



2026 Financed Emissions Benchmark Report

Year-end 2025 disclosures

From emissions measurement to transition action

Sustainability | June 2026





Overview

What this report covers - Annual Financed Emissions Benchmarking | Fifth edition

Financed emissions reporting is entering a new phase.

For many financial institutions, the question is no longer simply whether portfolio emissions can be calculated, but whether those metrics are credible, comparable and useful enough to inform targets, risk management, capital allocation, client engagement and transition delivery.

Now in its fifth iteration, **PwC's Financed Emissions Benchmark reviews sustainability disclosures from 57 financial institutions across banking, life insurance and asset managers.** The benchmark assesses how institutions measure, govern and use financed emissions, with a focus on sustainable finance, target basis and credibility, restatements, assurance, scope and coverage, data quality and methodology.

The analysis is complemented by CDP 2025 data¹, providing a broader reference point for assessing financed emissions and wider sustainability disclosures. It is also supported by PwC's **GHG Emissions Analyser**, which provides the detailed benchmark data and peer views behind this report. The benchmark is based on public disclosures, so findings reflect disclosed practice rather than every activity that may be taking place internally.

Why it matters

Despite geopolitical uncertainty and shifting policy priorities, climate remains a key focus area for financial institutions. CDP 2025 data shows **that 82% of institutions measured the climate impact of their portfolio and, of those, 91% used financed emissions.** Where institutions are not yet measuring portfolio impact, most cite practical barriers such as data availability, methodology, resources and standardisation - not a lack of relevance.

This year's analysis of 2025 disclosures provides timely insight into how the **market is moving from financed emissions measurement towards credibility, comparability and action.** As baselines mature, stakeholders increasingly expect institutions to explain not only what they have measured, but how the results are governed, how uncertainty is managed, and how insights are used in decision-making.

Sustainable finance is becoming part of the same conversation: financed emissions show where climate impact and transition exposure sit across portfolios, while

sustainable finance shows how institutions are responding through capital allocation, client engagement, product strategy and transition-related financing.

Two forces are raising the bar

Mandated reporting is moving financed emissions from voluntary disclosure to structured accountability. ISSB-aligned and jurisdictional requirements are increasing expectations for emissions data that is comparable, transparent, traceable and decision-useful.






Supervisory expectations are increasing scrutiny of how climate and sustainability risks are governed, measured, monitored and embedded into risk management.

For financed emissions, this means the numbers need to be traceable for disclosure, robust enough for assurance, and actionable for risk management, capital allocation, client engagement and transition planning.

This paper focuses on what now differentiates leading institutions: credible targets, transparent restatements, stronger data governance, clearer scope and coverage, and better links between emissions metrics, sustainable finance and transition action.

How to use this report

Use the report as a cohesive narrative, or as modular insights tailored to executive priorities.

Audience	Focus
 CEO / ExCo	Strategic implications and leadership model
 CFO	Sustainable finance, assurance, controls and capital allocation
 CRO	Scope, exclusions, data lags, risk appetite and ECL linkage
 CSO / Head of Sustainability	Target credibility, reference pathways, Scope 3 and data quality
 Investor relations	Credible progress narrative and restatement governance

¹ The Financed Emissions Benchmark analysis is complemented by the CDP 2025 Climate Change Corporate Response Dataset, used by PwC in aggregated/derived form as a broader market reference point for financed emissions and wider sustainability disclosures. Source: CDP; PwC analysis. No raw CDP responses or company-level CDP data are reproduced.

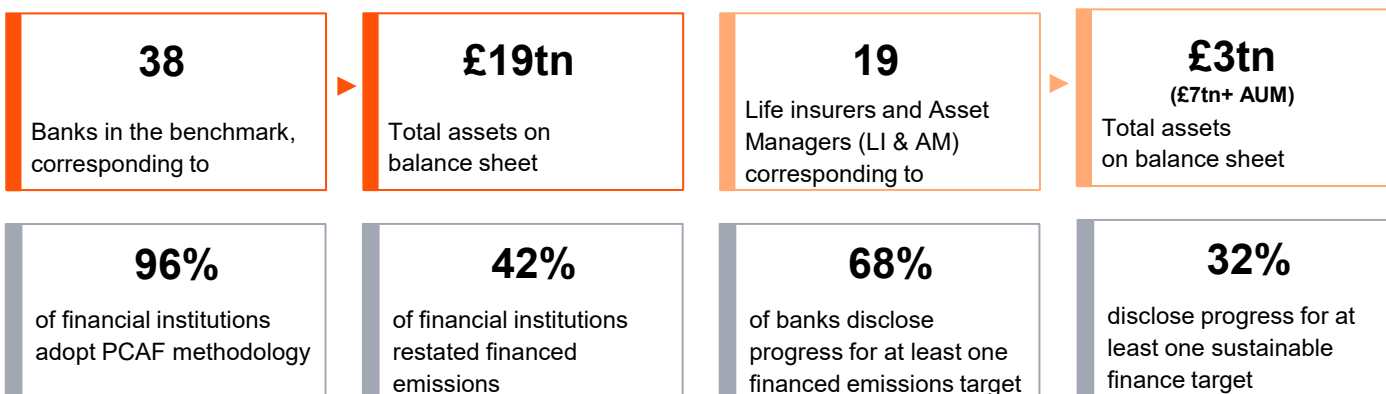




Executive dashboard: from measurement to management

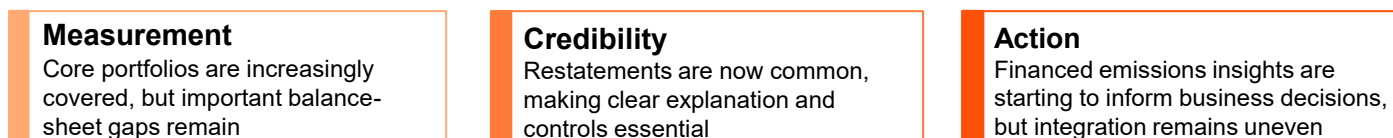
Financed emissions are moving from a disclosure metric to a management tool — helping institutions steer capital, evidence transition readiness and explain progress under scrutiny.

