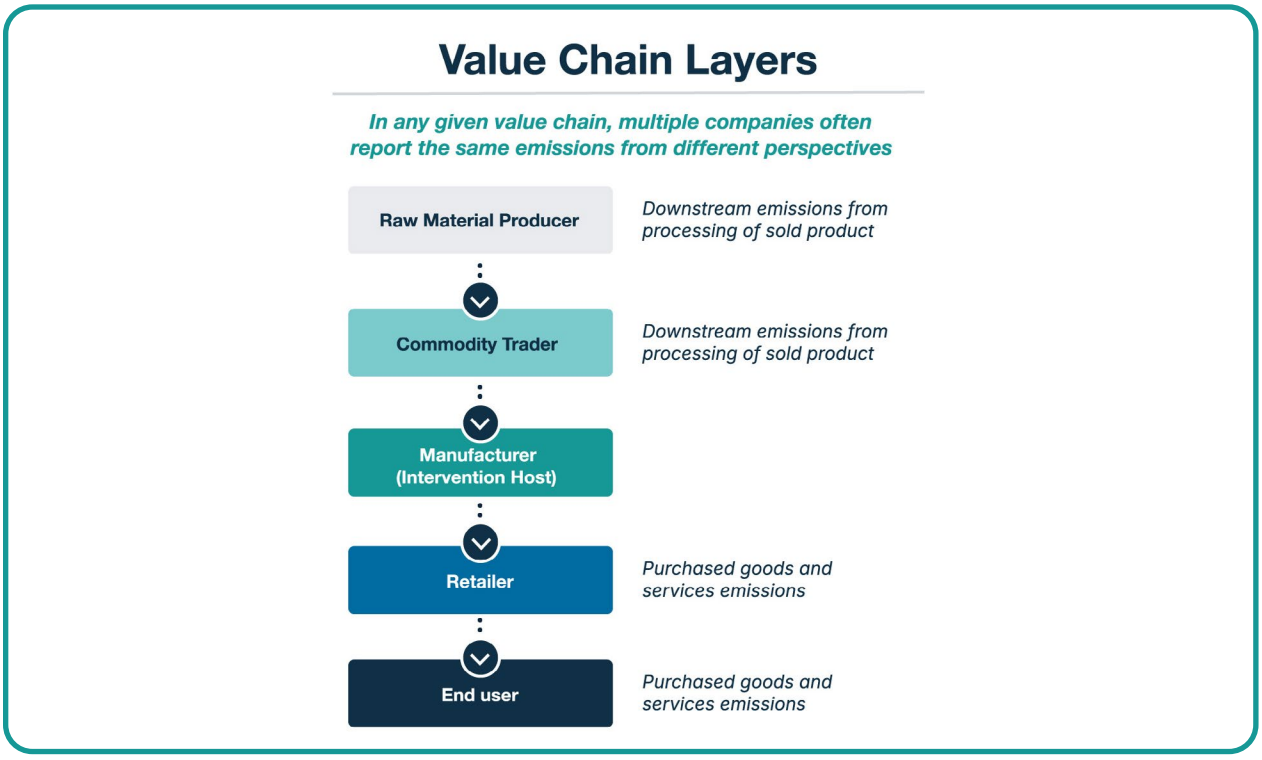
If intervention hosts are required (e.g., due to a contractual obligation, under law, etc.), to share intervention data with physical customers for some reason they can do so but, in this case, they must state that the data has been claimed by another entity and may not be used for that physical customer's emissions disclosure.[39]

### 5.7.4 Co-Claiming

The intervention host/supplier and the reporting company must agree whether there are any valid co-claims for the intervention outcomes, and specify how they will be managed.

Companies operating in different value chain layers may co-claim intervention outcomes in cases where emissions from the related (sub)component would typically be reported in each of those value chain layers, reflecting the shared nature of scope 3 emissions inventories (see Figure 7).

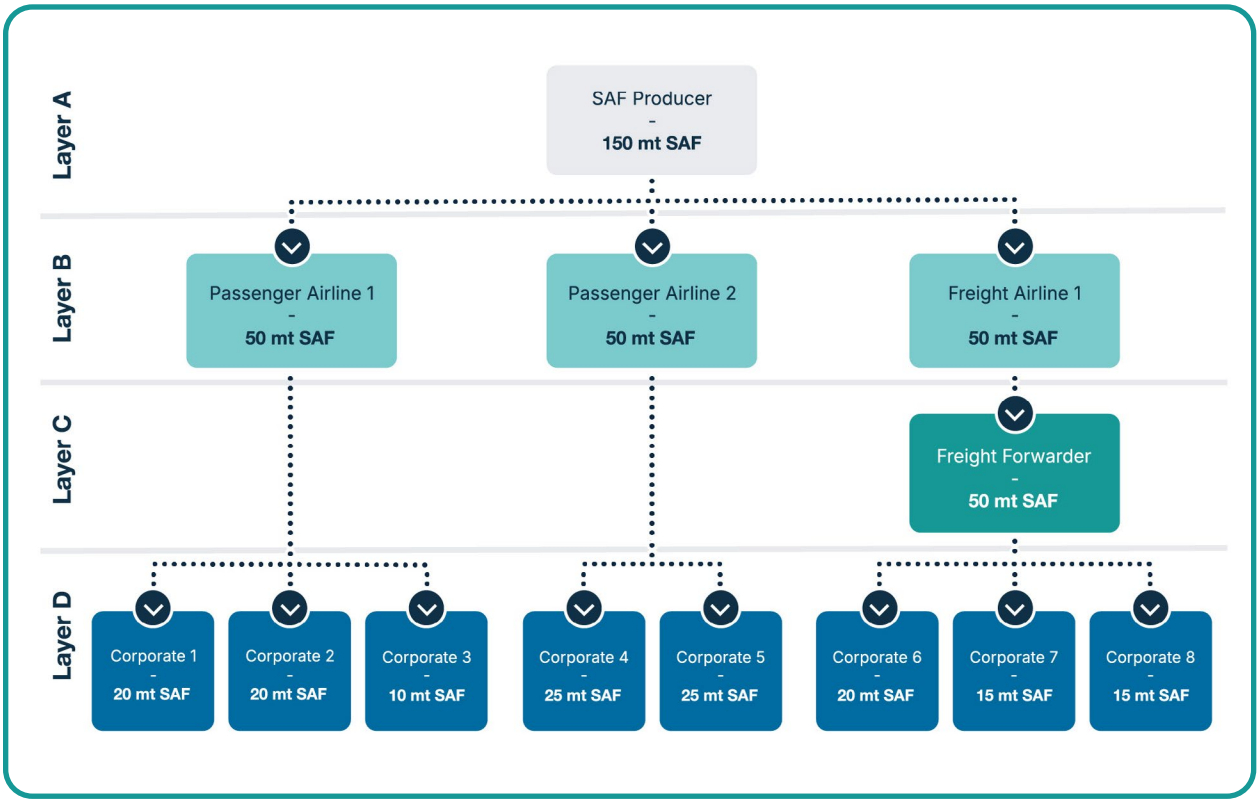
*Figure 7: Value Chain Layers Example*




39 The GHG Protocol as of yet has not completed guidance on this matter in the forthcoming Actions and Market Instruments Standard. The AIM Standard will be updated to align with GHG Protocol's guidance on this issue when available.

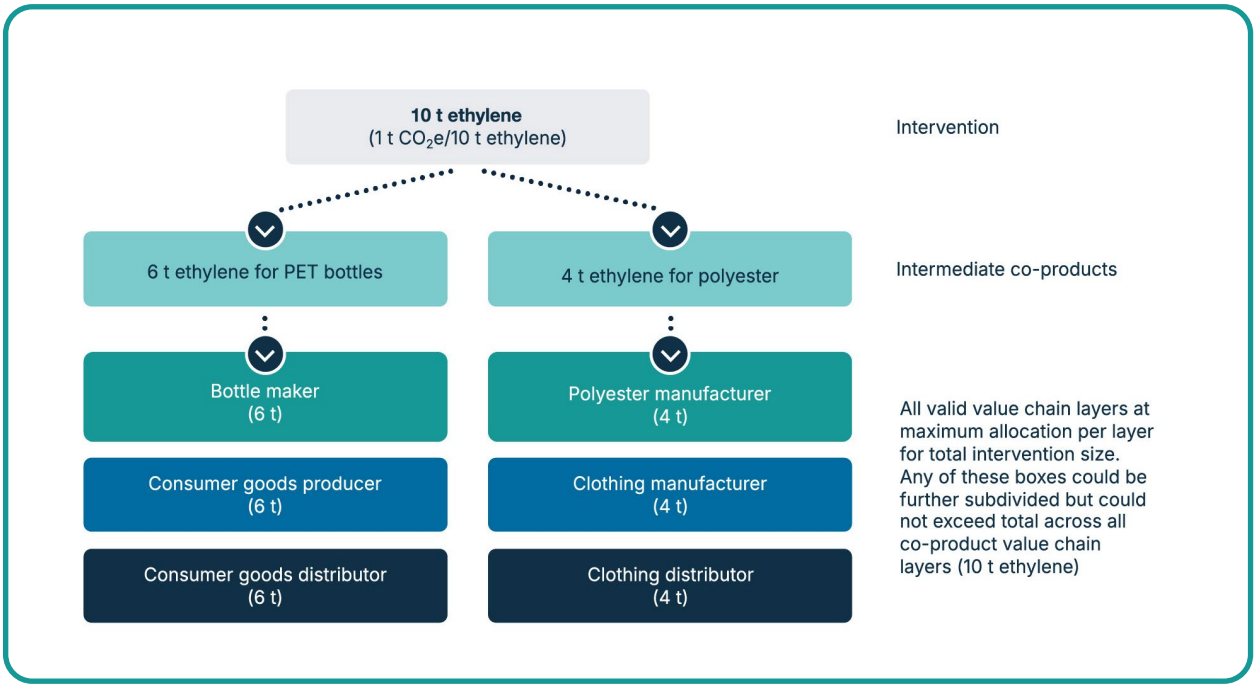
Any given unique unit of intervention outcome may be split into smaller units and transferred to multiple parties in the same layer (e.g., if layers A and B can co-claim intervention outcomes, 20 units claimed by a single company in layer A can be split into two sets of 10 units to be transferred to two separate companies in layer B). However, only one company within each applicable value chain layer can claim any given unique unit of intervention outcomes (e.g., two companies within layer B cannot simultaneously claim the emissions outcomes associated with the same unique unit). Refer to Figure 8 for an example of co-claiming in different layers.

*Figure 8: Example of Co-Claiming in Different Layers*




When an intervention occurs in a value chain with co-products, the intervention outcome may be distributed between multiple sets of co-product value chain layers. For example, the outcome from an ethylene intervention representing 10 tons of emissions reductions could be distributed between textiles (4 tons) and plastic bottles (6 tons) and can be co-claimed across multiple discrete value chain layers within each of those co-product value chains up to the intervention volume allocated to each (see Figure 9).

*Figure 9: Example of Co-Claiming Across Co-Products*




To inform which value chain layers may co-claim intervention outcomes, companies may request information about the end use(s) of good(s) or service(s) that were created as a result of the process(es) for which they supported an intervention. For example, if company A is supporting a green ammonia intervention, they may request information from the ammonia producer to assess whether the ammonia is being used for fertilizer production (as opposed to e.g., explosives), so that they can identify co-claimants in the agricultural value chain.

In their agreement, the company and its intervention host/supplier need to articulate how they will jointly manage co-claims to avoid a scenario where right to claim has been separately given to another company in the same value chain layer.[40] Using a registry that has the ability to track valid co-claims, when such a system exists, can be a valuable tool to ensure that erroneous double claiming does not occur.

## Example: Co-Claiming in Different Layers

A company and its intervention host are writing an agreement on how they will jointly manage co-claims. Before deciding, they consider the different ways the agreement could be structured, ranging from simple to more complex.

A simple option would be articulating that co-claiming is valid, and the reporting company retains all rights to and control over allocating those claims to other companies.

A more complex option would be articulating that the parties agree that co-claiming will occur in layers A and C but not B, where the supplier controls layer A co-claims and the reporting company controls layer C co-claims, and they agree to use the same tracking system to manage them all for visibility.

The company and intervention host decide to go with the simpler option but discuss the possibility of a more complex agreement for future investments.

40 Depending on the agreement, either the reporting company or intervention host/supplier or both, jointly, could be ultimately accountable for ensuring that co-claims are appropriately managed over time. Demonstrating that the parties agree on how co-claims will be managed in an agreement is sufficient to meet this requirement.

## 5.8 Record Creation Timing

### Purpose of Record Creation Timing

As interventions are time-bound activities that represent a net new and impactful change, and are used towards time-bound climate disclosure, certain processes need to be carefully sequenced and time-bound.

First and foremost, companies cannot report an intervention outcome on speculation, when the intervention has not yet been implemented.[41]

In addition, ambiguity regarding when solutions were implemented and when they generated emissions outcomes, or long delays between implementation, outcomes, and when the record is generated for claiming, make it harder to prove the effectiveness of value chain interventions. Long delays between implementation and verification also make it harder for auditors to accurately verify outcomes. A timing constraint can help address these potential challenges but must also respect the complexities of scheduling verification, the costs of conducting verification frequently, and potential mismatches between the reporting timelines of intervention hosts and companies.

#### Requirements:

- Intervention outcomes shall occur prior to the creation of their record in the system of record.
- Intervention records, at issuance, shall reflect the results of an audit.
- For interventions that are one-time actions which generate ongoing outcomes, companies shall establish a crediting period using the provided hierarchy (see Section 5.8.3).

#### Recommendations:

- Intervention outcomes should be recorded in a system of record within 24 months of the first intervention outcome occurrence. If doing so is not possible, the circumstances that prevent adherence to this recommendation should be transparently disclosed in a public emissions report.

### Guidance

The following sections provide guidance about when intervention records can be created and issued, the role of audits, and intervention crediting periods.

#### 5.8.1 Timelines

Intervention records must be issued only after the intervention occurs. To ensure that intervention outcomes occur prior to the creation of their record in the system of record, companies are encouraged to:

- Confirm that the intervention record they receive includes relevant production, outcome, or implementation dates, and that those dates predate their receipt of the record and the date the record was created if specified.

41 The date at which an intervention is implemented or fully operational is referred to as the "intervention occurrence". This may or may not be the same point in time as the intervention outcome occurrence (the date at which the emissions outcomes are realized). Refer to the Glossary for full definitions.

- When available, use a registry that actively checks that the intervention or intervention outcomes occurred before issuance by referencing relevant documentation submitted by the intervention host.
- Confirm that the intervention host has undergone at least one recent audit covering the intervention scope, with the audit results included in the intervention record.

Intervention data needs to be reflected in an issued intervention record in a timely manner in order to be relevant for disclosure. However, details can vary in practice:

- Many intervention outcomes occur in parallel with the occurrence of the intervention itself (e.g., the production of a product, when complete, embodies its cradle to gate emissions outcome).
- Other interventions incur a delay between the implementation of a practice and the emissions outcomes from that practice (e.g., a soil regeneration intervention is implemented at the end of a growing season (year 1) but doesn't yield intervention outcomes until the crops are grown in the next growing season (year 2)).
- For others, the specific timing of the outcome occurrence may not be known (e.g., the emissions outcomes of sustainable aviation fuel are measured on a full lifecycle basis which includes impact from the fuel's combustion, but the exact timing of fuel uplift is unknown – only its production, blending, and delivery timing are known).

In order to accommodate this variation, the timing of intervention issuance is recommended to follow the intervention outcome occurrence when that date is known. In many cases, this is the same as intervention occurrence timing. If the timing of the outcome is unknown, it is recommended to follow the timing of the intervention occurrence. It is recommended that intervention outcomes be recorded in a system of record within 24 months of intervention outcome occurrence (or of the intervention occurrence when outcome timing is unknown). To ensure intervention outcomes are recorded accordingly, companies can:

- Confirm that the intervention host creates and transfers the intervention record via a mutually agreed system of record within 24 months by comparing the intervention timeline to the issuance date, both of which will be indicated in the intervention record.

Further, it is common in some sectors and programs for interventions to be listed as projects in a system of record prior to intervention record issuance. This may occur. However, the intervention record itself (describing discrete intervention outcomes and other characteristics) may not be issued prior to the intervention outcome occurrence. For example, in the Gold Standard registry, projects are commonly listed before their completion, but issuance of credits does not occur until outcomes occur and are verified ex-post.

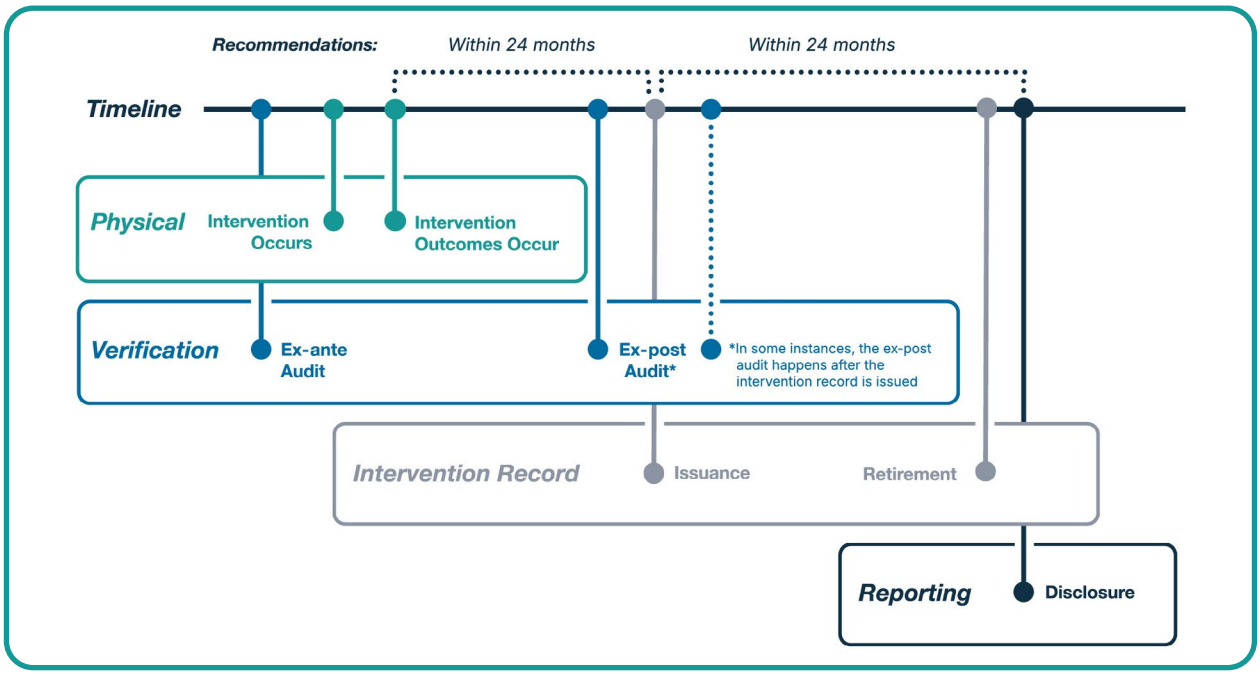
### 5.8.2 Audits

Intervention records are required to reflect the results of audits (see Section 5.3).[42] The intervention record must reflect appropriate audits (at least one) at the point of issuance.

One example showing when audits could occur relative to record creation is shown in Figure 10. The exact timing of the audits relative to the date of record creation can vary based on the intervention.

42 This chapter refers to when an audit should occur in relation to the creation of an intervention record. Refer to Section 5.2, Intervention Assurance for more requirements and recommendations on intervention audits.

*Figure 10: Record Creation Timing in Context*




An ex-post audit is required regardless of whether an intervention is defined as one or more process changes (e.g., a project) or a product (a discrete instance of recurring activity output from a decarbonized process). For projects, intervention records can only be issued after an ex-post audit is completed. For products, intervention records can be issued after an ex-ante and before an ex-post audit, but the intervention record must reflect the ex-post audit once complete.

### *Project Audits*

These interventions are commonly audited via ex-ante and ex-post audits, structured intentionally prior to and after the occurrence of the intervention to validate and verify its outcomes. In particular, an ex-ante audit can be used to establish a project baseline, in addition to an estimate of the intervention outcomes, and the ex-post audit is used to confirm those outcomes and the impact relative to the established project baseline.

