The GLOBAL GHG ACCOUNTING & REPORTING Standard

PART A

Financed Emissions

For financial institutions measuring and reporting scope 3 category 15 emissions

EXECUTIVE SUMMARY

PCAF®
Partnership for Carbon Accounting Financials

Third Edition
December 2025

Executive Summary

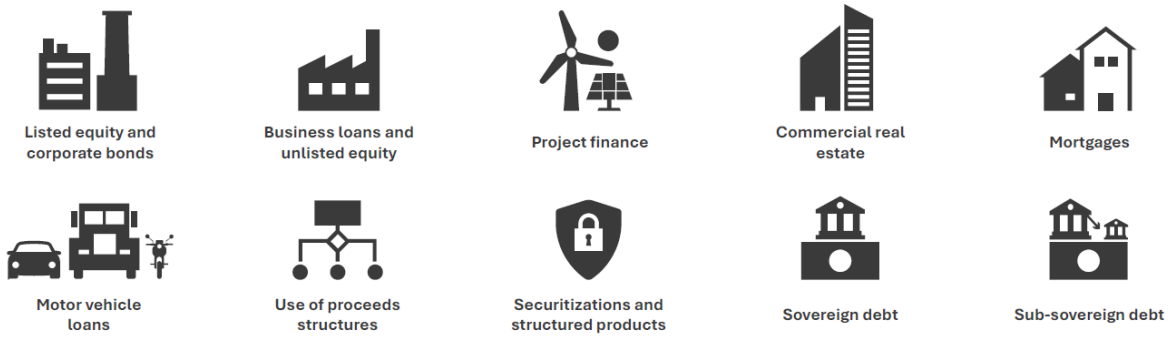
The Partnership for Carbon Accounting Financials (PCAF) is an industry-led initiative created in 2015 to harmonize greenhouse gas (GHG) accounting and reporting across the financial sector. PCAF enables financial institutions to measure and disclose the greenhouse gas emissions associated with their financial activities through GHG accounting.

Financed emissions represent the largest share of financial institutions' climate impact. Measuring these emissions is the foundation for effective risk management, disclosure, and informed decision making. By applying PCAF's methodologies, financial institutions can improve transparency, comparability, and data quality, supporting robust risk assessment and alignment with leading disclosure frameworks.

Responding to industry demand for a standardized GHG accounting approach, PCAF developed the Global GHG Accounting and Reporting Standard for the Financial Industry in 2020, covering six asset classes. This third edition builds on previous versions and introduces updates, including:

- Four new methodologies for use of proceeds structures, securitizations and structured products, sub-sovereign debt, and an optional IFRS reporting of undrawn loans.
- Updates and improvements to the second version of the Standard.
- Two new reporting recommendations – a fluctuation analysis and inflation adjustment – developed in response to feedback on the Inventory Fluctuation discussion paper (2024).

With these additions, this latest version of the Financed Emissions Standard assists in the measurement and disclosure of GHG emissions associated with ten asset classes:



This third edition of the Financed Emissions Standard equips financial institutions with robust, standardized methodologies to measure and disclose financed emissions across an expanded set of asset classes. By applying these methods, institutions can assess their exposure to emissions-related financial risks in alignment with leading disclosure frameworks, establish measurable baselines to inform internal targets and risk management practices, report consistently to stakeholders using transparent and comparable data, and integrate emissions insights into portfolio analysis and strategic decision-making. Together, these capabilities strengthen transparency, comparability, and accountability across the financial sector, supporting informed action toward managing climate-related risks and opportunities.

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PART A

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