Our financed emissions benchmark in numbers



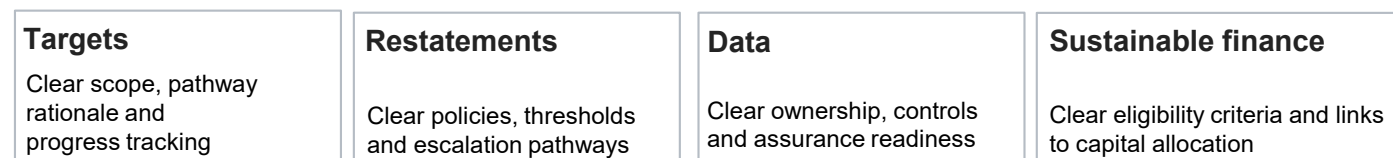
State of the market

Financed emissions measurement has advanced over the years but there is still more to do. PCAF has helped create a common language across core portfolios, but gaps remain across parts of the balance sheet, value chain and data foundation. Banks now need financed emissions data that can be explained under scrutiny and used in decisions — from target tracking and client engagement to risk appetite, sustainable finance, portfolio steering and capital allocation.



What we see as good practice

Our benchmark shows examples of stronger practice across different institutions, rather than a single group consistently leading across all areas. Stronger disclosures explain how financed emissions numbers are governed, why they change, and how they inform targets, risk appetite, client engagement, sustainable finance and capital allocation.



Where market practice still needs to mature

Market practice is improving, but reporting is still hard to compare where boundaries, assumptions and controls are unclear. The main gaps are inconsistent sustainable finance classification, incomplete coverage across assets, sectors and value chains, limited visibility over data sources and estimates, and insufficient explanation of target assumptions or methodology changes.









Executive Summary: What management should be asking?

As financed emissions reporting matures, the focus is shifting from calculation to confidence and action. For management teams, this means understanding what sits behind the numbers, how changes are governed, and how emissions insights are being used to shape risk, client engagement, sustainable finance and capital allocation

This year's findings point to four questions management should be asking.

Pillars	What is our benchmarking telling us and what does this mean for you
 <p>01 Sustainable finance</p>	<p>What we are seeing: Sustainable finance commitments are increasingly visible, but definitions, classification and target coverage remain inconsistent. What does this mean for you: Make clear what qualifies as sustainable finance, who governs it, and how it links to client transition, product strategy and capital allocation.</p>
 <p>02 Target basis and credibility</p>	<p>What we are seeing: Targets are being disclosed, but pathway choices, progress tracking and treatment of resets vary. What does this mean for you: Management needs to be able to explain what each target covers, why the pathway was chosen, how progress is tracked, and how changes are approved and communicated.</p>
 <p>03 Scope and coverage</p>	<p>What we are seeing: Coverage is expanding across core portfolios, but gaps remain across assets, sectors, value chains and Scope 3. What does this mean for you: What is included, what is excluded, why exclusions remain, and how material gaps will be addressed over time.</p>
 <p>04 Data and methodology</p>	<p>What we are seeing: PCAF has created a common language, but data sources, proxies, lags and data quality still differ. What does this mean for you: Who owns the data, what checks are in place, where estimates are used, and how ready the process is for assurance.</p>

A view from the market

I am pleased to share the latest PwC Financed Emissions Benchmark at an important point in the market's evolution. The conversation is moving beyond whether financial institutions can calculate financed emissions, towards whether those numbers are credible, controlled and useful in the decisions that matter.

Sustainability reporting requirements are increasing expectations for comparable, traceable and decision-useful emissions data. At the same time, supervisory and risk management expectations are sharpening the focus on governance, scope, assumptions, controls and management action.

The strategic and commercial implications are becoming clearer. Financed emissions can help institutions understand portfolio exposure, support sustainable finance decisions, inform client engagement and evidence transition readiness. As sustainability becomes more closely linked to capital allocation, resilience and growth, the quality of emissions data becomes a management issue, not just a reporting issue.

The direction of travel is clear. Market leadership is likely to be defined by the ability to move financed emissions from a reporting metric to a management capability - connecting credible targets, transparent scope, stronger data governance and sustainable finance activity into a coherent story for reporting, risk, strategy and commercial decision-making. For many institutions, this remains an evolving journey rather than a finished state.



Stewart Cummins
 Partner
 Sustainability banking lead



01. Sustainable Finance

1.1 Current Landscape: Disclosures and capital allocation

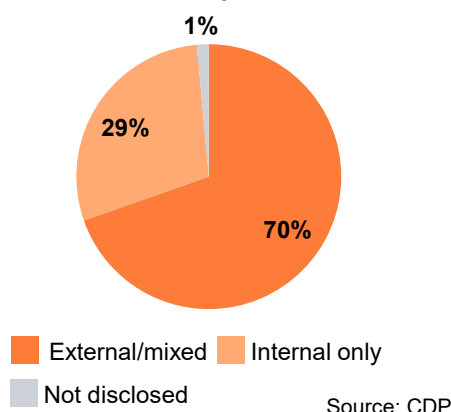
Sustainable finance is where transition ambition starts to translate into capital allocation. Commitments and targets are increasingly visible, but assessing delivery depends on whether institutions consistently define, classify and report the financing and investment activity that supports them. CDP responses suggest disclosure gaps are more operational than intentional, with **over 63% of non-disclosure reasons linked to capability, process, data or taxonomy barriers.**

Sustainable finance disclosure data is limited for LI & AM. Hence much of this section focuses solely on the Banks population.