For some projects, the intervention could generate emissions outcomes prior to the ex-ante audit, provided the intervention record is issued after an ex-post audit. A situation that might necessitate this could be when a few months of actual production and monitored data is needed for a third-party auditor to be able to accurately evaluate the project and conduct an ex-ante audit.

### *Product Audits*

Intervention outcomes accounted for on a product basis are often audited at a site or broader system boundary level, not on a product-by-product output basis. An example is fuel production via a consistent, recurring process at a batch level, for which audits occur at a site level on an annual cycle.

For some products, therefore, audits are not necessarily structured as ex-ante and ex-post. However, they do reflect pre-intervention and post-intervention assessments by virtue of the annual audit cadence. Each recurring audit includes ex-ante components for outputs looking forward, and ex-post components for outputs looking back, where ex-ante audits reflect the

implemented process already, just not the specific instance of output reflected in the given intervention record. These audits are typically used to convey appropriate claims (e.g., emissions intensity and otherwise) that can be used for any output product from the time of the first audit through to the next audit. In these cases, for example, if the fuel batch was produced in April and the last audit occurred in January, the intervention record may be created after the ex-ante audit (January) and the intervention occurs (April), but prior to an ex-post audit (the following January).

For products that do not undergo an ex-ante audit (e.g., the audit scope does not include pre-intervention assessment against criteria), intervention records may only be issued after the ex-post audit occurs.

### 5.8.3 Crediting Periods

Some interventions reflect a one-time action that generates emissions benefits for the duration of the asset or process. For example, replacing a coal-fired boiler at a supplier's facility with an electric boiler is a one-time action that generates emissions benefits throughout the life of the new boiler.

In such cases, the following hierarchy is to be used by the intervention host/supplier and reporting company as relevant:[43]

1. If a crediting period is set forth in a sector-specific guidance, intervention program, or registry, the intervention host may generate intervention records for that specified period.
2. If the intervention type can be found on the IRS 946 Appendix B1 or B2 lists[44], use the lower of the two corresponding recovery periods[45] listed as the crediting period, starting from the time the intervention occurred and generated the first intervention outcome. Companies are encouraged to use the most recently published version of the Appendix B2 list to determine the appropriate recovery period.
3. If the intervention type has a known recovery period but is not listed on the Appendix B1 or B2 list due to the nature of the intervention, its novelty, or another justifiable reason, the intervention may generate emissions outcomes up to that known recovery period, provided justifications for the duration are publicly disclosed.
4. If the intervention does not fall into any of the above situations, the intervention may generate emissions outcomes for up to 5 years from the time the intervention occurred and generated the first intervention outcome, or a company can provide a justification explaining why a different duration of time is appropriate.

If an intervention yields a discrete one-time emissions outcome, the above crediting periods do not apply.

43 The intention of providing these crediting period definition options is to follow precedence set by other relevant bodies, such as Verra's Verified Carbon Standard (VCS) (Verra, n.d.), the Clean Development Mechanism (CDM) (UNFCCC, n.d.), and Gold Standard GS4GG (Gold Standard, n.d.), and noting that many interventions have a defined useful life.

44 Publication 946 (2024), How To Depreciate Property | Internal Revenue Service

45 Definition of Recovery Period: The number of years over which a taxpayer can recover the cost of a depreciable asset for tax purposes(IRS Publication 946, 2024). For the purposes of the AIM Standard, this recovery period is used as the basis for determining an eligible crediting period.

## Example: Record Creation Timing

A company purchases a maritime shipping certificate on a registry that requires that low emissions maritime fuel was produced and used on a voyage prior to record creation.

The date of fuel production was January 2024, the fuel was bunkered in the port in February 2024, and the voyage that used the fuel volume concluded in March 2024. This means that intervention occurrence and outcome occurrence are co-timed, as the intervention itself (the use of the fuel on the voyage) and the emissions reduction from the intervention (the lifecycle emissions benefit from the use of the fuel) both occurred in March at the conclusion of the voyage. The intervention record was created in August 2024 after the verification audits were completed, well within a year of intervention – and intervention outcome - occurrence.

Crediting periods are not relevant for this maritime shipping intervention because the intervention is the use of a discrete volume of renewable shipping fuel that can only be used once and therefore yields a discrete one-time emissions outcome. It is not a one-time action that yields ongoing emissions outcomes. An intervention focused on the retrofitting of a ship, for instance, could follow these crediting period recommendations.

## Example: Crediting Period

A company supports their supplier in implementing a new electrified boiler system which replaces their existing coal-fired boiler. The intervention was audited both ex-ante (before the new boiler was installed) and ex-post (after the new boiler was installed). The intervention host begins to transfer intervention records to the company only after this new installation is installed and operating and audited ex-post. The company references a CDM Methodology for this type of intervention, which specifies a 10-year crediting period. If this methodology had not specified a crediting period, the company would next consult the IRS recovery timeline for this type of project as the next best proxy for a crediting period.

# Chapter 6: Quantification and Accounting

## Purpose of Quantification and Accounting

Chapter 5 detailed requirements and guidance to ensure interventions meet minimum quality criteria. Translating intervention outcomes into GHG inventory disclosures that can be used in a comprehensive multi-statement GHG report requires matching and correctly accounting for intervention outcomes in relation to the associated (sub)component quantities in the reporting company's physical inventory.[46]

### Steps to Credibly Translate Intervention Outcomes into GHG Inventory Disclosures

The type of data available and the intended GHG reporting statement will dictate or influence the requirements a company will follow in Chapters 6 and 7. The following steps help to summarize the process that is further detailed in respective chapters of the AIM Standard. Refer to Figure 11 for a flow chart depicting these steps.

Step 1: Identify what data you have for the intervention outcome (Section 5.4) and for the associated (sub)components you plan to address with the intervention. If your intervention outcome data is available as an emissions intensity ($CO_2e$ per unit of activity output/product) proceed to Step 2a. If your intervention outcome data is only available as a change in emissions ($CO_2e$), proceed directly to Step 3a.

Step 2a: Determine if you can use the Product Matching method by matching the (sub)components units with the intervention outcome units. If you can, use Product Matching as outlined in Section 6.1.1 and then proceed to Step 2b. If you cannot, or do not want to use Product Matching, proceed to Step 3a. *Note: Product Matching is a prerequisite to report in the contractual inventory.*

Step 2b: If Product Matching was used, use the Substitution accounting approach (with or without adjustments) as outlined in Section 6.1.2 and then proceed to Step 2c. If Substitution is not applicable or preferred, proceed to Step 3a.

Step 2c: If the Product Matching method and the Substitution accounting approach (with or without adjustments) were used, proceed to Section 7.1 and disclose in the contractual inventory the appropriate adjusted (sub)component emissions.

Step 3a: Use the Emissions Matching method as outlined in Section 6.2 and then proceed Step 3b.

Step 3b: Proceed to Section 7.1 to disclose in the impact statement the appropriate quantity of $CO_2e$ reduced (as a negative value) relative to the targeted (sub)components in the physical inventory.

46 The requirements of this version of the AIM Standard cannot fully reflect final decisions made during ongoing revisions of both the GHG Protocol Standards and the SBTi Corporate Net Zero Standard. Depending on the outcome of those revisions, companies may need to apply different quantification and matching requirements to meet the criteria of those standards. We will provide supplementary materials and consider updates to the AIM Standard to provide clarity on how the standards can be used in a complementary manner.

## Requirements:

- Companies shall use the intervention outcome information received in the intervention record (Section 5.3) as the definitive data inputs for quantifying and accounting for intervention outcomes relative to inventory (sub)components.
- When quantifying intervention outcomes relative to inventory (sub)components, companies shall ensure that the quantity of the outcomes applied to their targeted (sub)components does not exceed the quantity of those (sub)components in any given year's physical inventory.
- Companies shall use the Product Matching method with the Substitution accounting approach or the Emissions Matching method to demonstrate conformance with these requirements. If using the Emissions Matching method, companies shall ensure the intervention outcomes applied to their respective (sub)components are reflective of the decarbonization levels that are physically realized (e.g., through a technology, procedural, or process change) by the intervention. Companies using the Substitution accounting approach shall apply any relevant adjustments to adequately match the intervention with (sub)component(s) in their physical inventory.

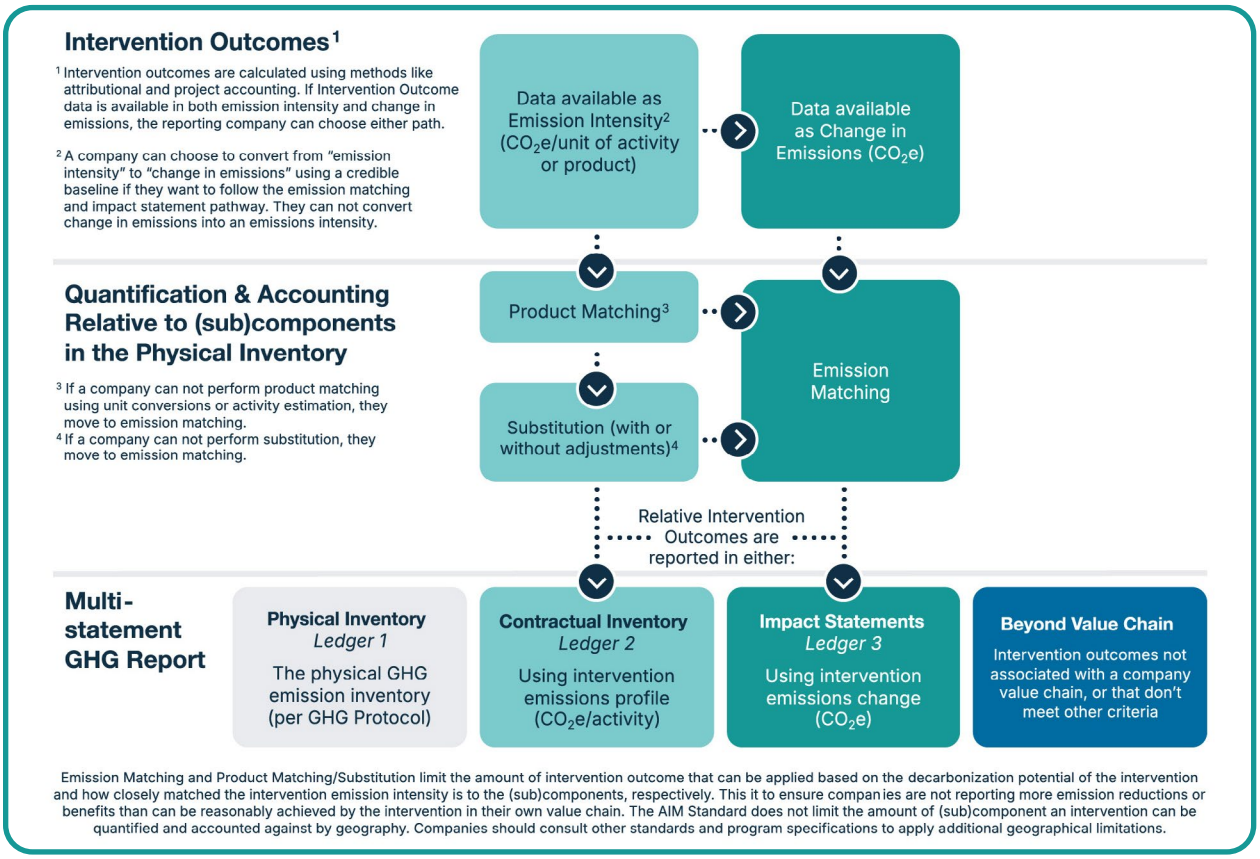
## Recommendations:

- N/A – No recommendations in this chapter.

## Guidance

The AIM Standard provides two pathways to demonstrate conformance with the quantity matching and accounting requirements: 1) the Product Matching method with the Substitution accounting approach, and 2) the Emissions Matching method. The pathway a company uses will depend on the units provided for the intervention outcome in the intervention record, and the type of data available for its targeted (sub)components in its physical inventory. Figure 11 illustrates the two pathways.

*Figure 11: Pathways for Quantification & Accounting*



The AIM Standard includes both pathways to ensure that companies can comply with the main requirements of this chapter, irrespective of inventory and intervention data type and availability. The pathways are designed to result in similar quantification outcomes despite having different steps. The requirement to reflect physically realized decarbonization levels applies to the Emissions Matching method so that the Emissions Matching method has a similar quantification outcome to the Product Matching method. Interventions using the Product Matching method, by manner of being interventions denominated in a unit of product, inherently meet this requirement.

Any intervention outcomes that exceed the quantity of matched (sub)components in a given reporting year may be reported in another reporting year or accounted for and reported as beyond value chain. More details about the reporting structure for intervention outcomes in the context of a company's GHG emissions reporting are covered in Section 7.1.

The following sections detail the Product Matching method with the Substitution accounting approach and the Emissions Matching method.

## *6.1 Product Matching Method with Substitution Accounting Approach*

### 6.1.1 Product Matching Method

The Product Matching method is appropriate when the intervention outcome is conveyed as an emissions intensity in units of volume of an activity output or product, and those units are the same as the units in which the targeted (sub)components are tracked. Examples of volumes of activities or product include, but are not limited to, tonne-miles of trucking service, cubic yards of garment, tonnes of corn, passenger-kilometers traveled, etc.

If the (sub)component units don't match exactly to the intervention outcome units, companies can convert the units of the (sub)components to use the Product Matching method. For example, consider an intervention tracked in metric tons of urea (a nitrogen fertilizer). A company could use the Product Matching method to target crop components of which nitrogenous fertilizer is a subcomponent. If the crop components are measured in tons of crop, and the subcomponents are measured in metric tons of nitrogen fertilizer, they can use an average nutrient content conversion factor to convert metric tons of urea into metric tons of nitrogen fertilizer in order to compare the intervention and subcomponent quantities.[47]

If a company has (sub)component data in units of tonnes $CO_2e$ per currency unit (spend data), it is possible to use the Product Matching method if the company can credibly convert its spend data into activity data.[48] For additional details about how to make this spend to activity data conversion in the context of a given intervention, see Appendix H: Activity Data Estimation.

There could be situations where doing unit conversion or converting spend data into activity data is not possible or where it will add significant calculation burden or uncertainty to the process. In these cases, companies will move to the second pathway and perform the Emissions Matching method.

47 Concepts from hybrid accounting can be applied to support disaggregation of component emissions factors to match (sub)component units. Hybrid accounting is described in GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions.

48 Activity data is a quantitative measure of a level of activity output that results in GHG emissions. Activity data is multiplied by an emissions factor to derive the GHG emissions associated with a process or an operation. The AIM Standard uses the term 'activity data' to refer specifically to non-spend-based activity data, meaning it excludes data that represents the average emissions per monetary value of good.

The Product Matching method includes the following steps:

1. Determine the quantity of activity data for the targeted (sub)component.
2. Use the intervention record to determine the quantity of intervention outcomes denominated in units of product. If the units of the intervention outcome and targeted (sub)components are the same, proceed to Step 3a. If the units are not the same but can be converted using unit conversion or activity data estimation, make the conversion and proceed to Step 3a. If it is not possible to match the units, move to the Emissions Matching method (Section 6.2).

3a. Compare the quantity of intervention activity data with the quantity of the targeted (sub)component activity data. If the quantity of intervention activity data is less than or equal to the quantity of (sub)component activity data, the intervention meets the requirements of the Product Matching method.

3b. If the quantity of intervention activity data is greater than the quantity of the (sub)component activity data:

   I. Intervention activity data up to the quantity of (sub)component activity data meets the requirements of the Product Matching method.

   II. Intervention activity data that exceeds the quantity of (sub)component activity data does not meet the requirements of the Product Matching method. Companies can choose not to purchase the excess quantity, to report the excess quantity in another reporting year, or report the excess quantity as beyond value chain.

To see how a company would move through the Product Matching steps, consider the example from Table 13.

*Table 13: Example: Product Matching Method Steps for Zero-Emissions Trucking Intervention*

| Step | Description |
|---|---|
| 1 | The company identifies and quantifies the trucking services in its scope 3 inventory. The company aggregated 1M tonne-kilometers (km) of trucking services. This is the maximum quantity of (sub)components that the company can match to associated intervention outcomes and report in the current GHG reporting year. |
| 2 | The company invested in an intervention that received intervention outcomes of 1.5M tonne-km of zero-emissions trucking EACs per year. Because the intervention outcome and targeted (sub)components have the same units, the company can use the Product Matching method. |
| 3 | As 1.5M tonne-kms worth of EACs is greater than 1M tonne-km, only 1M tonne-kms of EACs meets the requirements of the Product Matching method. The company retains the excess .5M tonne-km to apply to its next reporting year, or to report as beyond value chain. |

### 6.1.2 Substitution Accounting Approach

To accurately account for intervention outcomes in a contractual inventory (Section 7.1), companies will need to apply the Substitution accounting approach to the quantity of intervention outcomes that met the requirements of the Product Matching method. Through this, the emissions intensity of the intervention is substituted in place of the emissions intensity of the (sub)component(s).

There are three steps to Substitution accounting:

1. Determine the intervention baseline[49] (in $CO_2e$/unit of intervention activity output) and the emissions intensities for both the intervention and the targeted (sub)component. Data for the post-intervention emissions intensity and the emissions intensity of the targeted (sub)components will have already been collected to perform the Product Matching method. If the intervention baseline is not provided in the intervention record, consult Appendix I to determine a credible baseline. If the company does not have all the data necessary to perform Substitution accounting, they will need to move to pathway 2 (Figure 11) and use the Emissions Matching method (Section 6.2).
2. Compare the intervention baseline and the targeted (sub)component emissions intensity. If these are the same, the company can substitute the post-intervention emissions for the targeted (sub)components in the contractual inventory up to the maximum quantity that met the requirements of Product Matching. If they differ, proceed to Step 3.
3. Step 3 has the following steps:
    a. Calculate the impact of the intervention on a per unit basis by subtracting the post-intervention emissions intensity from the intervention baseline.
    b. Calculate an adjusted targeted (sub)component emissions intensity for the contractual inventory by subtracting the output of Step 3a from the targeted (sub)component emissions intensity. If the adjusted emissions intensity is below zero units of $CO_2e$ per unit of activity output, use zero as the adjusted emissions intensity per unit of activity output.[50]
    c. Calculate the quantity of emissions for the contractual inventory by multiplying the adjusted targeted (sub)component emissions intensity by the quantity of intervention activity data that met the requirements of Product Matching.

The following case studies provide examples using substitution with and without adjustments.

49 Defined as the reference activity data of the intervention. Intervention baselines can be a project accounting baseline, a pre-intervention emissions intensity, or an appropriate regional benchmark for the intervention. See Appendix I: Determining a Credible Baseline, for more details.

50 Substitution with adjustments is an accounting approach that enables companies to invest in interventions when tight matching to an inventory (sub)component is not feasible or possible, while still ensuring reported outcomes more closely match the intervention's atmospheric impact. However, if an intervention baseline is significantly higher than a (sub)component emissions intensity, the resulting adjusted emissions intensity could be negative. For example, if the (sub)component emissions intensity was 100 g $CO_2e$/unit of activity output, the intervention baseline was 125 g $CO_2e$/unit of activity output, and post-intervention emissions intensity was 0 g $CO_2e$/unit of activity output, the resulting adjustment would be -25 g $CO_2e$/unit of activity output. In this circumstance, the company could only substitute a value of 0 g $CO_2e$/unit of activity output into the contractual inventory. This ultimately means that the company cannot report all of the outcomes of an intervention. If a company wants to report all outcomes, the company could either 1) try to find closer matching (sub)components so they can do substitution without adjustments, or 2) use the Emissions Matching method and report outcomes in the impact statement

## Example: Substitution without Adjustments

A company has purchased 15,000 tonne-kilometer (t-km) of drayage trucking EACs, which it wants to apply to address its 20,000 t-km diesel drayage road transport emissions. The company obtains the carrier-provided drayage intervention baseline of 77 $gCO_2e$ per t-km and the post-intervention EAC emissions intensity of 0 $gCO_2e$ per t-km (EACs purchased were created by zero-emissions electric road transport backed by 100% renewable energy) from the intervention record. The company confirms that the drayage transport activity output in its own GHG inventory also has an emissions intensity of 77 $gCO_2e$/ t-km. As such, the company determines it can use substitution without adjustment and substitutes the emissions for the drayage transport activity output in their contractual inventory with the EAC intensity up to the maximum quantity that met the requirements of the Product Matching method.

