



Facilitated Emissions Appendix

SPECIFICATION OF PRODUCT SCOPE PART B

Providing more details on the financial product scope of Part B

PCAF's Facilitated Emissions Standard is developed to act as guidance to actors that facilitate capital markets transactions. This appendix is developed to further clarify which financial activities, which facilitator roles, and which financial products this Standard is meant to capture.

WHICH ACTIVITIES ARE IN SCOPE

Capital markets facilitation that is in the scope of the Facilitated Emissions Standard means all activities whereby financial institutions (including banks, investment banks, and broker-dealers) formally assist issuers in accessing financing through the primary issuance and sale of securities (whether debt, equity, or similar) or the syndication of loans. Although role terminology differs per region, capital markets facilitation activity includes

- Transactions where financial institutions agree to purchase, as principals, all or some securities being offered by an issuer, to immediately resell those securities (directly or indirectly) to investors, and receive a fee in the form either of a discount to the purchase price of the securities or a fee/commission. This includes firm commitment underwriting/initial purchasing, "soft" or "best efforts" underwriting/initial purchasing, and at-the-market offerings conducted on a principal basis.
- Transactions where financial institutions act as placing agents for issuers and receive a fee/commission in exchange for helping issuers to structure an offering and sale of securities and/or identifying and introducing potential investors who are willing and able to purchase the offered securities. This includes placement agent services and agented at-the-market transactions. It does not include roles financial institutions play following the initial issuance of the securities to facilitate ongoing administration or management of capital markets transactions, such as administrative agent or trustee roles.
- Transactions where financial institutions act as agents or arrangers for borrowers and receive a fee/commission in exchange for helping borrowers to arrange the origination of a syndicated loan from a group of lenders. It does not include roles financial institutions play following the initial origination of a loan to facilitate ongoing administration or management of the facility, such as administrative agent or trustee roles.

WHICH FACILITATOR ROLES ARE IN SCOPE

The Facilitated Emissions Standard is focused exclusively on the role of lead bookrunners, as their involvement in transactions is the most significant. In contrast, co-managers and lead managers typically have a less impactful role and are frequently invited to a deal without prior notice. Additionally, larger firms can be involved as co-managers in hundreds of transactions each week, further distinguishing the role from lead bookrunners.

To address the varying global definitions of facilitator roles and provide clearer guidance, Part B of the Standard introduces a percentage threshold. Specifically, if a facilitator is responsible for

less than 5% of the total underwriting, the facilitator **should** be excluded from the scope of Part B of the PCAF Standard. This threshold helps clarify which roles should be considered and which should not.

WHICH FINANCIAL PRODUCTS ARE IN SCOPE

The table below outlines the activities that are currently within and outside the scope of the Facilitated Emissions Standard. This table does not expand the original scope but rather provides explicit clarification of it. In addition, activities listed as out of scope were excluded at the time of publication due to the absence of an existing PCAF methodology. However, as PCAF continues to expand and new methodologies are developed, these activities will be considered for inclusion in the next revision and future updates of the Facilitated Emissions Standard. Further details per product can be found in the footnotes.

In scope	Out of scope
Facilitation of debt securities public issuance and offering: ¹ <ul style="list-style-type: none"> • General-purpose corporate bonds • Sustainability-linked bonds • Corporate medium-term notes ² • Convertible bonds ^{3,4} 	Green bonds ⁵
Facilitation of equity securities public issuance and offering: <ul style="list-style-type: none"> • Common stock (IPO's and follow-on issuances) • Preferred shares. 	Sovereign debt ^{5,6}
Private placement of debt securities	Securitized products (including asset-backed securities) ⁵
Private placement of equity securities	Covered bonds ⁵
Syndicated loans (portion not on the arranger's balance sheet)	Use of proceeds loans (e.g. loans with dedicated use of funds for green activities)
Other general-purpose debt instruments ⁴	Derivatives (e.g., futures, options, swaps)
	Advisory services (e.g., M&A advisory)
	Other known use of proceeds debt instruments ^{4,5}

ALLOCATING SYNDICATED LOANS TO PART A OR PART B

For the Facilitated Emissions Standard, what is in scope is any syndicated loan that involves financial institutions that arrange the transaction, acting in the capacity, as private placement agents or arrangers do in bond or equity issuances, to syndicate the loan. As such, the entire arranged loan **should** be counted and calculations to allocate share to the arrangers involved **should** be carried out in accordance with the methodology set out in this document.

¹ Includes private debt offering (e.g. US 144A offering) accessing the broad investor base.

² Medium-term notes (and all other debt) are excluded when issued by government agencies.

³ In-scope under public debt securities but noting that these are convertible into equity securities

⁴ Originally implicitly captured in the definition of in-scope products and now included explicitly for further clarification without expanding the original scope.

⁵ These products are out of scope at the date of publication of this Standard as no PCAF (Part A) methodology existed yet to calculate the emissions associated with green bonds, sovereign debt, other known use of proceeds bonds, securitized products, and covered bonds. PCAF has prioritized the development of a method covering these products (expected in 2025) and hence these products may be included in the next update of Part B.

⁶ Supranational debt, sub-national, and agency debt are excluded

If a financial institution that is acting as an arranger in a transaction, chooses also to act as a lender in the same transaction and extends credit for a portion of the loan being syndicated – that lending **should** be captured by the financial institution under its obligations to report under Part A of the Standard (Financed Emissions). Even though it is possibly an intertwined role, it is a considerably different role so there would be no double counting for the financial institution to report its differentiated activities within the same transaction under Part A and Part B of the Standard.

The GLOBAL GHG ACCOUNTING & REPORTING Standard

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PCAF

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