Banks



CDP: Taxonomy basis



Taxonomy fragmentation limits comparability

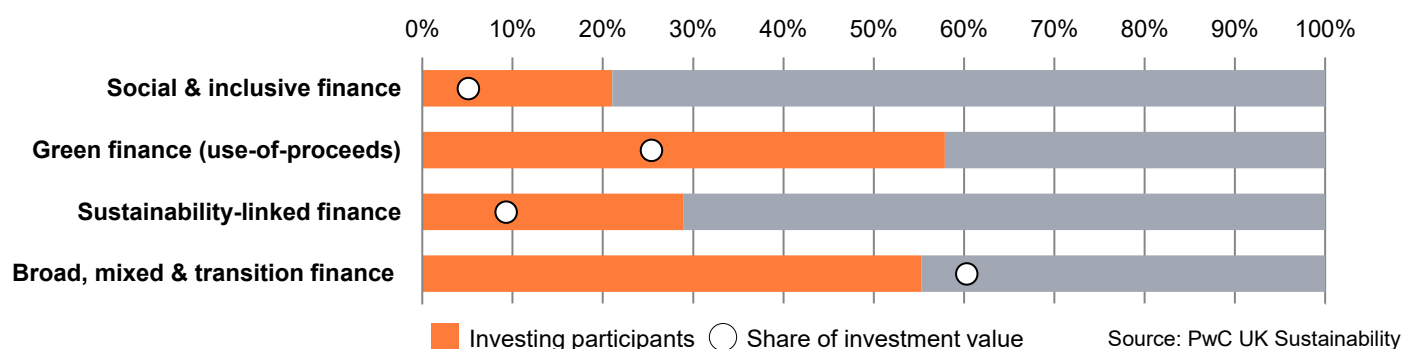
While firms may use taxonomies, standards or methodologies to classify sustainable products and services, the specific basis is often not visible in public disclosures. Where classification approaches are disclosed to CDP (see pie chart), they vary widely across institutions, products and asset classes - spanning external frameworks, market principles, internal criteria and bespoke methodologies.

This supports the use of broad benchmark buckets: green use-of-proceeds finance is typically easier to evidence where established standards exist, while broader sustainable and transition finance is harder to compare consistently due to the absence of a common taxonomy.

Investment area bucket definitions:

Social & inclusive finance - *Proceeds tied to social outcomes.*
 Green finance (use-of-proceeds) - *Proceeds tied to eligible green projects.*
 Sustainability-linked finance - *Pricing/terms tied to sustainability KPIs.*
 Broad, mixed & transition finance - *Aggregated, mixed or less granular sustainable finance disclosures*

Banks – Investment areas



Ambition needs target coverage: Sustainable finance commitments need clear target coverage to evidence future ambition and delivery. Banks disclose a sizeable commitment pool, with £5.9tn committed against £3.4tn of lending to date, showing significant future capital still to be mobilised. Clear target coverage will help demonstrate how this ambition is being translated into lending activity, client support and measurable progress over time.

Taxonomy fragmentation limits like-for-like comparison: Most institutions use some form of taxonomy, but consistent with PY the CDP taxonomy basis shows limited consistency, with firms split between external/mixed and internal approaches. This makes it difficult to compare sustainable finance volumes across institutions, particularly where broad categories such as green finance, social finance and transition finance are defined differently.

Disclosure is strongest where categories are easiest to evidence: Disclosure is concentrated in categories with clearer asset links and market conventions, particularly green finance / use-of-proceeds. Lower participation or value disclosure across social, sustainability-linked and broad mixed finance may reflect both lower activity and greater evidencing challenges, where outcomes, eligibility criteria or KPI ambition are harder to substantiate.

01. Sustainable Finance



1.2 Forward view: Targets, Progress and Growth Momentum

Participants with sustainable finance targets

58% **16%**

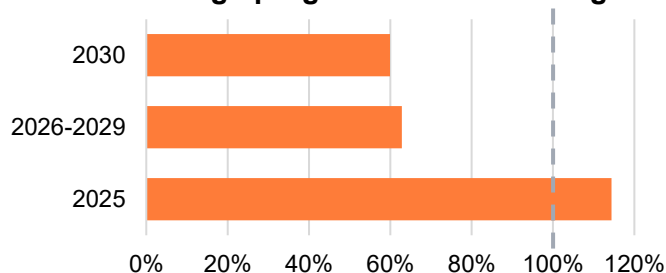
Banks

LI & AM

Source: Annual reports

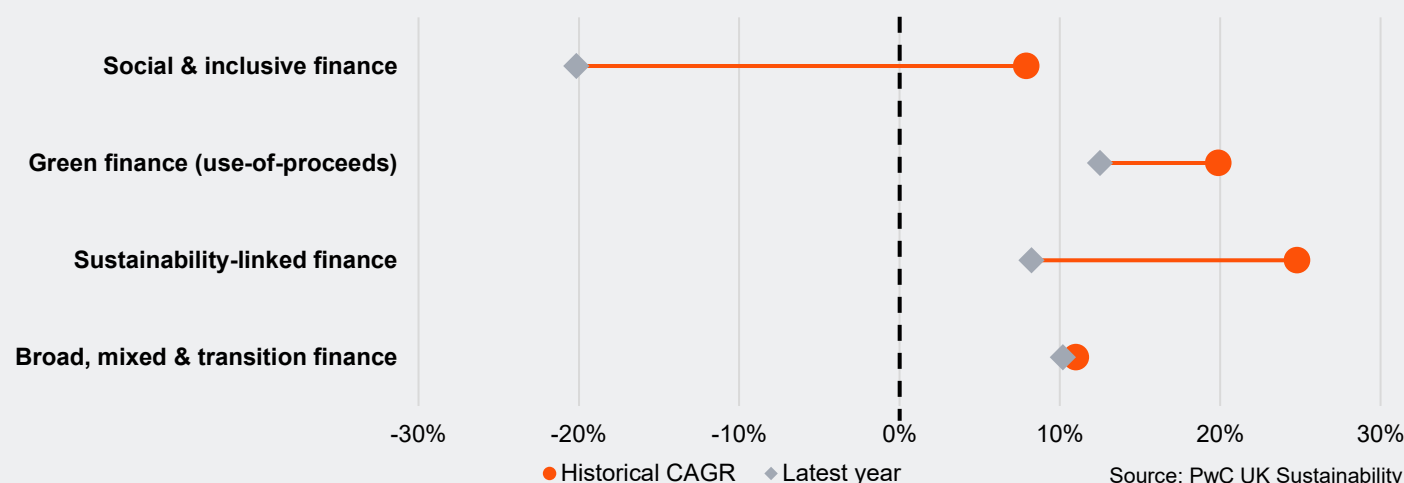
Due to limited LI & AM target data, the remaining target progression and growth-area analysis focuses on Banks only.