Because the company had 20,000 t-km diesel drayage road transport emissions in its physical inventory and purchased 15,000 t-km of EACs, it can substitute 15,000 t-km of diesel drayage road transport emissions with the EAC emissions intensity of 0 $gCO_2e$ per t-km in the contractual inventory.

| (Sub)component in the physical inventory | (Sub)component in the contractual inventory |
|---|---|
| 1,540 kg $CO_2e$ (20,000 t-km * 77 g $CO_2e$/t-km) | 385 kg $CO_2e$ (15,000 t-km*0 g $CO_2e$/t-km + 5,000 t-km* 77g $CO_2e$/t-km) |

## Example: Substitution with Adjustments

A company has 20,000 t-km of diesel LTL road transport activity output in its inventory with an emissions intensity of 120 g $CO_2e$/t-km. The company procured 15,000 t-km of EACs, created by zero-emissions electric drayage road transport backed by 100% renewable energy (0 $gCO_2e$ per t-km). The intervention baseline for diesel drayage road transport was 77 $gCO_2e$/t-km. The (sub)component emissions intensity and intervention baselines are not the same, so the company will need to perform substitution with adjustments.

To calculate the adjustments needed, the company calculates the impact of the intervention on a per unit basis by subtracting the post-intervention emissions intensity from the intervention baseline:

*Intervention Impact = 77 $gCO_2e$/t-km – 0 $gCO_2e$/t-km = 77$gCO_2e$/t-km*

The company then calculates an adjusted targeted (sub)component emissions intensity for the contractual inventory by subtracting the targeted (sub)component emissions intensity by the intervention impact:

*Adjusted (sub)component emissions intensity = 120 $gCO_2e$/t-km – 77 $gCO_2e$/t-km = 43 $gCO_2e$/t-km*

The company can then use the adjusted emissions intensity for the targeted (sub)components to quantify and report emissions in the contractual inventory up to the maximum quantity that met the requirements of Product Matching.

| (Sub)component in the physical inventory | (Sub)component in the contractual inventory |
|---|---|
| 2,400 kg $CO_2e$ (20,000 t-km * 120 g $CO_2e$/t-km) | 1,245 kg $CO_2e$ (15,000 t-km*43 g $CO_2e$/t-km + 5,000 t-km* 120g $CO_2e$/t-km) |

## 6.2 Emissions Matching Method

Companies will use the Emissions Matching method when the intervention outcome is conveyed as a change in emissions (emissions reduced, avoided, or removed) compared to a project or intervention baseline.[51] The Emissions Matching method is also appropriate when Product Matching cannot be performed because the targeted (sub)component's units are denominated in tonnes of $CO_2e$ or otherwise cannot or have not been converted to units of activity output that match the units of the intervention outcome, or because the Substitution accounting approach cannot be performed due to lack of appropriate data. Quantities of intervention outcomes that meet the requirements of the Emissions Matching method do not need to undergo any additional steps and can be reported in the impact statement as a negative mass of $CO_2e$ (Section 7.1).

To conform with the Emissions Matching method, an intervention cannot reduce a quantity of emissions greater than the proportion of the (sub)component's total emissions that come from the specific process targeted by the intervention. For example, if the intervention reduces methane emissions at a dairy farm that then produces ice cream (the component), the reductions applied cannot exceed the proportion of emissions in the inventory from ice cream that can be attributed to methane at dairy farms.

The Emissions Matching method has the following steps:

For the targeted (sub)components:

1. Identify the quantity of the targeted (sub)component in tonnes of $CO_2e$ in a given reporting year. If the (sub)component is in volume of activity data, apply a relevant emissions factor to convert it to $CO_2e$.
2. Use a representative LCA or industry data to determine what percentage of the targeted (sub)component's emissions are from the emissions source targeted by the intervention.[52]
3. Multiply the percentage calculated in Step 2 by the total tonnes of $CO_2e$ for the (sub)component to identify the quantity of $CO_2e$ from that emissions source.

For the intervention:

4. Determine the emissions reduction percentage of the intervention compared to a credible baseline (e.g., the intervention reduced emissions 60% compared to pre-intervention emissions). Multiply this percentage by the quantity of $CO_2e$ of the targeted emissions source (Step 3). The result of this calculation is the maximum quantity of $CO_2e$ that a reporting company can address to meet the requirements of the Emissions Matching method (also know as the maximum addressable quantity of $CO_2e$). This step ensures that reported intervention outcomes are reflective of the decarbonization levels that are physically realized by the intervention.[53] A credible baseline can be found in the intervention record or determined following the guidance in Appendix I.
5. Use the intervention record to determine the quantity of outcomes from the identified intervention in tonnes of $CO_2e$ in a given reporting year. If the intervention is in volume of activity data, apply a relevant emissions factor to convert to $CO_2e$.
6. Compare the intervention outcomes (Step 5) with the maximum addressable quantity of $CO_2e$ (Step 4):

51 While it is often theoretically possible to convert an intervention outcome from tonnes of $CO_2e$ to units of activity output, doing so can introduce substantial uncertainty through the use of highly generalized and potentially inaccurate data. The Emissions Matching method is appropriate in these cases.

52 This value can be 100% if the intervention and the (sub)component are the same. For example, a finished steel intervention would be the same emissions source as a finished steel inventory subcomponent.

53 Decarbonization levels here only refer to the emissions reduction %, not also how an intervention is implemented, e.g., factoring a blending limit for a fuel.

a. If the intervention outcomes are less than or equal to the maximum addressable quantity of tonnes of $CO_2e$ (step 4), the intervention meets the requirements of the Emissions Matching method.

b. If the intervention outcomes are greater than the maximum addressable quantity in tonnes of $CO_2e$:

    i. Intervention outcomes up to the maximum addressable quantity in tonnes of $CO_2e$ meet the requirements of the Emissions Matching method.

    ii. Intervention outcomes in excess of the maximum addressable quantity in tonnes of $CO_2e$ do not meet the requirements of the Emissions Matching method. Companies can choose not to purchase the excess quantity, can report the excess quantity in another reporting year, or can report the excess quantity as beyond value chain.

To see how a company would move through the Emissions Matching steps, consider the example from Table 14.

*Table 14. Example: Emissions Matching method Steps for an Anaerobic Digester Intervention*

| Step | Description |
|---|---|
| 1 | The company identifies and quantifies the GHG impact from purchased ice cream (the targeted subcomponent) in its physical inventory. For the reporting year, purchased ice cream was responsible for 10,000 tonnes of $CO_2e$. |
| 2 | The company identifies on-farm manure methane emissions as the targeted emissions source of the inventory (sub)component. The company uses an LCA study to determine that on-farm manure methane emissions make up approximately 25% of total ice cream emissions. |
| 3 | The company calculates that the quantity of emissions from their targeted emissions source is 2,500 tonnes of $CO_2e$ (10,000 tonnes of $CO_2e$ * .25 = 2,500 tonnes of $CO_2e$). |
| 4 | The company calculates the maximum addressable quantity of $CO_2e$ for the intervention. It confirms that the intervention results in a 60% reduction compared to a baseline. It multiplies that decarbonization level by the quantity of emissions from its emissions source in step 3 to identify that it can address up to 1,500 tonnes of $CO_2e$ through on farm methane interventions (2,500 tonnes of $CO_2e$ *.6 = 1,500 tonnes of $CO_2e$). |
| 5 | The company pursued an intervention to fund on-farm anaerobic digesters, which capture methane emissions from on-farm manure. The intervention reduces 1,400 tonnes of $CO_2e$ per year. |
| 6A | The company compares the estimated quantity of the planned anerobic digester invention (1,400 mt $CO_2e$ reduced per year) with the maximum addressable quantity of $CO_2e$. Since 1,400 < 1,500, the intervention meets the requirements of the Emissions Matching method. |

## 6.3 Additional Guidance for Quantification

### 6.3.1 Pursuing Multiple Interventions

A company can pursue multiple interventions to address a given (sub)component up to the maximum addressable quantity of that (sub)component in the physical inventory. If the company is using the Product Matching method, the total intervention outcomes summed across the multiple interventions cannot exceed the amount of the targeted (sub)component.

If a company is pursuing multiple interventions to address a given (sub)component and is using the Emissions Matching method, there are three possibilities:

1. If the interventions address clearly differentiated emissions sources within the same (sub)component and the company can find an LCA that details what percentage of the (sub)component's emissions are from those differentiated emissions sources, the company would perform a unique Emissions Matching calculation for each intervention. That is, each intervention would have its own maximum quantity of addressable emissions calculated using Steps 1-6 above.
2. If pursuing multiple interventions that target the same emissions source and those interventions can technically be implemented on the same emissions source, the company can add their decarbonization levels together to calculate a maximum addressable quantity of $CO_2e$.
3. If pursuing multiple interventions that target the same emissions source and cannot be physically implemented together, a company can only pursue each intervention for a distinct portion of the maximum addressable quantity of $CO_2e$.

### 6.3.2 Selecting LCA Studies for use in Emissions Matching

To determine the appropriateness of an LCA for use in the Emissions Matching method, companies will want to consider the quality indicators from the GHG Protocol Scope 3 Standard. Relevant factors for an LCA include its technological, temporal, and geographic representativeness, as well as completeness and reliability.

*Table 15. Data Quality Indicators from the GHG Protocol Scope 3 Standard*

| Indicator | Description |
|---|---|
| Technological representativeness | The degree to which the data set reflects the actual technology(ies) used. |
| Temporal representativeness | The degree to which the data set reflects the actual time (e.g., year) or age of the activity. |
| Geographical representativeness | The degree to which the data set reflects the actual geographic location of the activity (e.g., country or site). |
| Completeness | The degree to which the data is statistically representative of the relevant activity.<br>Completeness includes the percentage of locations for which data is available and used out of the total number that relate to a specific activity. Completeness also addresses seasonal and other normal fluctuations in data. |
| Reliability | The degree to which the sources, data collection methods and verification procedures used to obtain the data are dependable. |

The Data Quality Indicators in Table 15 are also a useful tool when choosing an appropriate emissions factor for Activity Data Estimation, which a company could use to then perform Product Matching with Substitution. Appendix H provides more details on Activity Data Estimation.

### 6.3.3: Accounting for Negative Values

For both Product Matching with Substitution and Emissions Matching, it is important that removals are reported separately from the intervention outcome following the current requirements of the GHG Protocol, as required in Section 7.1. Intervention outcomes reported using the Emissions Matching method will be reported as a negative mass of $CO_2e$. Intervention outcomes reported

using Product Matching with Substitution cannot be reported below an emissions intensity of 0 units of $CO_2e$ per unit. Both are matched to the appropriate amount of targeted (sub)components in the physical inventory following the requirements of this Chapter.

However, removals may enable the net emissions outcome of the intervention to be negative. In other words, companies cannot reduce emissions below the associated value chain (sub)component in their physical inventory, but may associate removals with value chain (sub)components to reflect a negative value, reported separately. This, together with other requirements of the AIM Standard provides alignment and interoperability with other accounting and reporting standards like the GHG Protocol. More details about the reporting structure for intervention outcomes in the context of a company's GHG emissions reporting are covered in Section 7.1, Separate Reporting Statements.

### 6.3.4 Program Specific Guidance

Detailed intervention accounting approaches have been developed for some sector or intervention specific programs (e.g., SAFc Emissions Accounting and Reporting Guidelines (World Economic Forum, 2022)). These approaches may address unique aspects of a particular sector or intervention type in a manner that can support the application of the Product Matching with Substitution approach or Emissions Matching methods detailed above.

# Chapter 7: Reporting

## *7.1 Separate Reporting Statements*

### Purpose of Reporting Statements

A comprehensive multi-statement GHG report provides companies with the opportunity to disclose the different actions they are taking to address emissions across their value chain and meet their climate goals. Chapter 6 allows companies to quantify and account for the intervention outcomes relative to the targeted (sub)components in their scope 3 physical inventory. Chapter 7 introduces two statements companies can use to report those relative intervention outcomes: a contractual inventory and an impact statement.[54] Reporting intervention outcomes separately from a physical inventory in mutually exclusive ledgers provides transparency to stakeholders and allows companies to report progress towards goals regardless of accounting approach utilized.

### Requirements:

- Intervention outcomes reported in a contractual inventory or impact statement shall abide by the Association (Chapter 4), Quality (Chapter 5), and Quantification and Accounting (Chapter 6) requirements of the AIM Standard.
- Companies shall report a complete physical inventory separately from any reporting of intervention outcomes.
- Companies shall report intervention outcomes in reference to specific emissions scopes and categories, segmented by accounting approach, and in mutually exclusive ledgers.
- Intervention outcomes calculated using the Product Matching method with the Substitution accounting approach shall be reported in the contractual inventory.
- Intervention outcomes calculated using the Emissions Matching method shall be reported in the impact statement.
- Intervention outcomes that exceed the quantity of targeted (sub)components in a given year shall be reported as beyond value chain mitigation or in another reporting year.
- If removals are part of an intervention outcome, those shall be reported separately in each respective ledger.

### Recommendations:

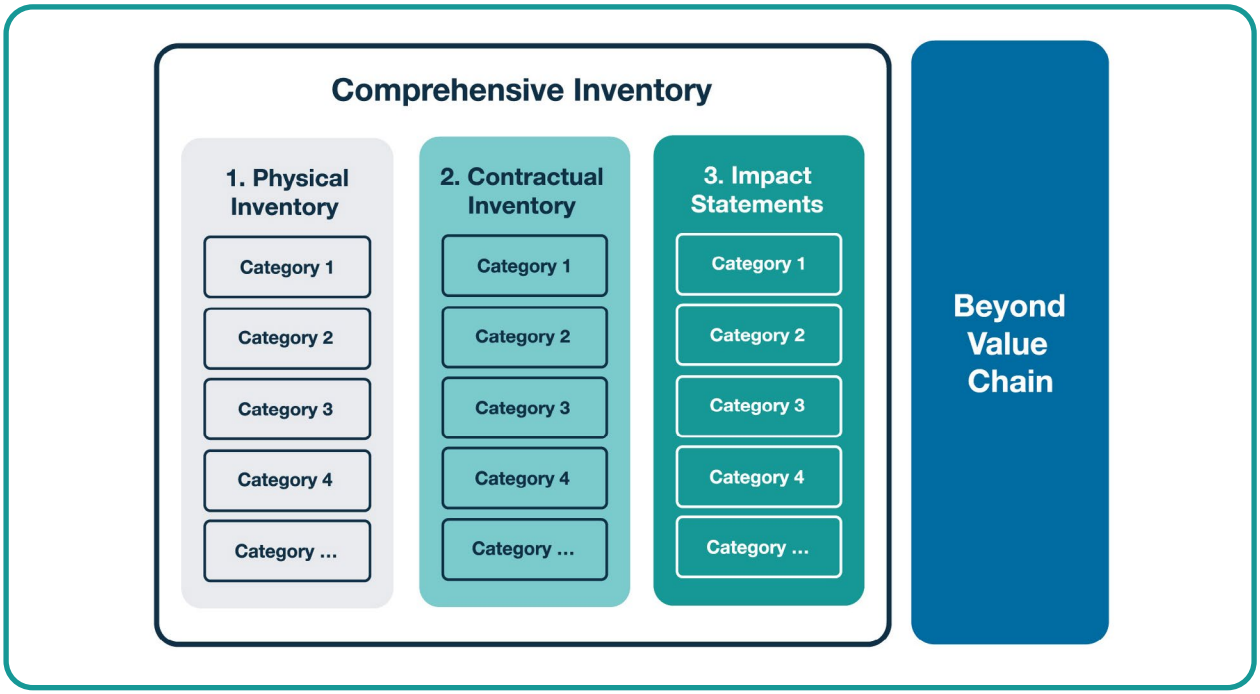
- N/A – No recommendations in this chapter.

54 At the time of publication, GHG Protocol is undergoing revisions and actively considering multiple ledgers for reporting different GHG inventories and climate outcomes. The AIM Platform will consider revisions to align with GHG Protocol terminology and requirements when those revisions are finalized.

## Guidance

The AIM Standard introduces a 2-ledger system that complements the physical inventory: a contractual inventory, and an impact statement. Beyond value chain is also identified as a ledger where intervention outcomes that don't pass the requirements of the AIM Standard can be reported. Other frameworks like the Task Force for Corporate Action Transparency (TCAT) provide additional ledgers where companies can report other activities. The flow chart in Chapter 3 indicates which decision steps in the AIM Standard can result in intervention outcomes being reported in beyond value chain or other ledger systems.

*Figure 12: Indicative Multi-Statement Corporate GHG Inventory Ledger System*




### 7.1.1 Physical Inventory

The physical emissions inventory is the scope 3 GHG emissions inventory prepared according to current GHG Protocol scope 3 emissions reporting requirements (Greenhouse Gas Protocol, 2011). Companies are required to report a complete physical inventory separately from any reporting of intervention outcomes.

### 7.1.2 Contractual Inventory

The contractual emissions inventory is where reporting companies can report intervention outcomes relevant to (sub)components in the physical inventory following quantification using the Product Matching with Substitution (Section 6.1).

Any (sub)components reported in the contractual inventory[55] for a given scope 3 category that have not been addressed with an intervention are reported with the same value as the physical inventory.

55 The contractual inventory is also known as the market-based inventory.

### 7.1.3 Impact Statements

The third ledger captures impact statements, which are the intervention outcomes quantified against inventory (sub)components following the Emissions Matching method. (see Section 6.2). Impact statements are reported as a negative mass of $CO_2e$.

To abide by the requirement to report intervention outcomes in mutually exclusive ledgers, companies will need to ensure that emissions benefits from a project captured in the third ledger are not reflected in the second ledger. However, different interventions addressing uniquely different amounts of the same (sub)component can be reflected across the second and third ledgers.

## Example: Separate Reporting Statements - The Statements

The Reporting Statements below represents a sample inventory for a company's Scope 3 Category 4 emissions. Three different interventions are included that demonstrate different reporting requirements based on the accounting approach. Details on the interventions are included in the next example box.

| | Physical Inventory $CO_2e$ | Contractual Inventory $CO_2e$ | Impact Statement $CO_2e$ |
|---|---|---|---|
| **SCOPE 3 CATEGORY 4: Upstream Transportation and Distribution** | **9,000 kg** | **6,690 kg** | **-1,250 kg** |
| **Drayage** | **1,540 kg** | **358kg** | **-** |
| Drayage trucking with intervention #1 (15,000 t-km) | 1,155 kg | 0 kg | - |
| Drayage trucking without intervention (5,000 t-km) | 385 kg | 385 kg | - |
| **LTL Trucking** | **2,400 kg** | **1,245 kg** | **-** |
| LTL trucking with intervention #2 (15,000 t-km) | 1,800 kg | 645 kg | - |
| LTL trucking without intervention (5,000 t-km) | 600 kg | 600 kg | - |
| **Maritime Shipping** | **4,000 kg** | **4,000 kg** | **-1,000 kg** |
| Maritime shipping inventiory | 4,000 kg | 4,000 kg | - |
| Maritime shipping intervention #3 | - | - | -1,000 kg |
| Maritime shipping intervention #3 removals | - | - | -250 kg |
| **Inland waterway transport (no intervention)** | **800 kg** | **800 kg** | **-** |
| **Rail transport (no intervention)** | **260 kg** | **260 kg** | **-** |

## Example: Separate Reporting Statements - The Interventions

***Intervention #1***

A company has scope 3 emissions from drayage trucking (20,000 t-km) and decides to purchase EACs representing 15,000 t-km of zero emissions drayage trucking (backed by 100% renewables). After using Substitution accounting, the company reports the intervention outcomes in its contractual inventory. See "Example: Substitution without Adjustments" in Section 6.1.2 for the calculation steps.

