

Scope 3 TWG Group C Meeting Minutes

Meeting 11

Date: July 31, 2025

Time: 09:00 – 11:00 AM ET

Location: Virtual

Attendees

Technical Working Group Members

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| 1. Diane Buzea, WBCSD | 6. Fredrich Mokuu, UNFCCC |
| 2. Karis Choi, HSBC | 7. Hetal Patel, Phoenix Group |
| 3. Alexandre Kelemen, Mangu Tech | 8. Colin Powell, PwC |
| 4. Megan Kennedy, General Motors | 9. James Salo, S&P Global Sustainable1 |
| 5. Shannon McIlhone, Partnership for Carbon Accounting Financials (PCAF) | 10. Howard Shih, Science Based Targets initiative |
| | 11. Arundhati Srinivasan, Maersk |

Guests

N/A

GHG Protocol Secretariat

1. Hande Baybar
2. Alexander Frantzen
3. Claire Hegemann
4. Dario de Pinto
5. David Rich

Documents referenced

1. Discussion Paper C.1 - Investments - Version 2.0
2. Scope 3 - Group C - Meeting C.11 - Presentation – 20250731 ("Presentation")

Summary

Item	Topic and Summary	Outcomes
1	Housekeeping and decision-making criteria The Secretariat presented the meeting agenda, housekeeping rules, and decision-making criteria.	N/A
2	Short positions The Secretariat presented proposed guidance for short positions, namely excluding them from category 15, and adding them as optional in category 16.	N/A
3	Other financial activities/services in Cat.16 The Secretariat presented a summary matrix of activities and proposed facilitated activity definition conformance, highlighting a few unresolved items.	N/A
4	Commodities The Secretariat presented proposed language for commodities for category 15, including boundary and consolidation guidance, and discussed the inclusion of fungible and/or non-fungible tokens as a type of commodity.	N/A
5	Licensing The Secretariat presented a proposal to expand the scope of category 14 to unambiguously include emissions from licensing and providing a royalty-based calculation method.	The topic of licensing will be moved to phase 2, to be considered with the full TWG
6	Time planning and next steps This meeting concluded Group C's work. The next TWG meeting is the first meeting of phase 2, which will take place on August 28 th . In phase 2, the TWG will not split into subgroups, but convene as a full group for every meeting.	The Secretariat may circulate a follow-up survey on short positions, commodities and cryptocurrencies, in order to get feedback from all group C members. The Secretariat may circulate a follow-up survey on boundary guidance to the full TWG, in order to collect feedback to serve as input for the first meeting of phase 2, which will cover this topic.

Discussion and outcomes

1. Housekeeping and decision-making criteria

- Refer to Presentation slide 3 – 8.
- The Secretariat presented the meeting agenda, housekeeping rules and decision-making criteria.

Discussion

- N/A

Outcomes

- N/A

2. Short positions

- Refer to Presentation slides 9 - 12.
- The Secretariat presented proposed guidance for short positions, namely excluding them from category 15, and adding them as optional in category 16.

Discussion

- The Secretariat highlighted some feedback by the ISB, that a principles-based approach could be employed in category 16.
- A TWG member stated that the proposal for the category is already quite detailed, and if the goal was to predict other activities that might be included in the future, a general statement covering this could be added to the language. However, moving to a principles-based approach for the category does not make sense in the member's point of view.

Outcomes

- N/A

3. Other financial activities/services in Cat.16

- Refer to Presentation slides 12 – 15.
- The Secretariat presented a summary matrix of activities and facilitated activity definition conformance, highlighting a few unresolved items.

Discussion

- A TWG member stated that in other categories, quantification helps to gauge risk, but in category 16, exposure is more indirect and as such the category serves more to red flag some activities and/or to identify involvement. From a user perspective, category 16 may be used in that way. Thus, the utility of this new category would be more principles-based as opposed to prescriptively itemized by activity or quantification method. As such, a broader approach that facilitates this red-flagging of involvement may work. Considering specifically derivatives, this could be helpful to users, even though it might not fulfil or satisfy two of the definition components of a facilitated activity (as proposed), on slide 15.
- A TWG member agreed that a principles-based outlook makes sense here, especially looking beyond the financial industry to consider other facilitated activities, e.g., outsourced transport activities. The proposed definition might cause issues with outsourced activities. The member recommended revisiting the principles and definitions before agreeing that the proposal is sufficient. This is because the member does not only see potential issues with downstream activities but also the possibility that subjectivity would have an impact on upstream categories. For example, whether a freight activity is classified as category 4 or category 16.
 - The Secretariat replied that the proposal includes a requirement which stipulates that if an activity satisfies another scope 3 category, then that category boundary shall take prevail and the reporting company shall report said facilitated activity emissions in that category. This is to make sure that the prescriptive and clear boundary guidance for existing categories is maintained and not compromised by the new category 16 optional boundary.

Outcomes

- N/A

4. Commodities

- Refer to Presentation slides 16 – 21.
- The Secretariat presented proposed language for commodities for category 15, including boundary and consolidation guidance, and discussed inclusion of fungible and/or non-fungible tokens as one type of commodity.

Discussion

- A TWG member stated their support for the proposal, also noting that the specifics of the minimum boundary (cradle-to-gate or gate-to-grave) could still be discussed further.
- Another TWG member stated their support for the proposal.

Outcomes

- N/A

4. Licensing

- Refer to Presentation slides 22 – 27.
- The Secretariat presented a proposal to expand the scope of category 14 to unambiguously include emissions from licensing, including a royalty-based calculation method.

Discussion

- One TWG member said that they had limited feedback but generally agreed that the royalty-based calculation method makes sense, but that public consultation would be valuable for feedback.

Outcomes

- The topic of licensing will be moved to phase 2, to be considered with the full TWG.

5. Time planning and next steps

- Refer to Presentation slides 28 – 30.
- This meeting concluded Group C's work.
- The next TWG meeting is the first meeting of phase 2, which will take place on August 28th. In phase 2, the TWG will not split into subgroups, but convene as the full group for every meeting.

Discussion

- N/A

Outcomes

- The Secretariat may circulate a follow-up survey on short positions, commodities and cryptocurrencies, in order to get feedback from all group C members.
- The Secretariat may circulate a follow-up survey on boundary guidance to the full TWG, in order to collect feedback to serve as input for the first meeting of phase 2, which will cover this topic.

Summary of written submissions received prior to meeting

N/A