Banks – Average progression towards targets



Source: Annual reports

Banks – Historical growth areas by category²



Source: PwC UK Sustainability



Product-mix lens: the chart above is split by sustainable finance category. It does not differentiate between bonds, loans or other products — important as delivery becomes more loan-led. Green bonds remain resilient, but broader bond momentum, particularly sustainability-linked bonds, has cooled amid scrutiny of KPI ambition, greenwashing risk and pricing benefits. Loans and transition finance offer banks a more flexible route to support client decarbonisation and convert targets into ongoing origination.

Target coverage is now a credibility differentiator: Banks are ahead of LI & AM in setting sustainable finance targets, but a sizeable share of the market still **lacks forward ambition** that can be tracked.

2025 progress may be flattered by selective disclosure: banks appear most likely to report near-term targets once achieved, while **longer-dated targets** still have meaningful delivery to prove.

Growth is concentrated where sustainable finance is easiest to evidence: green and sustainability-linked finance are scaling faster than social finance, putting pressure on banks to substantiate eligibility, KPI ambition and impact.

Sustainable finance growth is still positive, but momentum is cooling. As the market matures and scrutiny rises, banks will need to shift from relying on historic growth momentum to building **deeper, more defensible origination pipelines** — particularly as **social finance** appears to be losing traction.

² Historical CAGR represents the annualised growth rate over the observed reporting period based on disclosed annual report data. Latest year growth represents year-on-year growth in the most recent reporting year.

02. Target basis & credibility

2.1 Interim Targets: Scope and Progress

Target-setting is becoming a key test of financed emissions credibility. Institutions are increasingly expected to show not only that targets exist, but that they are grounded in material portfolios, supported by credible pathways, monitored against progress, and governed through clear assurance and restatement practices.

Interim target disclosure and type³

Inner ring: Target coverage

- Participants with interim target
- Participants without interim target

Outer ring: Target metric type

- Financed emissions reduction
- Emissions intensity reduction

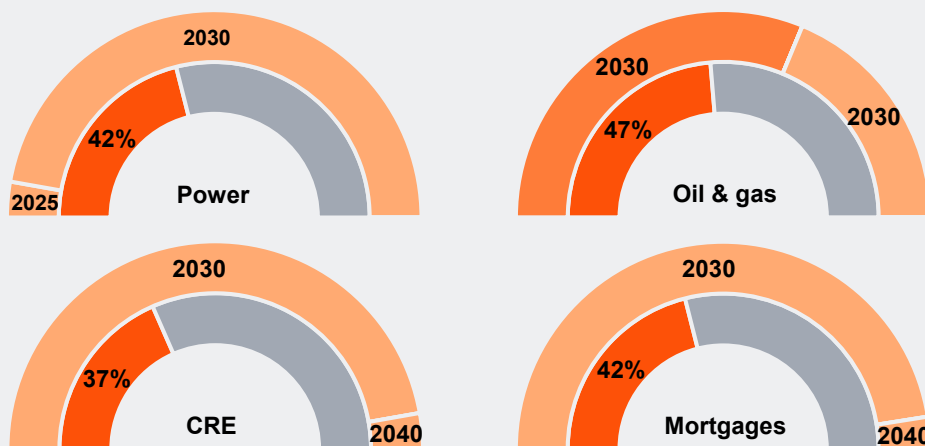
Progress disclosed for ≥1 target

74%
Banks

58%
LI & AM

Source: Annual reports

Banks



LI & AM



Source: Annual reports

In alignment to prior years, we have observed that Banks generally disclose at a more granular level (commonly sector) than LI & AM (commonly asset class). Hence the graph above, and others going forward, will vary in granularity.

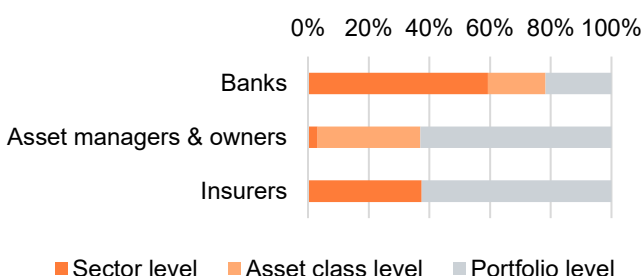
Target coverage remains a key challenge. Over half of participants are disclosing no interim financed emissions targets. While ISSB does not mandate targets, it raises expectations for transparency over climate-related financial effects and, where targets exist, their basis, progress and revisions.

Intensity targets need to be linked to real-world decarbonisation. Most interim targets are set on an emissions intensity basis rather than absolute financed emissions. This supports portfolio-efficiency tracking, but FIs will need to explain whether progress reflects real-world decarbonisation, portfolio mix, exposure changes or methodology updates.

Progress disclosure against targets is not yet universal. Banks appear further advanced at disclosing progress against reduction commitments at a sector level. This suggests target-setting is ahead of progress reporting, particularly for LI & AMs, as less disclosure (commonly at assets-class / portfolio-level), makes it harder to assess whether targets are translating into measurable delivery.

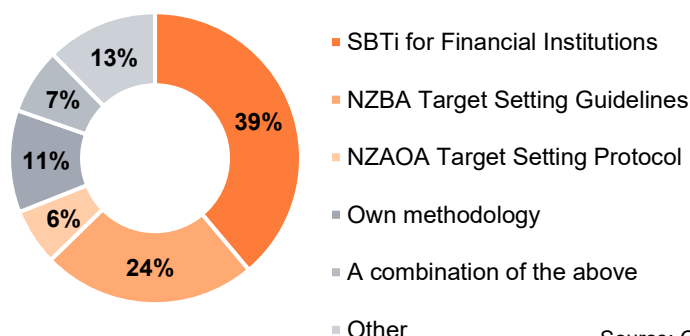
Target credibility watchpoints

CDP: Climate-related target granularity



Source: CDP

CDP: Climate-related target methodology



Source: CDP

³ To ensure comparability, we have focused on sectors and asset classes which are widely covered by most institutions.