***Intervention #2***

The company purchases an additional 15,000 t-km EACs representing zero emissions drayage trucking (backed by 100% renewables) to address LTL trucking emissions in their scope 3 (20,000 t-km). The company reports these intervention outcomes in its contractual ledger following the Substitution approach with adjustments to account for the intervention baseline intensity (77g $CO_2e$/t-km) being less than the targeted (sub)component emissions intensity (120 g $CO_2e$/t-km). See "Example: Substitution with Adjustments" in Section 6.1.2 for the calculation steps.

***Intervention #3***

A company has scope 3 emissions from maritime shipping equal to 4,000 kg $CO_2e$ and is unable to determine activity data for this category of emissions. They purchase EACs representing 5,000 TEU-nm of low emissions shipping from drop-in biofuel replacement. Because activity data for the inventory (sub)components is unknown, the company uses the Emissions Matching method, and reports the intervention outcomes in its impact statement. The total reduced emissions from the 5,000 TEU-nm EACs is 1,000 kg $CO_2e$ (see data and calculations below). Because the 1,000 kg $CO_2e$ is less than or equal to the maximum quantity of addressable emissions amount (1,000 kg $CO_2e$), the company can apply all of the EACs. In addition to the reductions included in the intervention intensity value, the intervention achieved removals equivalent to 250kg $CO_2e$ that were within the system boundary that are therefore appropriate to quantify and apply in the impact statement and reported separately.

**Summary of calculation steps:**

| **Maximum amount of emission reductions according to the Emissions Matching method** | |
|---|---|
| **Targeted emissions source of the inventory (sub)component** | **50%**; this is the proportion of total maritime emissions that come from fuel |
| **Maximum addressable quantity of $CO_2e$ for the intervention** | **2,000 kg $CO_2e$**<br>Calculation: 4,000 kg $CO_2e$ maritime emissions * 50% proportion from targeted emission source |
| **Intervention reduction %** | **50%**<br>Calculation: (400 - 200) / 400 |
| **Maximum maritime emissions to address with low-emissions shipping fuel EACs** | **1,000 kg $CO_2e$**<br>Calculation: 2,000 kg $CO_2e$ * 50% |
| **Intervention Reduction Information & Calculations** | |
| **Total # of EAC units** | **5,000 TEU-nm** |
| **Intervention Intensity** | **200 g $CO_2e$/t-km** |
| **Intervention Baseline Intensity** | **400 g $CO_2e$/TEU-nm** |
| **Total baseline emissions for 5,000 TEU-nm** | **2,000 kg $CO_2e$**<br>Calculation: 5,000 TEU-nm * 400 g $CO_2e$/TEU-nm |
| **Total intervention outcome emissions for 5,000 TEU-nm** | **1,000 kg $CO_2e$**<br>Calculation: 5,000 TEU-nm * 200 g $CO_2e$/TEU-nm |
| **Total reduced emissions for 5,000 TEU-nm** | **1,000 kg $CO_2e$**<br>Calculation: 2,000 kg $CO_2e$ - 1,000 kg $CO_2e$ |

## *7.2 Reporting Timing*

### Purpose of Reporting Timing

While reporting would ideally occur as soon as possible after the intervention outcome occurred, multiple factors influence the amount of time that may reasonably pass before reporting is possible. In particular, scope 3 physical inventory data can be quite variable from year to year due to factors outside a company's control (strikes, tariffs, regulatory requirements, etc.). The need to match intervention outcomes with specific inventory components in any given year can therefore be challenging, especially in the case of investments with a longer timeframe and consequently less certainty for when outcomes will occur. Additionally, larger interventions could result in more intervention outcomes than can be reported in a given year following the quantification requirements in Chapter 6. Allowing flexibility in reporting years can support larger investments in critical solutions.

On the other hand, setting guardrails for how far back companies can report the outcome of an intervention after it occurred is necessary to mitigate greenwashing criticism, maintain reporting credibility, and limit the risk of erroneous double claiming of intervention outcomes. For this reason, the recommendation for reporting timing is flexible as to not discourage companies from investing in large interventions while still suggesting a backstop to maintain credibility.

#### Example: Reporting Timing in Another Year

Reporting Company A invested in low carbon concrete and received 5,000 intervention record units in 2025 as agreed in their long-term offtake agreement. The 5,000 intervention record units received exceeded the 2,000 units of concrete Company A had in their physical inventory in 2025 and in 2026. As a result, Company A used 2,000 units in 2025 to cover the eligible (sub)component emissions, an additional 2,000 units in 2026, and the remaining 1,000 units in 2027.

#### Requirements:

N/A – No requirements in this chapter.

#### Recommendation:

- Intervention outcomes should be reported as soon as possible after record creation.
- Companies should consult sector- or intervention-specific best practices, where they exist, for reporting timelines relative to vintage.
- If not using sector- or intervention-specific best practices, intervention outcomes should be reported within 24 months of record creation.
- Reporting companies that do not report intervention outcomes within 24 months from the date of record creation should provide justification for the delay.

### Guidance

Companies are encouraged to consult sector- or intervention-specific best practices, where they exist, for reporting timelines relative to vintage. Examples of sector- or intervention-specific best practices include:

- Green-e Energy Certified, which has a 21-month window (Green-e, n.d.).

- SAFc Registry, which has a window of 24 months after issuance (SAFc Registry, n.d.).
- Katalist Registry, which has a window of 36 months after voyage completion (Katalist, 2025).

When no sector- or intervention-specific best practice exists, companies are encouraged to report intervention outcomes as soon as possible, ideally within 24 months of record creation. To increase transparency, intervention outcomes reporting more than 24 months from record creation should justify the delay.

### Example: Reporting Timing Justifications

A reporting company is building a new data center and wants to utilize low carbon concrete. Low carbon concrete is not available for direct procurement, so the company has financed an intervention that produces low carbon concrete and is purchasing the attributes as EACs to address the associated emissions in their new data center. The company had anticipated the build to be completed in January 2025 when signing the agreement for the low carbon concrete project and arranged to get the intervention records the following month to report towards their 2025 emissions disclosure.

Due to shifts in demand, substantial construction delays, and other unforeseen circumstances, the construction of the new data center will not be completed until July of 2029, more than 2 years after the anticipated completion date. Because the company had no concrete emissions in their inventory from other activities in the years prior to the data center to be completed, the company will be unable to report the intervention outcomes within the recommended 24 month time frame. When the data center is complete, the company can report the intervention outcomes for the low carbon concrete and provide justification as to why the intervention records were not claimed sooner.

## *7.3 Reporting Intervention Details*

### Purpose of Reporting Intervention Details

In order to support credible value chain claims, companies will need to be transparent about the interventions that they are supporting, how those interventions relate to their physical emissions inventory, and how intervention outcomes are calculated.

### Requirements:

- Companies shall supplement their multi-statement GHG report with:
  - A list of interventions (listed individually or in aggregate) reported in the contractual inventory or impact statement (i.e., the project, product, or process being supported).
  - The physical inventory (sub)component(s) and/or emissions source(s) being addressed by the interventions.
  - The ledger(s) where the interventions were reported.

### Recommendations:

- N/A – No recommendations in this chapter.

### Guidance

The list of interventions and their associated information can be appended to the multi-statement

GHG report as a list, in a table, or in another format, depending on the number of interventions and the format of the company's inventory. Different levels of granularity are acceptable when reporting intervention details, including the intervention, the (sub)components it addressed, and how the intervention was accounted for. For example, a reporting company could disclose these details for every intervention, or disclose these details in aggregate for any given intervention type pursued (i.e., combining all sustainable aviation fuel intervention details, to maintain confidentiality). If a company has pursued the same intervention through multiple intervention hosts (e.g., a boiler replacement at multiple factories of different suppliers), the interventions (replacing boilers) can be grouped and only listed once so as not to distinguish between intervention hosts.

Companies can also report supplemental details related to the intervention as relevant. Additional intervention details include, but are not limited to the following listed in Table 16.

*Table 16: Supplemental Intervention Details*

| Quantification and Accounting | Intervention Details | Intervention Record Details |
|---|---|---|
| ▹ Method used for quantification and accounting<br>▹ Addressable quantity of targeted (sub)components in quantity of activity data and/or emissions addressed ($CO_2e$)<br>▹ Baselines and/or assumptions used in calculations<br>▹ Adjustments made using substitution, if applicable | ▹ Intervention host<br>▹ Location (Country/City)<br>▹ Technology and/or process type<br>▹ Commercial operation year<br>▹ Vintage(s) | ▹ System of record (e.g., registry name)<br>▹ Intervention/unit ID<br>▹ Proof of retirement<br>▹ Standard or Methodology used by Intervention Host (multiple if applicable)<br>▹ Auditor(s) |

## Example: Reporting Intervention Details

A company purchases certificates representing a heavy-duty trucking decarbonization intervention, quantifies and accounts for the intervention outcomes relative to the targeted (sub)components in its physical inventory using Product Matching method and Substitution approach, and includes the intervention outcomes in the contractual inventory. These trucking certificates are the only interventions the company reports during a given reporting period. At the end of the GHG report, the company includes a note that reads, "The emissions profile of trucking certificates from Intervention Host X were reported in ledger two towards the transport emissions footprint in scope 3, category 4 in line with the requirements of the AIM Standard."

Another company purchases EACs for a series of decarbonization interventions across several inventory hot spots. This company includes a list of these interventions in tabular form at the end of its emissions inventory as follows:

| Intervention | Associated Inventory (Sub)component | Ledger |
|---|---|---|
| Steel certificates from AAA | Steel (scope 3, category 1) | Contractual Inventory |
| Steel Decarbonization Project with BBB | Steel (scope 3, category 1) | Impact Statement |
| Heavy-duty Trucking certificates from CCC | Trucking (scope 3, category 4) | Contractual Inventory |
| Aviation Fuel certificates from DDD | Air Transport (scope 3, category 4) | Contractual Inventory |
| Copper certificates from EEE | Copper (scope 3, category 1) | Contractual Inventory |

# Chapter 8: Assurance to the AIM Platform Standard and Guidance

## Purpose of Assurance to the AIM Platform Standard and Guidance

Undergoing third-party assessment to evaluate conformance with the AIM Standard provides assurance that the requirements of the standard were applied.

### Requirements:

- N/A – No requirements in this chapter.

### Recommendations:

- Companies should secure third-party, limited assurance that they meet the requirements of the AIM Standard in order to report intervention outcomes in their comprehensive multi-statement GHG report.
- Assurance providers should be independent of, and have no conflicts of interest with, the intervention or intervention reporting process.

### Guidance

Most companies undergo third party assessment of their emissions estimates to relevant GHG emissions accounting standards and guidance, such as the Greenhouse Gas Protocol. Companies using the AIM Standard to report intervention outcomes are recommended to undertake a similar assessment for these emissions estimates. Companies can benefit from doing this as part of their annual GHG inventory assurance process whenever they have intervention outcomes to report, and include the assurance statement as part of their GHG emissions report. Typical assurance statements include:

- The level of assurance achieved (limited or reasonable) including assurance opinion or the critical review findings.
- Confirmation that the assurance was performed by a third party.
- A summary of the assurance process.
- The relevant competencies of the assurance providers.

Assuring to the AIM Standard involves assessing the conformance of the reporting company to all requirements, including passing the basic and further association tests, confirming the quality of the intervention meets the minimum criteria, and confirming that accounting and reporting requirements have been followed. To support assurance, an assurance readiness resource is included in Appendix D that summarizes all the justifications or demonstrations necessary for an assurance provider to determine whether the requirements of the AIM Standard were met.

While the timing of assurance will likely occur when the company is reporting intervention outcomes, many steps taken in accordance with the AIM Standard occur well before reporting such as determining association and ensuring the quality of the intervention. Companies can use the assurance readiness resource to document actions taken prior to reporting to support a timely assurance process.

# Appendices

## Appendix A:
## Glossary

| Term | Defintion |
|---|---|
| **Activity Output**<br>AIM Platform | The amount of a good or service (e.g., tonne miles of transport activity or tonnes of steel) associated with a certain amount of GHG emissions.<br>For example, tonne miles of transport activity or tonnes of steel represent activity output for transport and steel production, respectively. Activity data, when considered along with a GHG emissions footprint for that activity output, can be used to determine the GHG emissions intensity of production (e.g., mass of $CO_2e$ per tonne mile of transport activity or mass of $CO_2e$ per tonne of steel production). |
| **Activity Data**<br>Adapted from GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A quantitative measure of a level of activity that results in GHG emissions. Activity data is multiplied by an emissions factor to derive the GHG emissions associated with a process or an operation.<br>The AIM Standard uses the term 'activity data' to refer specifically to non-spend-based activity data, meaning it excludes data that represents the average emissions per monetary value of good. |
| **Addressible Quantity (of Emissions/$CO_2e$)**<br>AIM Platform | The amount of (sub)component emissions that an inventory outcome can be quantified relative to using the emissions matching method. |
| **Assessment**<br>AIM Platform | A process of evaluating whether a product, process, or claim meets relevant requirements. |
| **Associated / Association**<br>AIM Platform | As related to interventions, whether an intervention is sufficiently relevant to a company's value chain following the AIM Standard Association Test. |
| **Assurance**<br>GHGP Product Life Cycle Accounting and Reporting Standard | The level of confidence that the inventory and report are complete, accurate, consistent, transparent, relevant, and without material misstatements. |
| **Attribution**<br>ISEAL Chain of Custody Models Guidance | The process of assigning specified characteristics to outputs within a chain of custody system boundary. |
| **Beyond Value Chain**<br>AIM Platform | Actions or investments taken by companies to reduce or remove GHG emissions that fall outside their value chain. |
| **Binding Agreement**<br>AIM Platform | A legally enforceable contract that commits the company to fund an intervention or purchase the output of an intervention (e.g., certain EAC offtake agreements). |
| **Claim(ed)**<br>ISO 14016:2020(en), 3.1.10 | Information declared by the reporting organization (Section 3.4.1). |

| | |
|---|---|
| **Co-Claiming**<br>Adapted from Value Chain Initiative: Building the Case for Value Chain Interventions (2024) | When intervention outcomes can be claimed by two or more organizations within the same value chain for GHG emissions reporting.<br>Co-claims allow sharing the emissions outcomes generated and cost of implementing an intervention between multiple actors that operate in separate value chain layers. |
| **Company (i.e., Reporting Company)**<br>AIM Platform | The company investing in value chain interventions that is developing a scope 3 GHG inventory, which may include any organization or institution, either public or private, such as businesses, corporations, government agencies, non-profit organizations, assurers and verifiers, universities, etc. |
| **Compliance**<br>AIM Platform | The act or state of meeting all the program obligations of a regulatory program. |
| **Component**<br>AIM Platform | The products (goods and services) companies directly purchase and sell across their value chains. Components include: 1) products purchased from direct (Tier 1) suppliers, 2) products sold to a company's customers (either end users or business-to-business customers), and 3) employee commuting activities (although most companies do not "purchase" employee commuting activities, for the purposes of the *AIM Standard* employee commuting activities are inventory subcomponents).<br>Components are sometimes referred to as emissions-intensive activities (EIAs). |
| **Comprehensive Multi-statement GHG Report**<br>GHG Protocol, Action and Market Instrument White Paper, Draft v3. | A report comprised of both the physical inventory statement and a set of additional GHG reporting statements in which companies can report interventions that are not accounted for in the physical inventory. The AIM Standard introduces two additional reporting statements: the contractual inventory and the impact statement. |
| **Contractual Inventory**<br>GHG Protocol, Action and Market Instrument White Paper, Draft v3. | An attributional inventory that allocates emissions (and removals, where applicable) based on qualified contractual arrangements conveying attributes for the purchase of goods and services. It reflects procurement and market choices through eligible market instruments and contractual chain-of-custody models, and is maintained separately from the physical GHG inventory to ensure transparency and preserve accounting integrity.<br>The contractual inventory is also known as the market-based inventory. |
| **Co-product**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | One of multiple types of products produced by a single facility or other system that has a market value. |
| **Correctly**<br>Oxford Languages | In a way that is true, factual or appropriate; accurately. |
| **Country of Origin**<br>Adapted from US Customs Bureau. U.S. Customs and Border Protection. (2024, May 22). Marking of Country of Origin on U.S. Imports. | The country of manufacture or production of the product. |
| **Decarbonization Potential**<br>AIM Platform | The difference between the emissions rates of the intervention and technology baseline. |
| **Decarbonization Potential Threshold**<br>AIM Platform | The maximum, scientifically or technically feasible extent to which greenhouse gas (GHG) emissions can be reduced, eliminated, or captured within a specific sector, technology, or system, typically measured against a set baseline. |
| **Double-Counting**<br>SBTi Glossary | A situation in which a single emissions reduction and/or removal is counted more than once towards achieving mitigation targets or goals (adapted from (ICVCM, 2022).<br>Double counting may refer to a situation in which a quantity of GHG emissions is included in more than one organization's GHG inventory. This can occur across scopes (scope 1, 2 and 3) and within a single scope due to differing consolidation approaches, differing emissions calculation methodologies, and the intentional design of emissions accounting standards. |

| | |
|---|---|
| **Emissions**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | The release of greenhouse gases into the atmosphere. |
| **Emissions Factor**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A factor that converts activity data into GHG emissions data (e.g., kg $CO_2e$ emitted per liter of fuel consumed, kg $CO_2e$ emitted per kilometer traveled, etc.). |
| **Emissions Intensity**<br>SBTi Glossary | Emissions per a specific unit, for example: t $CO_2e$/$million invested, t $CO_2e$/MWh, t $CO_2e$/ton produced, t $CO_2e$/$million company revenue. |
| **Emissions Reduction**<br>AIM Platform | An umbrella term for avoided, reduced, or removed/stored emissions. |
| **Emissions Profile**<br>AIM Platform | The greenhouse gasses emitted through a product's life cycle, from raw material extraction, to manufacturing, distribution, use, and disposal. |
| **Emissions Source**<br>AIM Platform | Specific products or processes that are the source basis of greenhouse gas emissions in a company's value chain. |
| **Environmentally Extended Input-Output (EEIO)**<br>GHGP Product Life Cycle Accounting and Reporting Standard | Emissions factors developed through the analysis of economic flows and used to estimate GHG emissions for a given industry or product category. |
| **Ex-ante**<br>Adapted from ISO | An assessment prior to intervention occurrence, used to validate criteria. |
| **Ex-post**<br>Adapted from ISO | An assessment after intervention occurrence, used to verify criteria. |
| **Final Product**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | Goods and services that are consumed by the end user in their current form, without further processing, transformation, or inclusion in another product. Final products include not only products consumed by end consumers, but also products consumed by businesses in the current form (e.g., capital goods) and products sold to retailers for resale to end consumers (e.g., consumer products). |
| **Footprint (i.e., Carbon footprint)**<br>The Carbon Trust (2018) | The total greenhouse gas (GHG) emissions – direct and indirect – associated with an individual, organization, product, or event. |
| **Good**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A tangible product. |
| **Greenhouse Gas (GHG) Accounting**<br>World Resources Institute | Measuring and monitoring GHG emissions using standardized methods and reporting on them per agreed-upon protocols. These standardized methods enable companies, governments and individuals to measure the quantity of GHG emissions resulting from their activities, both directly through their operations and indirectly through their upstream supply chains and downstream customers. |
| **Greenhouse Gas (GHG) Inventory**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A quantified list of an organization's GHG emissions and sources. |
| **Impact Statement**<br>GHG Protocol, Action and Market Instrument White Paper, Draft v3. | A statement that provides a dedicated, structured statement for reporting on impacts (e.g., emissions avoided, reduced or removed) taken by the reporting company inside value chain using project accounting methods. |

| | |
|---|---|
| **Intermediate Product**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | Goods that are inputs to the production of other goods or services that require further processing, transformation, or inclusion in another product before use by the end consumer. Intermediate products are not consumed by the end user in their current form. |
| **Intervention**<br>AIM Platform | An action intended to reduce or avoid greenhouse gas (GHG) emissions, or to remove and store GHGs from the atmosphere.<br><br>Interventions can also be known as mitigation actions. |
| **Intervention Baseline**<br>AIM Platform | A general term used to describe the reference activity data of the intervention. Intervention baselines can be a project accounting baseline, a pre-intervention emissions intensity, or an appropriate regional benchmark for the intervention. |
| **Intervention Host**<br>AIM Platform | An entity that implements the intervention, or owns or controls the site where the intervention is implemented or occurs. |
| **Intervention Occurence**<br>AIM Platform | The date on which the intervention becomes fully operational and/or implemented. This may be at the same time as the Intervention Outcome. |
| **Intervention Outcome**<br>AIM Platform | The emissions benefit - usually an emissions reduction or removal - of an intervention. This may be at the same time as the Intervention Occurrence. |
| **Intervention Outcome Supplier**<br>AIM Platform | An intermediary or downstream actor that supplies the intervention outcomes (e.g., an alternative fuel supplier that is distributing but not producing the fuel and therefore is not the Intervention Host). |
| **Level of Assurance**<br>AIM Platform | The degree of confidence with which an auditor assesses something (here, an intervention host's practices or a company's GHG emissions report) against criteria. Assurance can be provided to a limited or reasonable level. |
| **Life Cycle**<br>GHG Protocol Product Life Cycle Accounting and Reporting Standard | Consecutive and interlinked stages of a product system, from raw material acquisition or generation of natural resources to end-of-life. |
| **Life Cycle Assessment (LCA)**<br>ISO 14040:2006 | Compilation and evaluation of the inputs, outputs, and potential environmental impacts of a product system throughout its life cycle. |
| **Limited Assurance**<br>ISO 14064-3:2019 | Level of assurance where the nature and extent of the verification activities have been designed to provide a reduced level of assurance on historical data and information. |
| **Market Instuments**<br>GHG Protocol, Action and Market Instrument White Paper, Draft v3. | A contractual arrangement between two or more parties that enables the creation, transfer, or claiming of greenhouse gas (GHG) related environmental attributes. |
| **Material Change**<br>AIM Platform | A significant alteration or substantial modification in circumstances, operation, or terms that would influence an average person's decision making. |
| **Methodology**<br>AIM Platform | An auditable, set of requirements for project or product outcomes. |
| **Other Impacts**<br>AIM Platform | The broader set of effects of the intervention (beyond emissions outcomes). |
| **Physical Inventory**<br>GHG Protocol, Action and Market Instrument White Paper, Draft v3. | The foundational estimate of physical GHG emissions (and removals, if applicable) resulting from a company's activities. |
| **Process**<br>GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A set of interrelated or interacting activities that transforms or transports a product. |

| | |
|---|---|
| **Product**<br>GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A good or service. |
| **Program**<br>AIM Platform | A system or set of activities, derived from statutory authority, which defines and administers the objectives, rules, guidelines, and actions required to meet statutory directives. |
| **Project**<br>AIM Platform | A specific action or set of actions designed to reduce, remove, and/or avoid greenhouse gas (GHG) emissions. |
| **Project Baseline**<br>AIM Platform | The emissions before an intervention using project accounting when calculating an emissions outcome. |
| **Project-Based Accounting**<br>AIM Platform | A type of consequential accounting that estimates the impacts or changes in GHG emissions resulting from specific projects, actions, or interventions. relative to a baseline scenario. |
| **Publicly Available**<br>AIM Platform | Accessible for use – either for free or at a cost – by any pertinent entity. |
| **Reasonable Assurance**<br>ISO 14064-3:2019 | Level of assurance where the nature and extent of the verification activities have been designed to provide a high but not absolute level of assurance on historical data and information. |
| **Registry**<br>AIM Platform | A digital platform that enables consistent issuance, transfer and retirement of intervention records according to a specified set of procedures. |
| **Regulatory Program**<br>AIM Platform | A program that defines legally binding rules, obligations, and penalties meant to direct behavior and produce an outcome within the legal jurisdiction of the program. |
| **Regulatory Surplus**<br>AIM Platform | Demonstration that intervention emissions outcomes (i.e., emissions benefits) exceed what is required by law. |
| **Removal**<br>ISO Net Zero Guidelines (2022 IWA) | Withdrawal of a greenhouse gas from the atmosphere as a result of deliberate human activities. |
| **Retire / Retirement**<br>AIM Platform | The process that confirms the assignment of an intervention record to a specific beneficiary, conveying the right to claim the specified intervention's outcomes. |
| **Scope 3 Emissions**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. |
| **Scope 3 Greenhouse Gas Inventory**<br>ISO 6338-1:2024(en), 3.4 | Emissions from sources that are not owned and not directly controlled by the facility.<br>Note: However, they are related to the company's activities. This is usually considered to be the supply chain of the company, so emissions caused by vendors within the supply chain, outsourced activities, and employee travel and commute. In many industries, these emissions account for the biggest amount of GHG emissions. This is due to the fact that in today's economy, many tasks are outsourced, and few companies own the entire value chain of their products. |
| **Sector/ Sector-Specific Guidance**<br>GHGP Product Life Cycle Accounting and Reporting Standard | A document or tool that provides guidance for performing a product GHG inventory within a given sector. |
| **Service**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | An intangible product. |
| **Site**<br>AIM Platform | A system boundary equivalent to a facility or single operating unit level, at which chain of custody and other criteria apply. |

| | |
|---|---|
| **Sourcing Region**<br>Value Change Initiative | A geographically and economically defined group of suppliers providing equivalent goods or services that can be demonstrated to be associated with the reporting company's value chain.<br><br>May also be referred to as an Activity Pool or Supply Shed. |
| **Standard**<br>SBTi Glossary | Document that provides a set of criteria and/or guidelines established by an authority, organization, or consensus, to ensure uniformity, consistency, and interoperability in a particular context. |
| **Subcomponent**<br>AIM Platform | Intermediate products that are inputs to the components. Subcomponents include: 1) input products used to produce components and, 2) downstream products and process outputs.<br><br>Subcomponents are sometimes referred to as emissions-intensive activities (EIAs). |
| **Substitution Approach**<br>AIM Platform | An accounting approach that involves replacing the emissions profile of an inventory (sub)component in a company's physical inventory with the emissions profile of the intervention associated with that inventory(sub)component. |
| **Supplier**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | An entity that provides or sells products to another entity. Here, a supplier is often an intervention host, but a supplier may be downstream of an intervention host in some cases. |
| **Supply Chain**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A network of organizations (e.g., manufacturers, wholesalers, distributors and retailers) involved in the production, delivery, and sale of a product to the consumer. |
| **System of Record**<br>AIM Platform | The process and tools through which records that detail intervention outcomes are created and transferred to one or more reporting companies to enable claims. |
| **Targeted (Sub)component**<br>AIM Platform | The (sub)components that are being addressed by an intervention outcome. |
| **Tier 1 Supplier**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A supplier that provides or sells products directly to the reporting company. A tier 1 supplier is a company with which the reporting company has a purchase order for goods or services. |
| **Tier 2 Supplier**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | A supplier that provides or sells products directly to the reporting company's tier 1 supplier. A tier 2 supplier is a company with which the reporting company's tier 1 supplier has a purchase order for goods and services. |
| **Transfer**<br>AIM Platform | The process by which an intervention host shares the intervention record with a buyer. |
| **Validation**<br>ISO 14064 | Process for evaluating the reasonableness of the assumptions, limitations and methods that support a statement about the outcome of future activities. |
| **Value Chain**<br>AIM Platform | All of the upstream and downstream activities associated with the operations of the reporting company, including the use of sold products by consumers and the end-of-life treatment of sold products after consumer use. |
| **Value Chain Emissions**<br>GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard | Emissions from the upstream and downstream activities associated with the operations of the reporting company. |
| **Value Chain Layer**<br>Value Change Initiative | A unique role in a value chain for which companies need to secure a unique right to report intervention outcomes. |
| **Verification**<br>ISO 14064 | Process for evaluating a statement of historical data and information to determine if the statement is materially correct and conforms to criteria. |
| **Vintage**<br>AIM Platform | The year of intervention occurrence. |

## Appendix B:
# Summary of Requirements and Recommendations

## *Chapter 4: Association Test*

### 4.1 Preparing for the Association Test

**Recommendations:**

- Companies should record the information obtained when identifying, quantifying, and locating the tested interventions, components, and subcomponents. This documentation will be necessary in performing subsequent steps of the AIM Standard and when undertaking assurance. An assurance readiness resource can be found in Appendix D.

### 4.2 Basic Association

**Requirements:**

- To pass Basic Association, the intervention shall address an emissions source that is included in the company's value chain as part of their physical inventory. The emissions source can be in the physical inventory as a component or subcomponent.

**Recommendations:**

- Companies may use relevant sector-specific guidance to pass the Basic Association requirement.

### 4.3 Further Association

**Requirements:**

- Interventions shall meet the requirements of one of the following three Further Association Methods:
  - Supplier or Customer
  - Sourcing or Use Region
  - Critical Sector
- If using the Critical Sector method, companies shall justify the barriers to using the other two methods.

#### *4.3.1 Supplier or Customer Method*

**Requirements:**

- To pass the Supplier or Customer method, companies shall demonstrate that the intervention host is a supplier or a customer of the targeted (sub)component at the time of signing a binding intervention agreement.

### *4.3.2 Sourcing or Use Region Method*

#### Requirements:

- To pass the Sourcing or Use Region method, companies shall demonstrate that the intervention is located within the same sourcing or use region as a targeted (sub)component.
- If the intervention is in the Forest, Land, and Agriculture (FLAG) sectors, the GHG Protocol Land Sector and Removals Standard or an equivalent standard shall be used to set the boundary of the sourcing region.

#### Recommendations:

- Companies may use sector-specific guidance to define the sourcing or use region in non-FLAG sectors if available.

### *4.3.3 Critical Sector Method*

#### Requirements:

- To pass the Critical Sector Method, companies shall demonstrate that the intervention supports decarbonization in a critical sector.

# *Chapter 5: Intervention Quality*

## 5.1 Agreement

#### Recommendations:

- The agreement between the company and the intervention host/supplier should specify how the intervention host will meet and demonstrate conformance with all quality criteria.

## 5.2 Intervention Assurance

#### Requirements:

- Interventions shall undergo regular third-party assessment to an appropriate standard by an auditor to independently assess stated emissions outcomes and other impacts. See Section 5.2.1 for details on determining an appropriate standard.
- Companies shall ensure that the intervention host/supplier is using one or more appropriate standard(s) or methodologies to evaluate the intervention's technology and process characteristics, emissions calculations, and broader social, environmental, and stakeholder impact.
- Audits to evaluate each intervention quality criterion against an appropriate standard or methodology shall occur in line with requirements outlined in that standard or methodology, when audit parameters are specified. If unspecified, audits shall be independent, shall include an ex-post assessment, and shall occur within 5 years of intervention occurrence.

#### Recommendations:

- In addition to the audit requirements above, in instances where standards or methodologies do not specify granular auditing procedures, audits should:
    - Be conducted by accredited auditors,
    - Be conducted to convey, at minimum, limited assurance,
    - Include an ex-ante and ex-post assessment, and
    - Include a regular site evaluation.

## 5.3 System of Record and Record Information

### Requirements:

- Intervention outcomes shall be conveyed to the reporting company using a system of record that meet the following "basic" requirements: defines and transparently discloses key data and assumptions, reflects intervention assurance, ensures unique records, and utilizes a chain of custody model when intervention outcomes are quantified as per unit of product.
- Companies shall justify their use of an alternative system of record when a preferred registry exists but is not used. A “preferred registry” is one that meets basic requirements as defined in Section 5.3.1, and is independently governed, validates information, and is operated transparently.
- Accurate, verified information about the intervention shall be conveyed to the reporting company in an intervention record. Intervention records shall include all details that are relevant and necessary to assess conformance with quality criteria requirements, and to account for and report on the intervention.

### Recommendations:

- Reporting companies and their intervention hosts should use the best available system of record – e.g., a preferred registry when available – for each intervention.

## 5.4 Accurate Emissions Outcome

### Requirements:

- The outcomes of interventions shall be calculated to reflect what is physically or chemically possible within the defined system boundary of the intervention in accordance with an appropriate standard or methodology.
- The outcomes of interventions shall be found to result from the specific implemented technology and/or process change according to an appropriate standard or methodology.

## 5.5 Social and Environmental Impacts

### Requirements:

- Intervention hosts shall apply sound stakeholder engagement practices and social and environmental safeguards to mitigate the risk of adverse social and environmental impacts, according to one or more appropriate standard or methodology.

## 5.6 Regulatory Surplus

### Requirements:

- Intervention outcomes, when reported by a company in a contractual inventory or impact statement, shall represent emissions benefits that exceed regulatory requirements placed on the intervention host or another entity in its immediate supply chain.
- Reporting companies shall confirm with the intervention host that the intervention outcome does not represent emissions reductions that were required to comply with a regulatory requirement applicable to the host or another entity in its immediate supply chain.

## 5.7 Unique Right to Report

### Requirements:

- In order to make an associated claim, a company shall demonstrate a unique right to report the intervention record and its outcomes through possession of an appropriate, retired intervention record and a legally binding agreement with the intervention host/supplier that includes mechanisms for mitigating double selling, double issuance, and double claiming risks, and management of co-claims.
- Companies operating in different value chain layers (one company per layer) may co-claim intervention outcomes in cases where emissions from the related (sub)component would typically be reported in each of the value chain layers, up to the total quantity of intervention outcomes in each layer. The company and the intervention host/supplier shall agree the degree to which intervention outcomes may be co-claimed, and how co-claims will be managed and tracked.

## 5.8 Record Creation Timing

### Requirements:

- Intervention outcomes shall occur prior to the creation of their record in the system of record.
- Intervention records, at issuance, shall reflect the results of an audit.
- For interventions that are one-time actions which generate ongoing outcomes, companies shall establish a crediting period using the provided hierarchy (see Section 5.8.3).

### Recommendations:

- Intervention outcomes should be recorded in a system of record within 24 months of the first intervention outcome occurrence. If doing so is not possible, the circumstances that prevent adherence to this recommendation should be transparently disclosed in a public emissions report.

# *Chapter 6: Quantification and Accounting*

### Requirements:

- Companies shall use the intervention outcome information received in the intervention record (Section 5.3) as the definitive data inputs for quantifying and accounting for intervention outcomes relative to inventory (sub)components.
- When quantifying intervention outcomes relative to inventory (sub)components, companies shall ensure that the quantity of the outcomes applied to their targeted (sub)components does not exceed the quantity of those (sub)components in any given year's physical inventory.
- Companies shall use the Product Matching method with the Substitution accounting approach or the Emissions Matching method to demonstrate conformance with these requirements. If using the Emissions Matching method, companies shall ensure the intervention outcomes applied to their respective (sub)components are reflective of the decarbonization levels that are physically realized (e.g., through a technology, procedural, or process change) by the intervention. Companies using the Substitution accounting approach shall apply any relevant adjustments to adequately match the intervention with (sub)component(s) in their physical inventory.

# *Chapter 7: Reporting*

## 7.1 Separate Reporting Statements

### Requirements:

- Intervention outcomes reported in a contractual inventory or impact statement shall abide by the Association (Chapter 4), Quality (Chapter 5), and Quantification and Accounting (Chapter 6) requirements of the AIM Standard.
- Companies shall report a complete physical inventory separately from any reporting of intervention outcomes.
- Companies shall report intervention outcomes in reference to specific emissions scopes and categories, segmented by accounting approach, and in mutually exclusive ledgers.
- Intervention outcomes calculated using the Product Matching method with the Substitution accounting approach shall be reported in the contractual inventory.
- Intervention outcomes calculated using the Emissions Matching method shall be reported in the impact statement.
- Intervention outcomes that exceed the quantity of targeted (sub)components in a given year shall be reported as beyond value chain mitigation or in another reporting year.
- If removals are part of an intervention outcome, those shall be reported separately in each respective ledger.

## 7.2 Reporting Timing

### Recommendations:

- Intervention outcomes should be reported as soon as possible after record creation.
- Companies should consult sector- or intervention-specific best practices, where they exist, for reporting timelines relative to vintage.
- If not using sector- or intervention-specific best practices, intervention outcomes should be reported within 24 months of record creation.
- Reporting companies that do not report intervention outcomes within 24 months from the date of record creation should provide justification for the delay.

## 7.3 Reporting Intervention Details

### Requirements:

- Companies shall supplement their multi-statement GHG report with:
    - A list of interventions (listed individually or in aggregate) reported in the contractual inventory or impact statement (i.e., the project, product, or process being supported).
    - The physical inventory (sub)component(s) and/or emissions source(s) being addressed by the interventions.
    - The ledger(s) where the interventions were reported.

**Recommendations:**

- Companies should secure third-party, limited assurance that they meet the requirements of the AIM Standard in order to report intervention outcomes in their comprehensive multi-statement GHG report.
- Assurance providers should be independent of, and have no conflicts of interest with, the intervention or intervention reporting process.

**Appendix C:**

# Standards, Methodologies, and Audit Parameters

## *Standards and Methodologies*

Table 17 below is a resource of broadly used and publicly available standards that apply to certain intervention types and more broadly, assessed across their coverage of AIM Standard requirements. This is not an exhaustive list and is not intended to serve as a formal reference of recognition.

*Table 17: Publicly Available Standards (non-exhaustive)*

| Standard or Methodology Name | Standard or Methodology Holder(s) | Standard or methodology | Product or project | Sector(s) | Accurate Emissions Outcome | Stakeholder engagement and social & environmental safeguards |
|---|---|---|---|---|---|---|
| ICAO CORSIA | RSB, ISCC | Standard | Product | Sustainable Aviation Fuel | | |
| EU RED | RSB, ISCC, etc. | Standard | Product | Fuels and Energy | | |
| RSB Global | RSB | Standard | Product | Fuels, Chemicals | | |
| ISCC PLUS | ISCC | Standard | Product | Fuels, Chemicals | | |
| Responsible Steel | Responsible Steel | Standard | Product | Steel | | |
| ASI | ASI | Standard | Product | Aluminum | | |
| PCR for Precast Concrete | ASTM International | Methodology | Product | Concrete | | |
| VERRA | VERRA | Standard with sub-methodologies | Project | Multi-Sector | | |
| ISO 14067:2018 Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification | ISO | Standard | Product | Multi-Sector | | |
| Soil Organic Carbon Framework Methodology | Gold Standard | Methodology under a Standard | Project | Agriculture | | |
| The Product Environmental Footprint (PEF) | European Commission | Methodology | Product | Multi-Sector | | |
| Electricity and heat generation from biomass | UNFCCC | Methodology | Project | Energy | | |
| SCS-115 | SCS Standards | Standard | Product | Chemicals | | |

## *Recommended Audit Parameters*

The following minimum audit parameters are recommended for when a standard or methodology does not have detailed audit parameters. Table 11 in Section 5.2 summarizes these parameters. The following paragraphs offer more details about each auditing procedure component.

## *Auditor Accreditation*

Standards often define or reference a robust accreditation process for auditors (also known as certification bodies), ensuring that auditors that certify against a standard have the qualifications to make an accurate assessment.

It is recommended that accreditation processes:

a. Be consistent with ISO 17011 (Conformity assessment – Requirements for accreditation parties) or a comparable standard,

b. Ensure that certification bodies demonstrate conformance with ISO 17065 (Conformity Assessment – Requirements for certification bodies) or a comparable standard to evaluate holistic competency,

c. Leverage accreditation by a national accreditation body as an additional means to help assess the competence of a certification body and their ability to audit in a specific jurisdiction, and

d. Identify and ensure that certification bodies demonstrate competence in specific skills and sectors in order to effectively audit to a specific standard. Accreditation processes commonly require conformance with ISO 14065 (General principles and requirements for bodies validation and verifying environmental information), for instance.

If an intervention host is using a methodology that does not have a defined auditing procedure, and therefore does not have an accreditation process, the intervention host is encouraged to engage an auditor that, at minimum, is accredited by a national accreditation body in the country that they operate (audit) to a general conformity assessment standard (e.g., ISO 17065).

## *Accreditation Process*

### Auditor Independence

Audits will be undertaken by an independent third party (e.g., a distinct organization from the standard or methodology holder and the intervention host) that has no other interest in either the intervention, or the intervention host or reporting organization (excluding other audit contracts with the intervention host or reporting organization that do not present a conflict of interest). Before beginning the assurance process, the third-party auditor should establish that a conflict of interest does not exist between itself and the company seeking assurance. The third-party auditing body is responsible for a list of potential conflict-of-interest criteria.

### Auditing Cadence

It is recommended that audits occur at a regular cadence, ideally on an annual cadence.