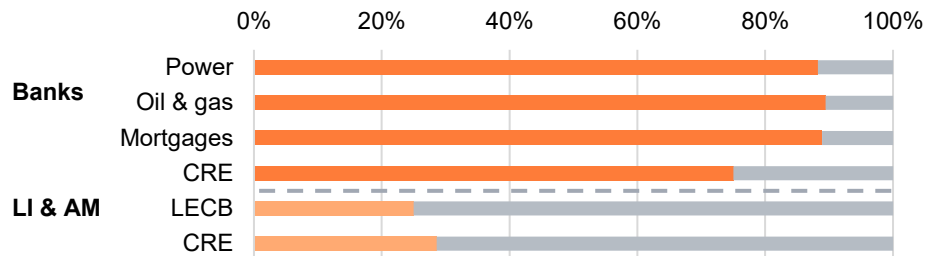


02. Target basis & credibility

2.2 Reference Pathways: Sector Alignment and Comparability

FIs have used benchmark scenarios which are reference pathways set by relevant industry bodies (IEA or regional/UK) to determine both their interim and net zero targets. This section summarises the scenarios used by Banks across sectors and Life Insurers & Asset Managers and overall book level. To ensure comparability, we have included only those sectors and asset classes for institutions which are covered by most of the institutions, namely the Oil and Gas, Power and Utilities, Mortgages and Commercial Real Estate for Banks and Listed Equity and Commercial Real Estate for Life Insurers and Asset Managers. The varying granularities observed in the chart, provider vs specific pathway, are reflective of the detail included in disclosure.

Proportion of targets linked to a reference pathway



Source: Annual reports

Sector / Asset class	Common reference pathways
Power	IEA NZE, IEA APS, IEA SDS
Oil & gas	IEA NZE, IEA APS, NGFS
Mortgages	CRREM, CCC/UK CCC, IEA ETP/B2DS
CRE	CRREM, IEA NZE, CCC/UK CCC, IEA APS

Source: PwC UK Sustainability

Reference pathways are becoming the credibility anchor for target ambition.

A target without a disclosed pathway gives limited evidence of whether the ambition is sector-appropriate, Paris-aligned or comparable. As ISSB/UK SRS-style reporting raises expectations around target methodology, progress and transition plans, users will increasingly expect firms to explain the scenario behind the number.

Banks are increasing the level of disclosure surrounding their reference pathways, particularly in high-emitting sectors, but pathway choice and vintage matter.

Banks show high pathway disclosure in oil & gas and power, with IEA commonly referenced. However, IEA is not a single benchmark: NZE, APS and other scenarios imply different levels of ambition and transition speed. This means credibility depends on whether the selected scenario, version and date (i.e. IEA update their scenarios annually) are appropriate for the portfolio and clearly linked to target design.

Real estate and mortgages expose a comparability challenge.

The wider mix of CRREM, CCC/UK CCC and IEA pathways means targets can look similar while relying on different assumptions around geography, grid decarbonisation, building efficiency and policy. Firms need to disclose the rationale for pathway selection and any adjustments made to fit their portfolio.

Lower pathway disclosure for LI & AMs limits comparability.

Lower linkage to reference scenarios, particularly in CRE, makes it harder to assess whether targets are comparable, grounded in credible transition pathways and appropriate for the underlying portfolio. As pathway guidance and asset-level data improve, clearer disclosure on scenario selection and target design will become a stronger marker of credibility.



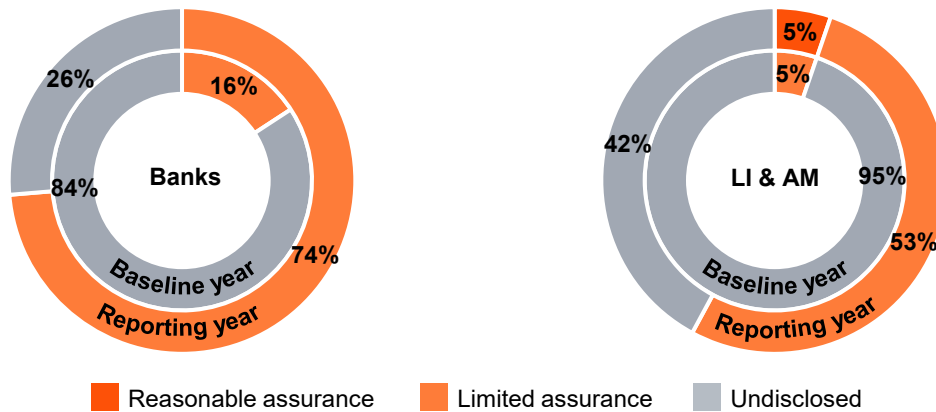
02. Target basis & credibility

2.3 Assurance

Assurance readiness and reporting controls

Assurance is becoming a test of **financed emissions maturity**. FIs increasingly need to show that emissions disclosures are underpinned by **reliable data, transparent assumptions and governed methodologies** that can withstand external scrutiny.

Assurance distribution



Source: Annual reports

Assurance is increasing, but maturity remains uneven. From our prior year benchmark on reporting years, Banks receiving limited assurance has increased by approximately 10%, which could be linked to firms preparing for CSRD-style mandatory sustainability assurance, where in scope. However, LI & AM assurance coverage remains broadly stable.

Expert view: Assurance

As climate reporting becomes more connected to financial reporting, firms will need to evidence that financed emissions metrics are produced through controlled, repeatable and well-governed processes.

ISSB-aligned reporting will also increase pressure on timing and cut-off. Sustainability-related financial disclosures are expected to cover the same period and be reported at the same time as the financial statements, making manual or sustainability-only reporting processes harder to sustain. Firms will need finance-grade controls over data sourcing, version control, calculation models, review points and late adjustments.