At minimum, audits will occur every 5 years for an existing product or project with no material changes. Audits will occur within two years of the project or product start date, and within 2 years of any major upgrades that have a material impact on the estimated intervention outcomes and other impacts.

## Level of Assurance

Audits are structured to provide a level of assurance, which reflects the level of certainty of an auditor's conclusions. Audits to both emissions and social and environmental impacts criteria should at minimum be conducted to provide limited assurance, meaning that the auditor has not identified any evidence in the assessment that would indicate that the criteria are not met.

For the intervention outcomes assessment, where possible it is recommended that audits be conducted to provide reasonable assurance, meaning that the auditor reduces engagement risk with the subject matter to an acceptably low level. A reasonable assurance has a high, but not absolute level of assurance (ISO 14064-3:2019). Noting that emissions outcomes are estimated, this is considered to mean that the input data used to form the estimate are audited to a reasonable level of assurance of conformance, such that the estimate itself represents the output of a reasonably assured process of estimation.

For the stakeholder engagement and broader environmental safeguards (other impacts) assessment, it is recommended that companies strive to implement these safeguards assessments at a level of reasonable assurance, and in particular assess the inputs to the audit at a reasonable assurance level, where possible.

## Site Evaluations

It is recommended that site evaluations (for instance, an onsite audit, a virtual site visit, or another means of confirming that the intervention has been implemented in line with specifications) be conducted for each audit cycle.

However, at minimum, it is recommended that one onsite audit occur every 5 years for an existing project or product with no material changes, and within 2 years of new project completion or any major upgrades.

If the scope of the audit covers multiple sites, it is recommended auditors at minimum visit and evaluate a representative sample among all covered sites during each visit.

## Validation and Verification

It is recommended that interventions be validated (audited ex-ante) before the occurrence of the intervention and be verified (audited ex-post) after the occurrence of the intervention.

A validation (ex-ante) audit establishes the planned outcomes. It involves confirming the planned boundary, scope, and activities for the assessment period, estimating the attributes of the product or process based on those parameters, and assessing prior data from the intervention host to assess the ability to meet specified outcomes. This process enables audited companies to provide third-party assured provisional information about what the outcomes of an intervention should be before it occurs.[56]

A verification (ex-post) audit confirms that those outcomes occurred, and if they do not occur exactly as planned, accurately conveys the outcomes of an intervention. This audit involves reviewing data from the assessment period to confirm the specific outcomes. This process enables intervention hosts to definitively communicate final outcomes to buyers, and to update records for accuracy if the implementation of an intervention deviates from the initial plan.

The results of both audits together create a comprehensive intervention record.

It is recommended that the standard or methodology type (i.e., whether for a product or a project) that an intervention host applies also inform the timing and mechanism by which an ex-post audit is reflected in the intervention record.

56 Ex-ante or validation audits are particularly important in cases where they are used to provide pre-feasibility assurance in order to secure intervention funding, to establish a credible basis to evaluate land use risks for interventions that occur in the forestry, land, and agricultural (FLAG) sectors, and to enable timely and practical assessment processes for recurring intervention outputs.

**Appendix D:**

# Assurance to the AIM Standard Readiness Resources

There are two types of assurance described in the AIM Standard:

- Intervention assurance: a requirement that interventions undergo regular third-party assessment to an appropriate standard by an auditor to independently assess stated emissions outcomes and other impacts (Section 5.2).
- Assurance to the AIM Standard: a recommendation that third-party, limited assurance is performed to ensure reporting companies have met the requirements of the standard to credibly report intervention outcomes in their comprehensive multi-statement GHG report (Chapter 8).

This Appendix provides assurance readiness resource tables for companies performing assurance with the AIM Standard. Additional information on audit parameters, accreditation, and processes for intervention assurance is available in Appendix C.

The following tables describe what justification or demonstration is necessary to provide evidence to an assurance provider that the requirements of the AIM Standard have been met, as well as examples of the type of documentation that could provide such evidence. The examples of documentation are not an exhaustive list. Companies using the AIM Standard to begin an intervention process will benefit from using this resource at inception, ensuring proper documentation of decisions and information required to streamline assurance. Companies who have already implemented an intervention and are seeking assurance with the AIM Standard can use these tables to identify the required information to share with their assurance provider.

## *Basic Association*

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 4.2 | Demonstrate that the intervention **addresses an emissions source** included **in the company's physical inventory**, either as a component or (sub)component. | ▹ GHG inventory audit materials that identify the specific physical inventory line item(s) or categories that contain the component or subcomponent.<br>▹ If the emissions source is part of an upstream or downstream process step, LCA / EEIO documentation showing inclusion of the emissions source in the emissions factor. |
| 4.2 | Demonstrate that the carbon removed or captured is included with a relevant emissions source. | ▹ If the intervention uses carbon capture or removals, evidence that carbon captured/removed is included with a relevant emissions source using the intervention record (if the intervention has already occurred). If the intervention has not already occurred, companies can use plans or schematics until the intervention record is available. If the removals occur at a different location from the intervention site, evidence that those removals are occurring at lands that are adjacent or proximate to the site, as defined by LSR Standard. |

## *Further Association*

Companies will apply one of the following three Further Association methods to meet the requirements of the AIM Standard. Evidence of justification or demonstration is only necessary for the method used.

### A. Supplier or Customer Method

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 4.3.1 | Demonstrate that the **intervention host is a supplier or customer** of the targeted (sub)component at the time of signing a binding intervention agreement.<br><br>**For suppliers:** show either 1) a supply contract for the (sub)component, or 2) that the host is a supplier of a supplier providing the relevant (sub) component.<br><br>**For customers:** show that the host is a downstream customer receiving the company's components (directly or via wholesalers). | ▹ Identification of "supplier or customer" as the selected Further Association method.<br>▹ Evidence of the supplier or customer relationship at the time of contracting (e.g., executed procurement, supply contract, or sale contract that establishes the commercial relationship) for the targeted (sub)component. See Table 4 for data sources. |

### B. Sourcing or Use Region Method

For FLAG interventions, companies are required to use the GHG Protocol Land Sector and Removals or equivalent standard to set the boundary of the sourcing region. In this case, assurance will be done against that standard's definition. The table below can be used for non-FLAG interventions.

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 4.3.2 | Demonstrate the intervention host is **located** within the same Sourcing Region or Use Region as a matched (sub)component. | ▹ Identification of "sourcing or use region" as the selected Further Association method.<br>▹ For sourcing region, identification of selected sourcing region boundary and data to demonstrate that a matched (sub)component is sourced from that region (import and/or shipping records, product labeling, written communication from suppliers indicating (sub)component origin, certificates of origin, audit reports, third-party certification or assurance statements. For companies using option 3 of the sourcing region hierarchy, documentation of the data sources used to justify boundary selection.<br>▹ For use region, of selected use region boundary and data to demonstrate it is reasonable to assume the matched (sub)component is used in that region (point-of-sales records, export records, usage data for connected devices). For companies using option 3 of the use region hierarchy, documentation of the data sources used to justify boundary selection. |

### C. Critical Sectors Method

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 4.3.3 | Justify the **rationale** as to why the Supplier or Customer or Sourcing or Use Region methods were not feasible pathways to pass Further Association. | ▹ Identification of "critical sectors" as the selected Further Association method.<br>▹ Documentation (qualitative and/or quantitative) on why the Supplier or Customer Method or Sourcing or Use Region Methods were not feasible pathways to pass Further Association. See Table 3 for examples. |
| 4.3.3, Table 7: Critical Technologies List, Table 8: Decarbonization Potential Thresholds for Critical Sectors, Table 9: Example Qualitative or Quantitative Metrics, Appendix I | Demonstrate how the intervention supports decarbonization in a **Critical Sector**. | ▹ Justification, inclusive of relevant references, calculations and assumptions, that the intervention meets the criteria of one or more of the following approaches:<br>▹ The intervention is on the AIM Platform Critical Technologies List (Table 7).<br>▹ The intervention meets the AIM Platform Decarbonization Potential Thresholds (Table 8) compared to a relevant baseline (Appendix I).<br>▹ Specific sources justifying other qualitative or quantitative metrics (Table 9). |

## *Intervention Quality*

Chapter 5 contains two sections: intervention quality criteria required to claim conformance with the AIM Standard, and implementation mechanisms required or recommended to demonstrate quality criteria have been met. The implementation mechanisms include an agreement between the company and intervention/host supplier, intervention assurance, and the system of record and record information.

As demonstrated in Table 10 (shown again here), implementation mechanisms are important to support assurance to the AIM Standard.

*Table 10: Implementation Mechanisms*

| | | Implementation Mechanisms | | |
|---|---|---|---|---|
| | | Agreement | Intervention Assurance | System of Record & Record Information |
| Quality Criteria | Accurate Emissions Outcome | ✓ | ✓ | ✓ |
| | Social and Environmental Impacts | ✓ | ✓ | ✓ |
| | Regulatory Surplus | ✓ | | ✓ |
| | Unique Right to Report | ✓ | | ✓ |
| | Record Creation Timing | ✓ | | ✓ |

Companies will indicate that they have met the requirements of Chapter 5 through a combination of (1) the agreement with their intervention host/supplier and (2) intervention records and any supplemental system of record documentation (which includes records of intervention assurance). If a company and their intervention host/supplier use a preferred system of record, documentation of that system can in and of itself substantiate some of these Chapter 5 requirements (as indicated below where applicable).

## Implementation Mechanisms

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 5.1 | Demonstrate **agreement** between the company and intervention host/supplier that specifies how the intervention host will meet and demonstrate conformance with **quality criteria**.<br><br>Note that while the agreement does not have to provide full detail about all quality criteria requirements, it will serve as useful documentation for assurance against the AIM Standard particularly in the case where a preferred system of record is not used. | ▹ Provide an executed agreement with intervention host/supplier. |
| 5.2 | Ensure intervention undergoes **regular third party assessment** to one or more appropriate standard or methodology to independently verify emissions outcomes and other impacts.<br><br>Note that an appropriate standard or methodology will:<br>▹ Be aligned with the hierarchy<br>▹ Meet requirements in Sections 5.4 and 5.5 (if all criteria are not covered by one standard or methodology, must demonstrate coverage of all criteria through a combination)<br><br>Note that audits are required to be:<br>▹ Independent (conducted by a third party)<br>▹ In line with a standard or methodology's parameters if specified<br>▹ If parameters are unspecified, audits must include an ex-post assessment and occur within 5 years of intervention occurrence. | ▹ Data in intervention record specifying standard or methodology and audit details.<br>▹ Justification that each standard or methodology applied is appropriate (aligned with hierarchy, consistent with requirements in Sections 5.4 and/or 5.5).<br>▹ Identification of the standard or methodology used by the intervention host/supplier that is the basis for intervention assurance.<br>▹ Third party audit report, including details of that audit scope, confirming assessment of emissions outcomes and other impacts against that standard or methodology.<br>▹ Documentation from a preferred system of record that further validates that this assessment is valid |
| 5.3, 5.3.1 | Use a **system of record** that meets the following "basic" requirements: defines and transparently discloses key data and assumptions, reflects intervention assurance, ensures unique records, and utilizes a chain of custody model when intervention outcomes are quantified per unit of product.<br><br>If available, use a "preferred" system of record which is 1) independently governed, 2) validates data, and 3) is transparently operated. | ▹ Identification of the system of record.<br>▹ Demonstration that it meets the basic requirements as defined in Section 5.3.1 (e.g., documentation about the system's functions, that include details about data fields and assumptions, chain of custody model(s) utilized, and uniqueness controls).<br>▹ If available, demonstration that the system of record is a preferred system of record. This can include: registry governance documentation; registry validation procedures confirming third party assessments, co-claiming controls, and double selling safeguards; public registry procedures for issuance, transfer, and retirement |
| 5.3, 5.3.1, 5.3.2 | Justify any use of an **alternative system of record** when a preferred registry exists. | ▹ Written justification for not using an available preferred registry that meets basic requirements as defined in Section 5.3.1, and is independently governed, validates information, and is operated transparently. |

## Quality Criteria

Because third-party intervention assurance covering accurate emissions outcomes (Section 5.4) and social and environmental impacts (Section 5.5) is a requirement of the AIM Standard, those will have been documented as part of that assessment (Section 5.2) and are not included in the table below.

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 5.6 | Reported intervention outcomes in a company's contractual inventory or impact statement represent emissions benefits that exceed **regulatory requirements** placed on the intervention host or another entity in its immediate value chain. | ▹ Disclosure of any overlapping regulatory programs in intervention records<br>▹ Justification that the intervention was not created through actions required by regulation or law (e.g., against decision tree in appendix). |
| 5.7, 5.7.1, 5.7.2, 5.7.3, 5.1 | Demonstrate a **unique right to report** intervention outcomes through 1) possession of a valid intervention record, and 2) legally binding agreement covering double-selling, double issuance, double claiming, and co-claim management. | ▹ Legally binding agreement with the intervention host or supplier that specifies the risk mitigation mechanisms (Section 5.1).<br>▹ Evidence of possession of a unique and valid intervention record that is retired in their name prior to expiration and within its reporting time frame.<br>▹ Contract clause explicitly prohibiting double selling and double issuance, and inclusive of language specifying the communication requirements re: double claiming.<br>▹ System of record documentation that describes controls for double issuance, double claiming, double selling, and co-claims.<br>▹ If using a preferred system of record, contract clause specifying the use of that system that mitigates these risks operationally. |
| 5.7, 5.7.3, Figure 7: Value Chain Layers | Define whether **co-claiming** is valid across value chain layers and specify how co-claims will be managed and tracked. | ▹ Agreement outlining co-claiming rules, layers, and allocation rights.<br>▹ Process documentation on co-claim management.<br>▹ System of record documentation for co-claims management |
| 5.8, 5.8.1, Figure 10: Record Creation Timing in Context | **Intervention outcomes must occur before the intervention record is created**, and issuance must reflect relevant dates confirming this sequence. | ▹ Intervention records show implementation, production, or outcome dates that predate issuance. |
| 5.8, 5.8.2 | Intervention records must reflect at least one **audit** at issuance. Project interventions require issuance after an ex-post audit; product interventions may be issued after an ex-ante audit but must be updated with ex-post results. | ▹ Audit reports referenced in the intervention record.<br>▹ Evidence that issuance timing aligns with audit requirements (ex-ante, ex-post). |
| 5.8, 5.8.3 | For one-time interventions generating ongoing outcomes, establish a **crediting period** using the hierarchy: 1) sector/registry guidance, 2) IRS 946 B1/B2 recovery periods, 3) known recovery period with justification, 4) 5-year default. | ▹ Crediting period selection and justification. |

## *Quantification and Accounting*

If using the Product Matching method with the Substitution accounting approach:

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 6.1.1 | Companies shall ensure the quantity of intervention outcomes applied to any inventory (sub)component **does not exceed** the quantity of that (sub) component in the physical inventory for the reporting year. | ▹ The quantity of intervention outcomes received in the intervention record.<br>▹ The quantity of the targeted (sub)component in the company's physical scope 3 inventory.<br>▹ If used, any conversion factors or emissions factors used to convert activity data into units that match intervention outcomes. |
| 6.1.2 | Companies using the **Substitution accounting approach** shall apply any relevant adjustments to adequately match the intervention with (sub) components in their physical inventory. | ▹ If doing Substitution without adjustments, evidence that the intervention baseline and the (sub)component emissions intensity are the same.<br>▹ If doing Substitution with adjustments, documentation of how the company calculated the adjusted targeted (sub)component emissions intensity using the intervention emissions intensity and the intervention baseline. |

If using the Emissions Matching method:

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 6.2 | Companies shall ensure the quantity of intervention outcomes applied to any inventory (sub)component **does not exceed** the quantity of that (sub) component in the physical inventory for the reporting year. Companies shall ensure the intervention outcomes applied to their respective (sub)components are reflective of the decarbonization levels that are physically realized (e.g., through a technology, procedural, or process change) by the intervention. | ▹ Inventory or data that details the quantity of the targeted (sub)component in the physical inventory in tonnes of $CO_2e$.<br>▹ If converting activity data to $CO_2e$, documentation of an appropriate emissions factor.<br>▹ The LCA used for the Emissions Matching calculation.<br>▹ Documentation of how the company calculated the emissions reduction percentage of the intervention using the intervention record and a credible intervention baseline. Intervention baselines will either come from the system of record, or can be identified using the guidance in Appendix I.<br>▹ The maximum quantity of $CO_2e$ reduced that can be reporting in the impact statement (Section 7.1.3), also known as the maximum addressable quantity of $CO_2e$ as calculated in the Emissions Matching method. |

## *Reporting and Disclosure*

| Refrence | Description of Justification or Demonstration | Examples of Documentation |
|---|---|---|
| 7.1, 7.1.1 | Ensure that the complete physical inventory is reported separately, segmented by accounting approach and maintained in mutually exclusive ledgers, distinctly separated from any reporting related to intervention outcomes. | ▹ Evidence that physical inventory for scope 3 is prepared per current GHGP standards.<br>▹ Evidence that physical inventory and intervention outcomes are maintained in mutually exclusive ledgers. |
| 7.1.2 | If intervention outcomes were calculated using the Product Matching method with Substitution accounting approach, then ensure the outcomes were reported in the contractual inventory. | ▹ Evidence that the contractual inventory statement was used and the amount reported in that ledger matches the amount calculated following the quantity and accounting requirements in Section 6.1.<br>▹ If removals were part of the intervention outcome, evidence that these were reported separately in the contractual inventory ledger. |
| 7.1.3 | If intervention outcomes were calculated using the Emissions Matching method, then ensure the outcomes were reported in the impact statement. | ▹ Evidence that the impact statement was used and the amount reported in that ledger matches the amount calculated following the quantity and accounting requirements in Section 6.2.<br>▹ If removals were part of the intervention outcome, evidence that these were reported separately in the impact statement. |
| 7.2 | If intervention outcomes are not reported within 24 months from the date of record creation, provide justification for the delay.<br><br>Note that this is a recommendation and not a requirement. | ▹ Documentation of the justification for the delay in intervention outcome reporting. |
| 7.3, Table 16: Supplementary Intervention Details | Ensure details on how the intervention relates to physical emissions inventory are appended to the scope 3 GHG inventory. | ▹ Evidence that the GHG Report or similar public sustainability disclosure includes:<br>▹ Documentation of list of interventions (individually or in aggregate) accounted for in the inventory (i.e., the project, product, or process being supported).<br>▹ Documentation of the GHG inventory (sub)component and/or emissions source(s) being addressed by the interventions if not already provided.<br>▹ Documentation of the ledger where the intervention(s) were reported. |

## Appendix E:

# Identifying, Quantifying and Locating (Sub)Components

## *Identifying (Sub)Components*

As described in Chapter 4, components are the products (goods or services) companies directly purchase and sell across their value chains. Components include:

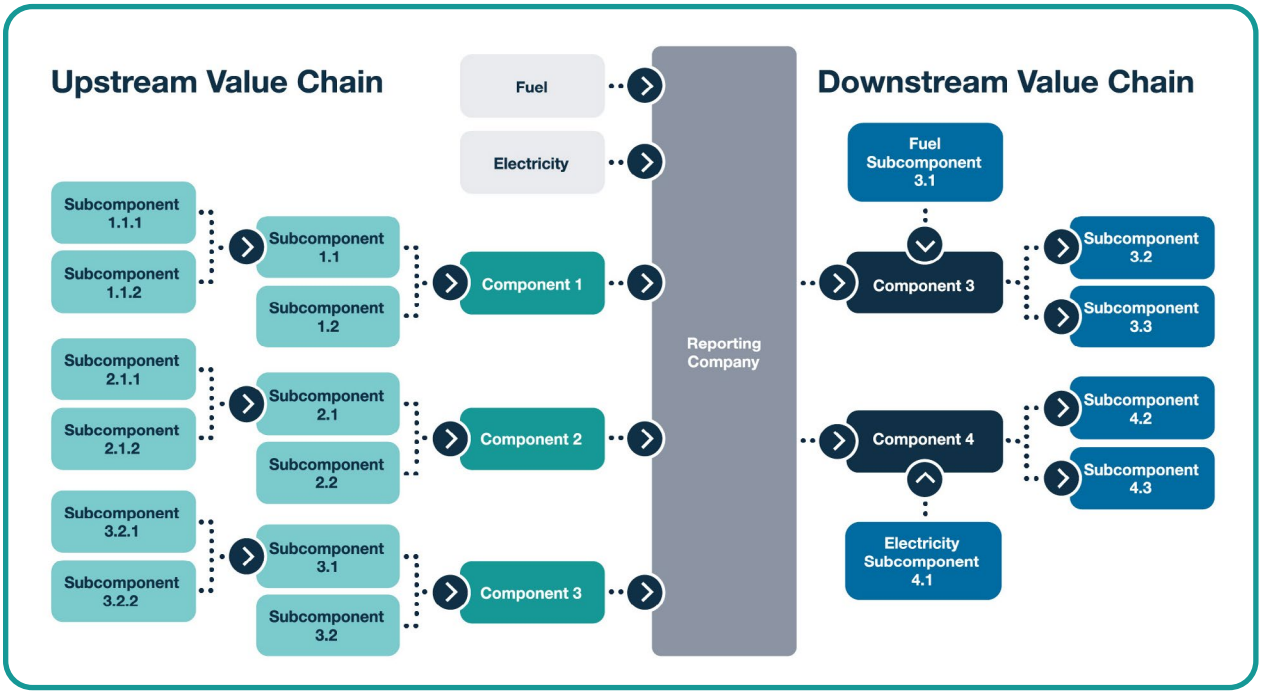
- Products purchased from direct (tier 1) suppliers.
- Products sold to a company's customers (either end users or business-to-business customers).

Subcomponents are inputs to, or outputs from, components. Subcomponents include, but are not limited to:

- Input used to produce components.
- Component byproducts and waste generated in the production of components.
- Inputs required to transport, use and dispose of sold components.
- Inputs required to transport components.

Figure 13 contains an example value chain map with labeled (sub)component (see below).

*Figure 13: Value Chain Map with Components and Subcomponents*




A particular product could be both a component and subcomponent of a company's value chain. For example, a company could:

- Purchase shipping services from a logistics provider to transport the company's sold products (component), and
- Identify an estimated quantity of upstream "marine cargo handling" or "navigational services to shipping" embedded in the value chain of other purchased products (subcomponents).

Table 18 provides a list of (sub)components for a hypothetical furniture manufacturing company.

*Table 18: Subset of Components and Subcomponents for a Hypothetical Furniture Manufacturing Company*

| Scope 3 Category | Example Components | Example Subcomponents |
|---|---|---|
| Category 1: Purchased Goods and Services | ▹ Leather<br>▹ Aluminum metal fasteners<br>▹ Lumber<br>▹ Accounting services<br>▹ Marketing services | ▹ Upstream transport services of the leather supplier<br>▹ Steel production<br>▹ Copper nails<br>▹ Iron ore mining<br>▹ Lumber mill electricity consumption<br>▹ Accounting firm digital cloud computing electricity consumption<br>▹ Marketing services business air travel |
| Category 2: Capital Goods | ▹ Furniture assembly equipment<br>▹ Headquarter computers<br>▹ Warehouse forklifts | ▹ Iron ore mining<br>▹ Microchips<br>▹ Forklift manufacturing electricity consumption<br>▹ Maritime transport of assembly equipment from factory to purchasing company |
| Category 3: Fuel and Energy Related Activities | ▹ Electricity<br>▹ Natural gas<br>▹ Gasoline purchased directly by the furniture company | ▹ Oil extraction and refining<br>▹ Solar panel manufacturing<br>▹ Uranium mining |
| Category 4: Upstream Transportation and Distribution | ▹ Trucking services purchased by the company to ship manufactured furniture to retailers<br>▹ Leased warehouse space | ▹ Long-haul trucks<br>▹ Diesel fuel<br>▹ Leased warehouse electricity and natural gas consumption |
| Category 5: Waste Generated in Operations | ▹ Waste treatment services | ▹ Waste hauling services<br>▹ Landfill services |
| Category 6: Business Travel | ▹ Business air travel<br>▹ Hotel reservations | ▹ Jet fuel<br>▹ Electricity and fuel consumption |
| Category 7: Employee Commuting | ▹ Employee commuting | ▹ Gasoline consumed in employee vehicles |
| Category 8: Upstream leased assets | ▹ Leased warehouse or retail space not included in the company's scope 1 and 2 inventory<br>▹ Leased capital goods | ▹ Purchased electricity and fuel used within a leased asset not included in the company's scope 1 and 2 GHG inventory |
| Category 9: Downstream Transportation and Distribution | ▹ Trucking services sold by the company to ship manufactured furniture to retailers<br>▹ Company warehouse space leased to tenants | ▹ Long-haul trucks<br>▹ Diesel fuel<br>▹ Leased warehouse electricity and natural gas consumption |
| Category 10: Processing of Sold Products | ▹ The company's sold intermediate products (e.g., unfinished furniture parts sold to a downstream business for final product production) | ▹ Specific product manufacturing processes to transform intermediate products into final products |

*Table 18: Subset of Components and Subcomponents for a Hypothetical Furniture Manufacturing Company (continued)*

| Scope 3 Category | Example Components | Example Subcomponents |
|---|---|---|
| Category 11: Use of Sold Products | ▹ The company's sold final products | ▹ Customer electricity or liquid fuel consumption from using the sold product |
| Category 12: End-of-Life Treatment of Sold Products | ▹ The company's sold products | ▹ Waste hauling services<br>▹ Landfill services |
| Category 13: Downstream Leased Assets | ▹ Warehouse or retail space the company leases to tenants, that are included in the company's scope 1 and 2 inventory<br>▹ Equipment the company leases to others (not included in category 11) | ▹ Electricity consumption<br>▹ Fuel consumption used within a leased asset (e.g., tenant occupied space) |
| Category 14: Franchises | ▹ Franchise agreements | ▹ Electricity consumption<br>▹ Fuel consumption |
| Category 15: Investments | Not applicable | Not applicable |

As shown in Table 18, the potential list of (sub)components across a company's value chain is extensive. Companies need to identify only (sub)components that contain an emissions source they want to address with an intervention. For example, if a company is considering purchasing sustainable maritime fuel certificates to finance the deployment of methanol fuel in lieu of low sulfur fuel oil in ocean vessels, the company only needs to identify its maritime shipping components. That company could decide to identify maritime shipping subcomponents in order to address those subcomponents as well through the same intervention. The company does not need to identify non-maritime shipping (sub)components.

Some companies are able to identify components only, while others may have advanced tooling that enables them to identify subcomponents deeper in their value chain (such as product design databases and/or detailed LCA models).

## *Data Sources for Identifying and Quantifying Components*

Companies can identify and quantify components with the following data sources (Table 19):

*Table 19: Data Sources for Identifying and Quantifying Components*

| Type of Data | Description | Sources (non-exhaustive) | Examples |
|---|---|---|---|
| Scope 3 Inventory Activity Data | Activity data are a quantitative measure of the level of activity outputs accounted for in a company's GHG inventory | ▹ Company internal purchasing or inventory management systems.<br>▹ Supplier invoices.<br>▹ Internal reports on products sold. | ▹ Tonnes of hardwood lumber purchased.<br>▹ Purchased maritime transport services (in tonne-kilometers traveled).<br>▹ Waste disposal services (tonnes of waste disposed). |
| Spend Data | Spend data are a quantitative measure of a company's spending on products. When scope 3 emissions are calculated | ▹ Supplier, wholesaler, and direct customer contracts and pricing agreements.<br>▹ Industry or national reports on product prices. Examples include:<br>  ▹ Agricultural product benchmarking reports of the price of a bushel of corn,<br>  ▹ Regional or national average reports of the cost per delivered megawatt-hour of electricity,<br>  ▹ Proprietary minerals and metals market data (e.g., from S&P Global or London Metal Exchange). | ▹ Total invoiced spend with a third-party marketing firm. |

## Example: Identifying and Quantifying (Sub)components

A global, jewelry retailer outsources the production and manufacturing of many of its products. To identify and quantify its (sub)components, the company applied the following steps:

Step 1: The company collected mass data for natural diamonds, lab-grown diamonds, precious metals, and gemstones from product inventories, plus supplier payables data for the reporting year.

Step 2: To calculate its scope 3, category 1 emissions, the company multiplied mass-based primary data by secondary emissions factors.

Step 3: The company consulted peer-reviewed life cycle assessment studies and industry standards to identify emissions factors and energy usage for production processes including cutting, polishing, synthesis, melting, casting, and manufacturing. Supplier questionnaires validated these processes.

Having used the above steps to identify and quantify (sub)components, the company proceeded to the next step of the Association Test.

## *Data Sources for Identifying and Quantifying Subcomponents*

Subcomponents can be identified as products at different points within a value chain, depending on the company's decarbonization strategies and the interventions available within different sectors.

For example, when a company purchases a product that uses steel as an input, that company could:

- Define a subcomponent as the steel used in the product production process, quantify the amount of steel (tonnes), and purchase eligible environmental attribute certificates (EACs) in tonnes of steel; or
- Define a subcomponent as the steel blasting process and work with steel manufacturers to buy down the cost of an efficient electric arc furnace.

Companies can identify subcomponents using the following data sources:

- Product content disclosures (e.g., material safety data sheets for certain chemicals).
- Company-specific product design and manufacturing documents.
- Industry-specific product specifications.
- Environmentally-Extended Input-Output (EEIO) tables.
- Product Carbon Footprints (PCF), Environmental Product Declarations (EPD), or Life cycle assessments (LCA) (for individual components or multiple components using a detailed process emissions factor analysis).

More information on using EEIO tables and detailed process emissions factors to identify and/or quantify subcomponents is below.

### Identifying and Quantifying Subcomponents with EEIO Tables

Companies often use EEIO datasets in developing scope 3 GHG inventories. EEIO datasets provide emissions factors in the form of $CO_2$ (or $CO_2e$) per unit of economic activity within a particular sector. Detailed versions of these datasets can support identifying emissions estimates for each upstream sector that contributes to the output of the assessed component. Companies can use these sector emissions results and assign them to the main (sub)components produced by these sectors.

## Example: Identifying and Quantifying (Sub)components using EEIO

Company Z is a large manufacturing company looking to decarbonize its value chain. The company believes steel emissions are a significant emissions source in its value chain but wants to identify and quantify related (sub)components before identifying potential interventions.

To identify and quantify its steel (sub)components, Company Z applied Environmentally Extended Input-Output (EEIO) analysis through the following steps:

Step 1: Company Z accessed the U.S. Environmental Protection Agency's EEIO v2.0 tables. These tables are constructed from the 2017 economic data from the U.S. Bureau of Economic Analysis.

Step 2: Company Z then used EEIO models to identify the steel subcomponents across the company's entire value chain that are embedded in the company's inventory components. The table below provides a sample of the inventory components and embedded steel subcomponents in Company Z's Scope 3.

| Component | Subcomponent NAICS Code | Subcomponent | $mtCO_2e$ |
|---|---|---|---|
| Iron and steel mills and ferroalloy manufacturing | 3311 | Iron & steel mills and ferroalloy manufacturing | 8,000 |
| Advertising, public relations, and related services | 3311 | Iron & steel mills and ferroalloy manufacturing | 2,000 |
| Audio and video equipment manufacturing | 3311 | Iron & steel mills and ferroalloy manufacturing | 5,000 |
| Communication and energy wire and cable manufacturing | 3311 | Iron & steel mills and ferroalloy manufacturing | 15,000 |
| Electronic computer manufacturing | 3311 | Iron & steel mills and ferroalloy manufacturing | 500 |
| Printed circuit assembly (electronic assembly manufacturing) | 3311 | Iron & steel mills and ferroalloy manufacturing | 1,000 |

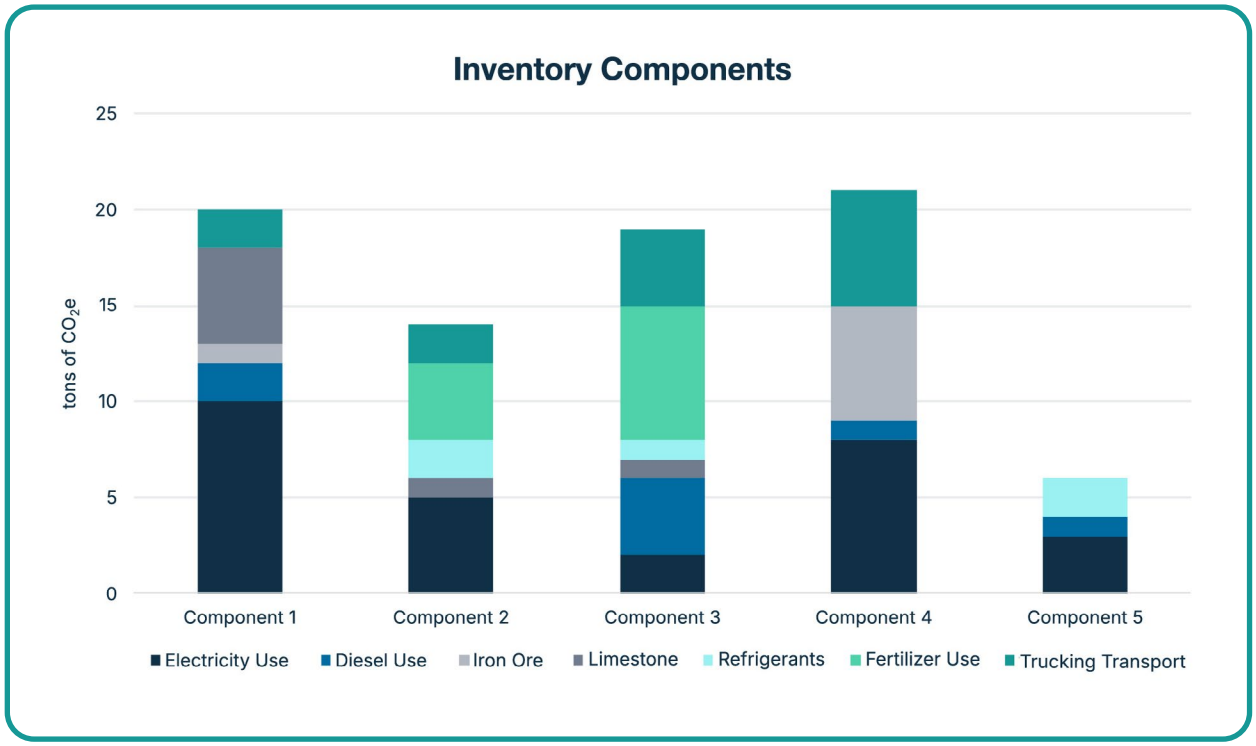
Step 3: Company Z used the information gathered from the EEIO analysis to confirm that steel is an emissions source in the company's value chain. Specifically, the company collected the results from the 'Iron and Steel Mills and Ferroalloy Manufacturing (NAICS code 3311)". The company uses this emissions total to quantify its demand for steel interventions, consistent with Section 6.1.

### Identifying and Quantifying Subcomponents Using Detailed Process Emissions Factor Analysis

Companies that use highly granular emissions factors to calculate parts of their scope 3 emissions can sometimes identify (sub)components using life cycle assessment and related programming tools.

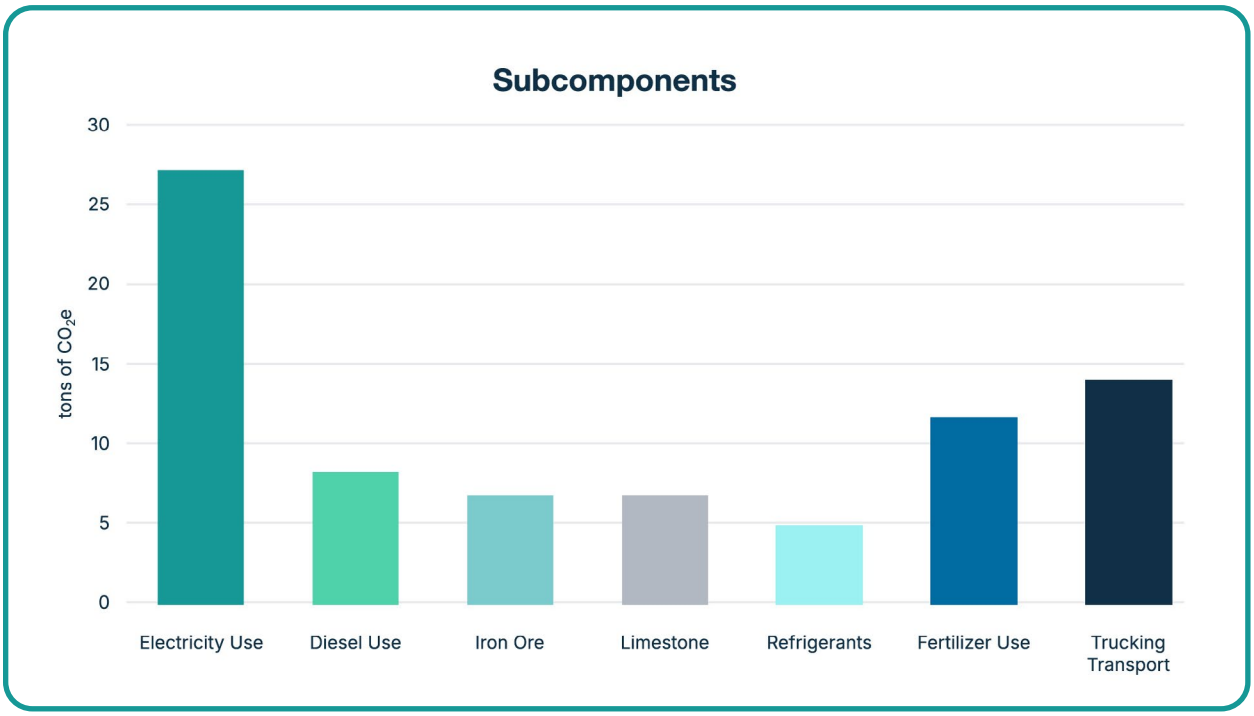
Consider a company studying five inventory components for possible interventions. The company collects detailed cradle-to-gate life cycle assessment studies for those five components. The company obtains the life cycle emissions results displayed in Figure 14 below.

*Figure 14: Example of Component Life Cycle Emissions by Emissions Sources*




The company takes the subcomponent emissions totals in Figure 14 and reorganizes the results around the common subcomponents among the components (Figure 15).

*Figure 15: Example of Aggregating Emissions by Subcomponents with Granular LCA Data*




The life cycle emissions factors used for this analysis need to use consistent subcomponent classification systems. For example, the life cycle studies used to generate the emissions factors

need to consistently categorize emissions from mining iron within an “iron ore” subcomponent category or provide enough granularity in the results that companies can further categorize the data into subcomponents consistent with the other aggregation methods provided above. This level of consistency and granularity within life cycle datasets is not widely available.

## *Locating (Sub)Components*

Accurately determining where value chain (sub)components occur across global value chains is inherently difficult. Many products are produced using inputs sourced from, and production processes conducted in, multiple countries. Many sold products can be an input to another sold product or travel from their point of sale. This makes determining exactly “where” (sub)components are produced or used (“occur”) challenging. However, companies can reasonably estimate where (sub)components occur to assess the tested intervention against the Sourcing or Use Region Further Association requirements (Section 4.3) or to assess the geographical representativeness of an emissions factor when using the activity data estimation approach (Appendix H).

For upstream (sub)components, if the (sub)component is sourced directly from a supplier, the reporting company would be able to use the location of the supplier as the (sub)component location. However, if the (sub)component is sourced from a tier 2+ supplier and the company only has data from its tier 1 supplier, it could 1) assume the (sub)component occurs in the same geography as that tier 1 supplier, or 2) use what data it does have plus industry data or other tools to make an estimate of the (sub)component’s location. If the company has no supplier data, it may only be able to identify the location of its subcomponents by making educated estimations based on industry data or other tools.

For downstream (sub)components, if the (sub)component has telemetry or similar data, the reporting company would be able to use that information to determine a precise location of usage. However, if the company only knows the location where its (sub)component was sold, it could 1) assume all downstream usage of the (sub)component occurs in the geography where the product was sold, or 2) use what data it does have plus industry data or other tools to make an estimate of where the (sub)component was used.