The boundary of assurance will also matter. Users need to understand what has been assured, what has not, and whether assurance covers selected metrics, selected portfolios, reporting-year figures, baselines, restatements or target-related disclosures. Without that clarity, there is a risk that assurance is interpreted more broadly than intended.

The next governance challenge is therefore not just whether emissions numbers can be assured, but whether the assumptions behind them can be defended. This includes clear governance over restatements, re-baselining and target resets; validation of vendor data and proxy models; and transparent disclosure of what has, and has not, been assured.

Institutions that address these foundations early will be better placed to move from assurance readiness to credible, repeatable assurance.



Paolo Taurae

Partner

Sustainability assurance lead



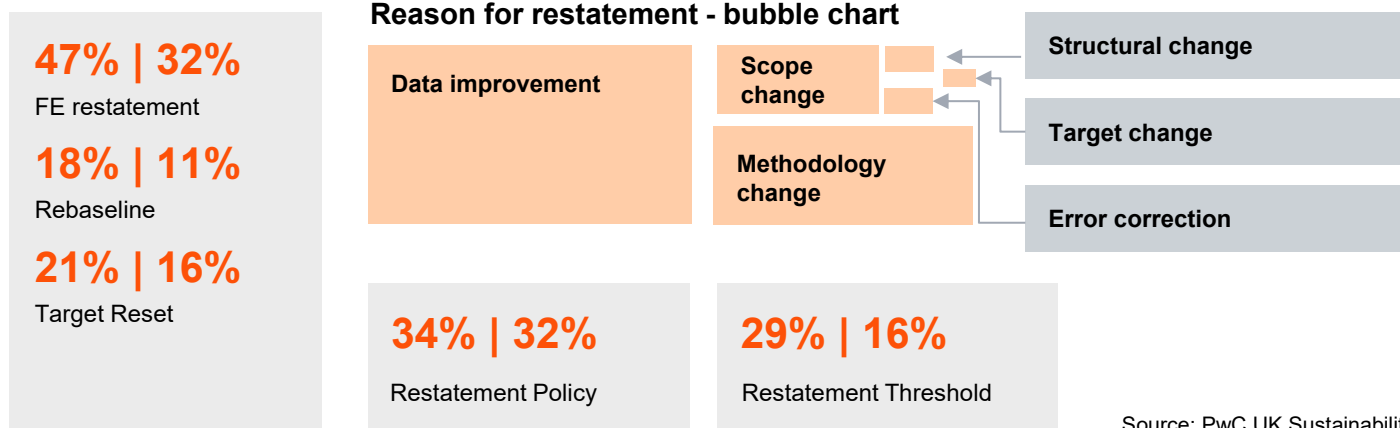
02. Target basis & credibility

2.4 Restatements: Transparency and controls

Restatements and Re-baselining

With the **growing scrutiny of the design and transparency of climate targets**, FIs are under pressure not only to set ambitious decarbonisation goals but also to demonstrate robust governance around how these targets evolve over time.

Banks | LI & AM proportions



Source: PwC UK Sustainability

Restatement drivers show where governance needs to focus. With 47% of Banks and 32% of LI & AMs restating financed emissions, users need clear explanations of whether changes reflect data improvement, methodology change, scope change or correction.

Restatements are a natural part of financed emissions maturity. As data, scope and methodologies improve, restatements should be expected. However, only 34% of Banks and 32% of LI & AMs disclose a restatement policy, creating a transparency gap as ISSB and CSRD expectations increase focus on explainable year-on-year changes.

Re-baselining and target resets need stronger guardrails. 18% of Banks and 11% of LI & AMs rebaseline, while 21% and 16% reset targets - making thresholds, approvals and rationale critical to avoid perceptions of moving the goalposts.

Reporting and target methodologies moving together. New disclosure requirements are increasing expectations that changes to financed emissions data, boundaries or methods are reflected consistently in target baselines and progress tracking - or clearly explained where they are not. This makes methodology governance central to credible year-on-year reporting.

Expert view: Restatements through a reporting lens

As this 2025 benchmarking shows, restatements of financed emissions reporting will be the norm, not the exception. In that context, the reporting requirements of standards such as those issued by the ISSB should be looked on as a valuable tool for clearly communicating externally the reasons for, and consequences of, those changes. Not as just a compliance exercise.

Preparers shouldn't just focus on disclosure of restatements alone. To tell a cohesive story, the foundation will be clear disclosure of inputs, key assumptions and the extent of measurement uncertainty around financed emissions. That provides the backdrop against which restatements can then be clearly explained – what was the previously disclosed judgement that has now changed? What element of estimation uncertainty has now crystallised and caused a change? These broader disclosures also help to manage users' expectations around what might evolve or change in the future.

Lastly, good reporting is rarely done for external purposes alone. It comes from active use of that information *internally* as part of governance processes. That ongoing use also provides confidence around the robustness of the information and allows management to refine their understanding of what really matters – exactly what users care about too.



Mark Randall
Director
Sustainability reporting specialist

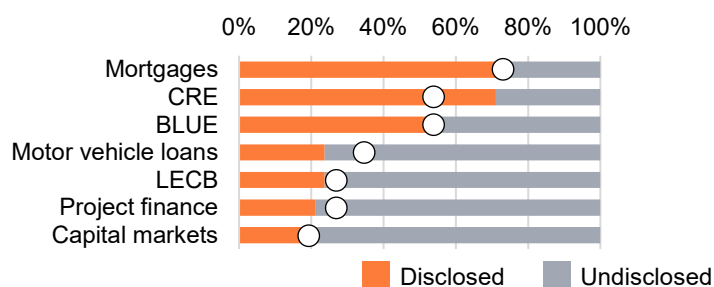


03. Scope & coverage

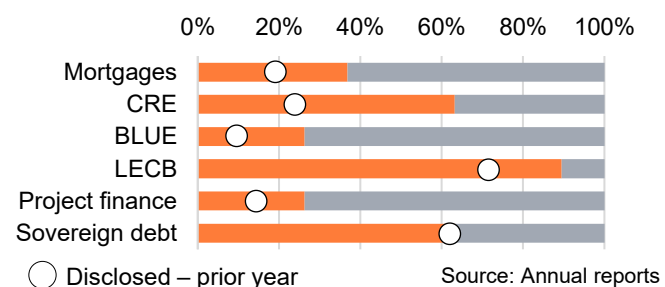
3.1 Disclosure coverage: Assets, sectors and value chain

The credibility of financed emissions disclosures depends heavily on what is included in scope. Reported metrics are only decision-useful where users can understand the asset classes, sectors, products, emissions scopes and value-chain segments covered — as well as any material exclusions.