**Appendix F:**

# Identifying and Locating Interventions

## *Identifying Interventions*

The AIM Standard uses the term "Intervention" to refer to an action intended to reduce or avoid greenhouse gas (GHG) emissions, or to remove and store GHGs from the atmosphere. Examples of possible interventions include, but are not limited to:[57]

- Using sustainable aviation fuel instead of conventional jet fuel for air transportation.
- Replacing a coal boiler with an electric boiler powered by renewable electricity.
- Reducing purchased electricity through the installation of an on-site solar photovoltaic (PV) project.
- Using ammonium nitrate derived fertilizers created from green ammonia, rather than using urea created from fossil-origin ammonia, on a crop.
- Using low-emissions cement/concrete instead of conventional cement/concrete at a construction site.
- Using lower carbon intensity ethylene and ethylene oxide (EO) instead of conventionally produced ethylene and EO as a feedstock for manufacturing further products.
- Using low-emissions steel instead of conventional steel when manufacturing heavy equipment.
- Sourcing new renewable electricity to address its sold products' users' electricity consumption.
- Switching from conventional to regenerative farming practices that reduce greenhouse gas emissions.
- Replacing diesel powered internal combustion engine heavy-duty trucks with battery electric vehicle equivalents using renewable electricity.

Ways to enable interventions include, but are not limited to:

- Monetary support for a specific intervention.
- Purchase of an Environmental Attribute Certificate (EAC) from an intervention.
- Executing a long-term offtake agreement that is necessary for an intervention to be able to secure necessary financing.

As shown from the examples above, interventions can involve producing lower-carbon products as well as decarbonizing processes within a product's value chain. The AIM Standard supports both product and process-based interventions.

57 The AIM Standard does not list examples of GHG Removals as possible interventions. While companies are permitted to test such interventions against the requirements and recommendations laid out in this document, it is the perspective of the AIM Platform that GHG Removals would not pass Basic Association as they are not: 1) a known input or output in the value chain, or 2) address an emissions source that is included in the company's value chain as part of their physical inventory. However, if the intervention is defined as a product that includes GHG Removals in its cradle-to-gate emissions factor, it is possible that the intervention could pass Basic Association.

### Example: Identifying Interventions

A large, global consulting firm has identified business travel aviation emissions as a significant contributor to its scope 3 emissions. To meet the company's sustainability goals, the company looked for interventions that could be associated with its aviation emissions.

To identify possible interventions, the company researched aviation emissions solutions and examined the state of buyers alliances and environmental attribute certificate (EAC) systems in the sector. Through this research the company identified the production and use of Sustainable Aviation Fuel (SAF)produced from bio-feedstocks such as crops, waste oils, and captured gases as a potential intervention. Bio-feedstock SAF has the potential to reduce air transport emissions by more than 80% compared to conventional jet fuel, depending on the fuel inputs and production pathway. SAF can be certified according to global certification systems, such the International Sustainability and Carbon Certification (ISCC) or Roundtable for Sustainable Biomaterials (RSB), and then decoupled from its environmental attributes. The decoupled environmental attributes are then booked, tracked, and retired through a book and claim registry or platform to enable transparent and assurable claims.

While the exact emissions intensity of procured SAF will be known after fuel delivery, the information gathered during the intervention identification phase gave the company confidence to pursue the intervention and test its value chain association using the Association Test.

## *Determining an Intervention's Location*

Assessing interventions against the Further Association requirements necessitates determining where the intervention occurs. For some interventions, such as improving the efficiency of a mechanical equipment process, this determination is straightforward. For other interventions, such as electrifying transportation modes, defining a location is challenging.

For the purpose of the Association Test, companies may define intervention locations as follows:

- **Mobile interventions**, which move between two or more locations, may be considered to occur at either the origin site or the terminus site.
- **Energy interventions** that produce energy at one site and transport it via common carrier networks (e.g., pipelines or transmission lines) are considered to occur at the site where the energy is generated.
- **Low carbon product interventions**, which involve inputs and processes at different sites along the product's value chain, are considered to occur at the facility where the targeted (sub)component, as defined, is produced.

## Appendix G:

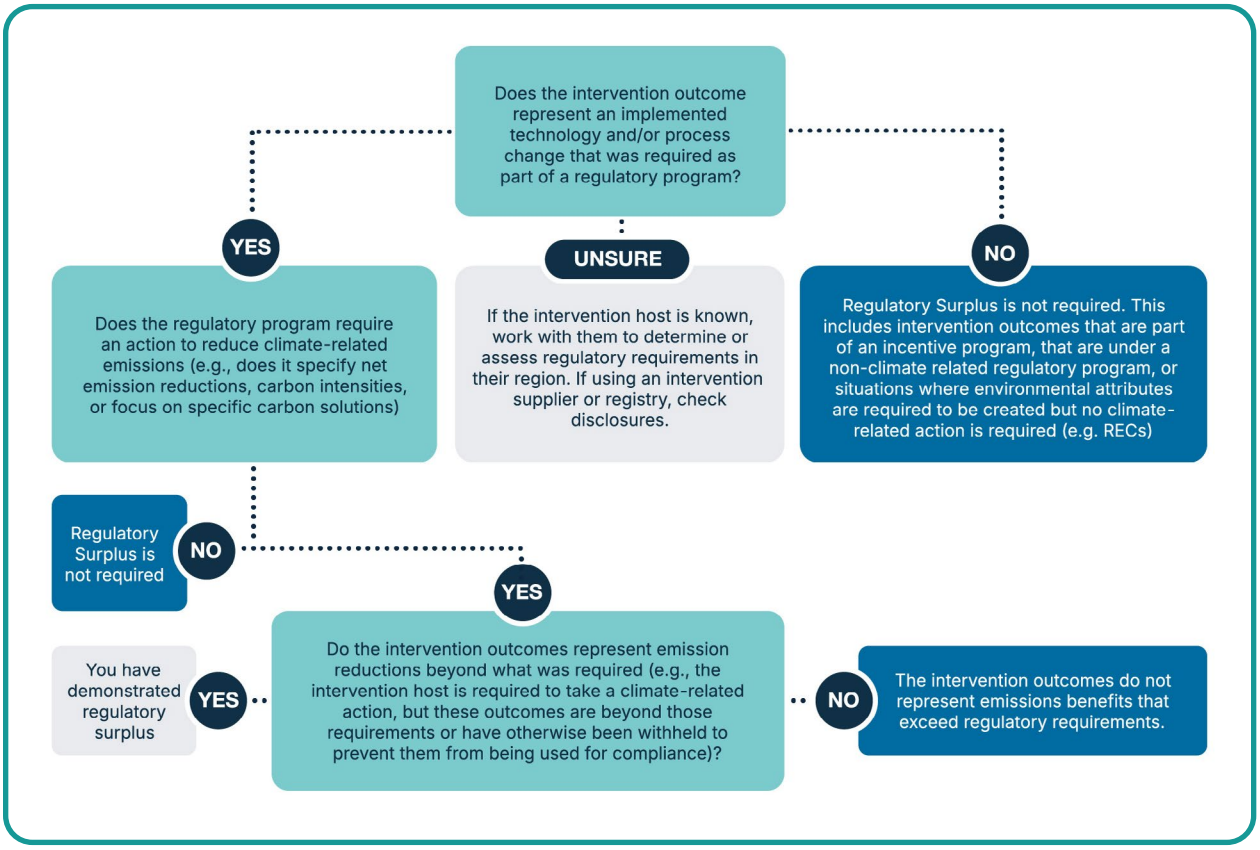
# Regulatory Surplus

The following decision tree can help companies determine if their intervention demonstrates regulatory surplus.

The critical terms used in the decision tree are defined as follows:

- **Regulatory program**: A program that defines legally binding rules, obligations, and penalties meant to direct behavior and produce an outcome within the legal jurisdiction of the program.
- **Incentive program**: A program that rewards or benefits certain behaviors or actions with the goal of producing an outcome in line with policy objectives.
- **Climate-related**: Pertaining to GHG emissions outcomes, technologies or behaviors that directly result in GHG emissions outcomes
- **Non-climate-related**: Not pertaining to related to GHG emissions reductions, or technologies or behaviors that directly result in GHG reduction.

*Figure 16: Regulatory Surplus Decision Tree*



The decision tree applies as follows to the following common regulation archetypes:

- **Mandate to adopt a lower-emissions technology**
  Example: RefuelEU Aviation (1: Yes, 2: Yes, 3: Yes/No).

  The Refuel EU mandate requires aviation fuel suppliers in the EU to blend a minimum percentage of SAF meeting specific eligibility requirements (an emissions reduction threshold and meeting other definitions) into fuel that they deliver to EU airports.

  SAF volumes that contribute towards the supplier's fulfilment of this mandatedo not demonstrate regulatory surplus. However, any SAF volumes that exceed the mandated percentage can demonstrate regulatory surplus.

  If an airline is purchasing and selling SAF certificates that represent the SAF contributing towards the supplier's mandate, this also does not constitute regulatory surplus, as even though the airline itself is not an obligated party under this regulation, its direct supply chain is.

- **Requirement to meet a defined emissions threshold**
  Example: Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) (1: Yes, 2: Yes, 3: Yes/No).

  CORSIA requires airlines to offset or reduce emissions associated with their international aviation activity output to a specific threshold. Use of sustainable aviation fuels is an option, alongside carbon offset purchases, that airlines can use to meet this threshold.

  SAF volumes that are used to meet this requirement do not demonstrate regulatory surplus.

- **Market-based credit trading system with a defined emissions threshold**
  Example: California Low Carbon Fuel Standard (LCFS) (1: Yes, 2: Yes, 3: Yes/No).

  LCFS sets a benchmark for the carbon intensity of specific fuels, and requires that operators meet this threshold either through adopting actions to reduce emissions (which generate credits) or through purchasing credits from other parties.

  If an operator is required to participate in the LCFS system and uses a credit they generate from their own intervention to meet the required benchmark, that intervention volume does not demonstrate regulatory surplus. However, if a credit generated from their intervention is not used to meet their own requirement, that intervention volume can constitute regulatory surplus. Regulated entities may also sell credits to other obligated parties that represent this surplus.

- **Cap and trade system**
  Example: EU Emissions Trading System (ETS) (1: Yes, 2: No).

  The EU ETS is an economy-wide cap and trade program that requires emitters in specific sectors to monitor and report their annual emissions, and surrender allowances equal to these emissions. These allowances can be purchased in auctions, traded between obligated parties, and in certain cases distributed freely under the defined cap.

  The EU ETS regulation by definition covers all emissions, as opposed to establishing a minimum threshold, and functions as a carbon tax as opposed to a requirement to implement emissions reductions. Further, in this system, allowances represent emissions as opposed to actions taken to reduce emissions. Because the AIM Standard only

requires demonstration of regulatory surplus at the entity and immediate supply chain as opposed to the system level, intervention outcomes implemented by entities under the EU ETS do constitute regulatory surplus.

- **Voluntary incentive**
  Example: US 45V tax credit (1: No).

  45V is a US tax credit that operators implementing specific eligible carbon capture and sequestration installations can claim. There is no requirement for participation, so an intervention that is claimed towards a tax credit under this program is simply an incentive and demonstrates regulatory surplus.

Table 20 identifies sectoral guidance for regulatory surplus that companies may reference as an alternative to the generalized decision tree for specific sectoral best practices. Table 20 identifies sectoral guidance for regulatory surplus that companies may reference as an alternative to the generalized decision tree for specific sectoral best practices. This is not an exhaustive list.

*Table 20: Sectoral Regulatory Surplus Guidance*

| Sector | Intervention types | Guidance author | Guidance title |
|---|---|---|---|
| Aviation | Sustainable Aviation Fuel | SABA | Atmospheric Benefit Principle Evaluation Tool |
| Maritime Shipping | Fuel switch-based shipping decarbonization | Global Maritime Forum and Maersk McKinney Moller Center for Zero-Carbon Shipping | Defining additionality in the voluntary book and claim market in deep-sea shipping |
| Maritime Shipping | Fuel switch-based shipping decarbonization | ZEMBA | ZEMBA Additionality Statement |

## Appendix H:

# Activity Data Estimation

Many companies calculate at least some of their scope 3 physical inventory emissions using the spend-based method. The spend based method estimates emissions by collecting data on the economic value of goods and services purchased and multiplying it by a relevant spend-based emissions factors (e.g., average emissions per monetary value of goods) (Greenhouse Gas Protocol).

While calculating spend-based emissions provides an emissions footprint for a (sub)component, it does not provide information on the amount of activity output associated with the (sub)component's emissions footprint. As such, with spend-based data, companies cannot use the Product Matching method with Substitution to quantify and account for, intervention outcomes relative to targeted (sub)components (see Section 6.1).

However, it is possible to use the Product Matching method with Substitution if the company can credibly convert it's spend-based emissions data into an accurate estimate of activity data using the Activity Data Estimation approach. The Activity Data Estimation approach outlined here allows a reporting company to use a credible non-spend activity-based emissions factor as a proxy for a (sub)component's emissions intensity.

The steps of activity estimation are as follows:

1. Identify an appropriate non-spend activity-based emissions factor that matches the (sub)component currently quantified using a spend-based emissions factor. Estimate the amount of activity for an inventory component using the following formula:

$$\frac{\text{(Sub)component Emissions}_{\text{Company}}}{\text{Non-spend Activity-based Emissions Factor}} = \frac{\text{t } CO_2e}{\text{t } CO_2e/\text{Unit Activity}} = \text{Unit of Activity}$$

2. Once the spend-based emissions have been converted into units of activity, the reporting company can proceed with the Product Matching Method as described in Section 6.1.

It is important to identify a non-spend activity-based emissions factor that is an accurate estimate of the (sub)component activity. The GHG Protocol Data Quality Indicators listed in Table 15, Section 6.2.2 provide indicators to consider when determining the appropriate emissions factor. These indicators include technological, temporal, and geographic representativeness, as well as completeness and reliability.

It is possible that if the intervention record has a pre-intervention emissions intensity[58], and the pre-intervention activity is similar (considering the data quality indicators) to the (sub)component activity, that value can be used to perform Activity Data Estimation. Other resources to find appropriate emissions factors include LCA/PCF databases or other public resources such as government emissions factor repositories.

58 A pre-intervention emission intensity is a type of intervention baseline that is typically available for interventions specific to a product or a process within a product's life cycle.

## Example: Activity Data Estimation

A publisher has paper associated with its value chain and calculates its spend-based emissions footprint for paper at 150 tonnes $CO_2e$. The publisher finds a paper mill that is implementing a mill decarbonization intervention that will generate 200 tonnes of paper EACs for the decarbonized paper product with an intensity of 0.2 tonne $CO_2e$ per tonne of paper.

Because the publisher only has spend-based activity data for the amount of paper purchased, it does not know the volume or mass of paper the 150 tonnes of $CO_2e$ represents. To use the Product Matching method, it decides to apply the Activity Data Estimation approach.

The publisher first needs to determine an appropriate non-spend activity-based emissions factor. Because they purchase the paper in North America and don't know any details about the technical process, they assume an emissions factor for an average North American paper mill would be most appropriate. The intervention record includes a pre-intervention baseline emissions intensity that also assumes an average North American paper mill, so they use that value.The publisher:1. Determines the intervention baseline emissions intensity, 0.5 (t $CO_2e$)/(t paper), using data provided in the intervention record.2. Estimates its inventory activity output for paper using the intervention baseline intensity and the publisher's spend-based paper emissions footprint of 150 tonnes $CO_2e$: (150 t $CO_2e$)/(0.5 (t $CO_2e$)/(t paper))=300 t paper

Companies might decide to support more than one intervention to address the same spend-based emissions. If the company wants to use Activity Data Estimation, they still follow the steps above, identifying one appropriate non-spend activity-based emissions factor that is an accurate estimate of the (sub)component activity output. Once they have made the conversion from spend-based emissions to (sub)component activity output, they can proceed with Product Matching and substitution for each intervention.

**Appendix I:**

# Determining a Credible Baseline

In the AIM Standard, there are two types of baselines defined:

- Project baselines describe the emissions before an intervention using project accounting when calculating an emissions outcome (Section 5.4).
- Intervention baselines, a general term used to describe the reference activity data of the intervention. Intervention baselines can be a project accounting baseline, a pre-intervention emissions intensity, or an appropriate regional benchmark for the intervention.

If the intervention outcome was calculated using project accounting, the intervention record will include a project baseline. In this case, the project baseline will be used when doing Emissions Matching or any other situations when applying the AIM Standard where an intervention baseline is needed.

If the intervention outcomes were not calculated using project accounting, the intervention record may not include any information that can be used to determine an intervention baseline. In those cases, a reporting company must use the guidance below to determine a credible pre-intervention emissions intensity that can be used as an intervention baseline.

## *Variables to Consider When Determining a Pre-Intervention Emissions Intensity*

The emissions intensity of products (inclusive of goods and services) and processes make up the basis of an intervention baseline, and many variables can impact an emissions intensity. These variables are not the same across all sectors, and the variables that warrant consideration when selecting a pre-intervention emissions intensity will differ across sectors accordingly.

For example:

- Vessel type, size class, and operating environment can significantly impact the emissions intensity of ocean transport services.
- Compressive strength, production location, and structural application can significantly impact the emissions intensity of concrete.
- Production pathway, such as the use of a blast furnace and basic oxygen furnace (BF-BOF) to produce steel rather than the use of direct iron reduction and electric arc furnace (DRI-EAF), can significantly impact the emissions intensity of the production outputs.
- Scrap share of input, such as steel produced in an Electric Arc Furnace (EAF) with 100% scrap versus steel produced solely with virgin iron, can significantly impact the emissions intensity of production outputs from a given production pathway.
- Process feedstock, such as ethylene production with bio-based feedstocks, ethane, naphtha, or coal gasification, can significantly impact the emissions intensity of process outputs.
- Fuel mix within a production pathway, such as hydropower versus coal power for electricity generation in aluminum production, can significantly impact the emissions intensity of production outputs.

Considering this variability and potential uncertainty, it is not possible to list all potential use cases.

## Preferred Option to Determine a Pre-Intervention Emissions Intensity: Asset and Operational Level Matching

Whenever possible, select a pre-intervention emissions intensity in the same asset class and conducting a similar service as the asset and service associated with the implemented intervention.

For example:

- A vessel generates EACs by consuming a low-emissions drop-in fuel. The pre-intervention emissions intensity would be for the same vessel, conducting similar operations, with the fuel that the vessel used before the drop-in fuel intervention.
- A company implements decarbonization retrofits on a steel production facility. The pre-intervention emissions intensity would be for steel production at that same facility, using similar inputs (e.g., if scrap share of metallics input is 20% prior to the intervention, assume a feedstock scrap content of 20% for LCA calculations associated with the intervention) as were used before the intervention.

## Alternative Option to Determine a Pre-Intervention Emissions Intensity: Targeted Average Matching

If asset and operational level matching is not possible, select a pre-intervention emissions intensity that reflects the average performance of a subset of assets that reflect pre-intervention emissions across as many variables as practicable.

Geography can be a particularly impactful variable across many use cases. With respect to geography, select the highest resolution geographic match possible considering the relevance and integrity of data available. At a minimum, match at the level of a geographic region. In most cases, a "region" will be defined at a country level. However:

- If sub-national data is available, such data may be appropriate in some situations.
- In the heavy transport sectors involving assets that regularly cross international borders as a fundamental part of the service that they provide (e.g., aircraft or oceangoing vessels), a global intervention baseline may be used if such a baseline has been established and adopted through a multilateral international process (e.g., the jet fuel emissions intensity established by International Civil Aviation Organization).

For example:

- A container vessel generates EACs by consuming e-ammonia generated with renewable electricity. The vessel was manufactured in association with the vessel's operator securing supply of e-ammonia, and the vessel is not fueled with fossil ammonia. The pre-intervention emissions intensity would be the average emissions intensity of similar sized vessels operating on similar routes (e.g., the Clean Cargo average emissions intensity for vessels on the same trade lane as the e-ammonia vessel).
- A cement facility generates EACs from a new (i.e., greenfield) facility that is outfitted with decarbonization equipment and processes. The pre-intervention emissions intensity would be the average intensity of cement production in the same country (or region, if subnational emissions intensity information is available) as the new facility.

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