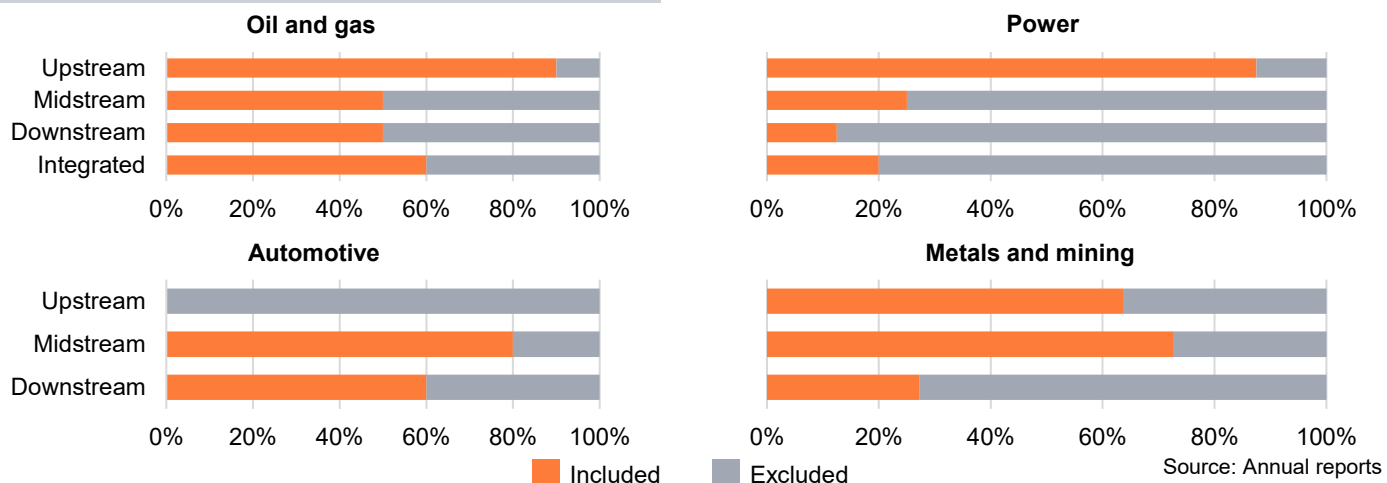
Banks – PCAF asset class coverage



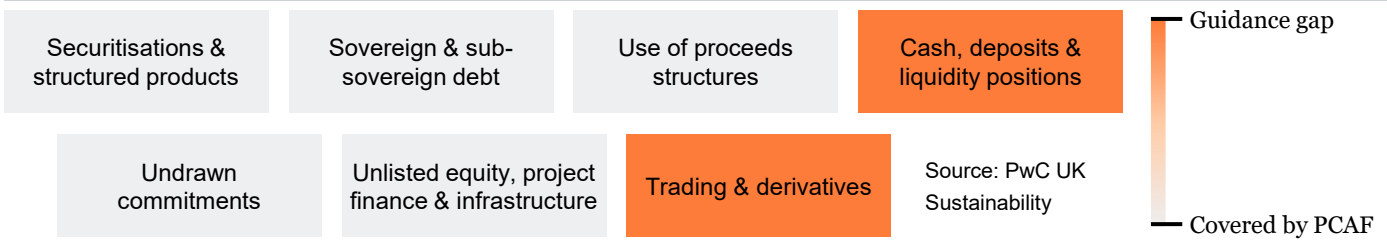
LI & AM – PCAF asset class coverage



Banks – Value-chain inclusion



Disclosed coverage gaps



Financed emissions are becoming a boundary test. As ISSB-aligned reporting matures, firms must evidence not just emissions results, but the perimeter, assumptions and exclusions behind them.

Coverage gaps need active management. Exclusions are understandable where methodologies or data availability is immature but mandated reporting raises expectations to explain materiality, reporting boundaries, rationale and plans to improve coverage over time.

Incomplete data still needs robust disclosure. ISSB and CSRD increase focus on material boundaries, assumptions, limitations and exclusions, while SS5/25 and HKMA reinforce climate risk governance and controls. Incomplete coverage needs clear explanation of basis, limits and implications.

Sector coverage is not enough on its own. For high-transition sectors, firms need to show which value-chain segments are included before users can compare exposure, risk or progress.

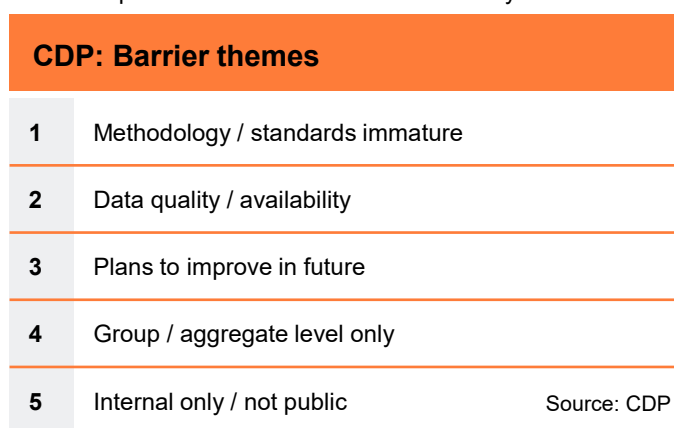
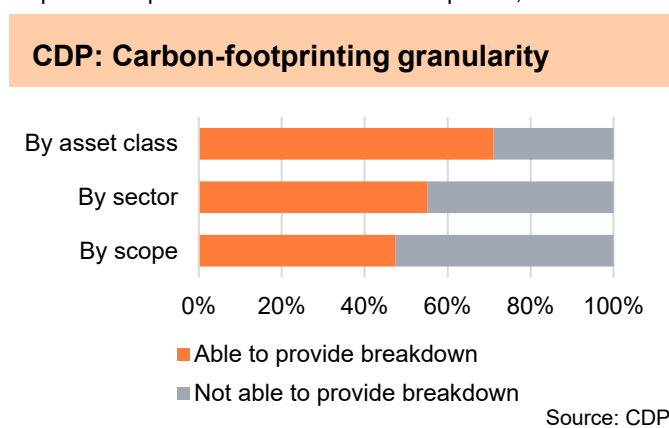


03. Scope & coverage

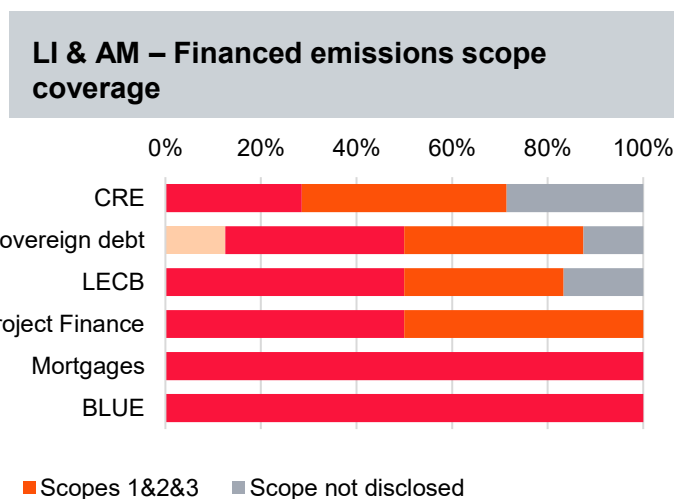
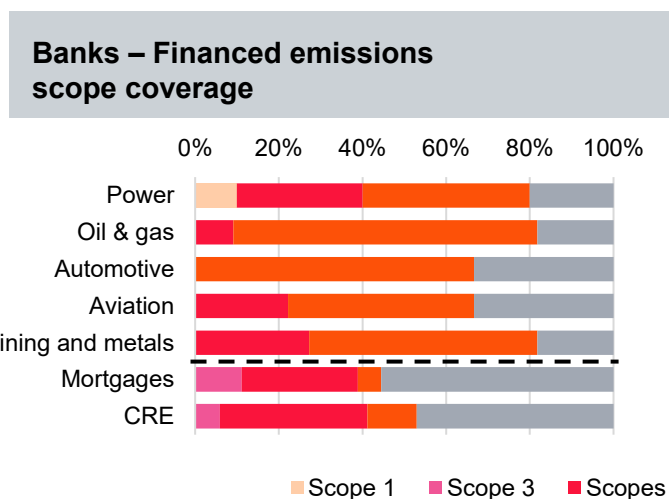
3.2 Scope coverage: Gaps and comparability

Regulation is driving greater expectations for emissions coverage, while PCAF provides the guidance many institutions use to apply this in practice. From 2025 reporting onwards, PCAF raises the bar on emissions-scope coverage for **LECB and BLUE**, requiring full scope coverage across all sectors. For other asset classes, requirements remain centred on Scope 1 and 2 emissions, with **Scope 3 included where relevant and data allows**.

This reflects both the current limitations of Scope 3 data and the wider direction of travel under ISSB, CSRD and other climate disclosure frameworks: more complete, comparable and decision-useful financed emissions reporting. Under PCAF, where required Scope 3 emissions cannot be reported, institutions are expected to explain the data limitation or uncertainty.



Scope is the least mature carbon-footprinting lens, and this matters for comparability. Firms are more able to break emissions down by asset class or sector than by emissions scope, limiting visibility over whether portfolio totals are driven by Scope 1, 2 or harder-to-measure Scope 3 exposures. The barriers cited — immature methodologies, data quality and availability constraints, aggregate-only reporting and internal-only analysis — suggest the issue is not just disclosure preference, but the underlying ability to produce decision-useful, comparable footprinting outputs.



Source: Annual reports

Scope 3 is becoming the credibility test. Full-scope coverage is visible in parts of power, oil & gas, mining and LECB, but remains uneven. As PCAF expectations expand, firms must either report relevant Scope 3 or clearly explain data limitations.

Partial scope coverage can distort comparability. Institutions may report the same sector with different boundaries - Scope 1 & 2, Scope 3, or full coverage. Without clear disclosure, emissions and target progress can appear comparable when they are not.

'Scope not disclosed' is becoming harder to defend. ISSB-style reporting expects Scope 1, 2 and material Scope 3 disclosure, including categories covered. More broadly, unexplained gaps will increasingly weaken confidence in financed-emissions totals and target performance.



04. Data & methodology

4.1 Data foundations: Methodology, sources and visibility gaps

With over **97% of Banks** and **94% of LI & AMs** in our population aligning to the PCAF methodology, **PCAF remains the dominant market reference point** for financed emissions reporting. However, **alignment to PCAF does not mean data approaches are fully standardised**.

PCAF and other leading guidance set the broad methodological basis for using reported, estimated and proxy data, but they generally leave institutions to determine appropriate data sources, assess relevance and accuracy, and apply judgement where reported data is unavailable. As a result, **data sourcing remains a key area of variation** across financial institutions.

Commonly disclosed data providers

Portfolio	PCAF asset class	Public data providers	Third party providers
Real estate	Mortgages	EPC ⁴	PCAF
	CRE	EPC ⁴	PCAF, MSCI & S&P
Corporate & investment banking	BLUE / LECB	EXIOBASE	PCAF, MSCI, S&P, Bloomberg, ISS, CDP
	Project finance	EXIOBASE	PCAF, Bloomberg
Institutional banking	Sovereign debt	-	PCAF, MSCI

Source: PwC UK Sustainability

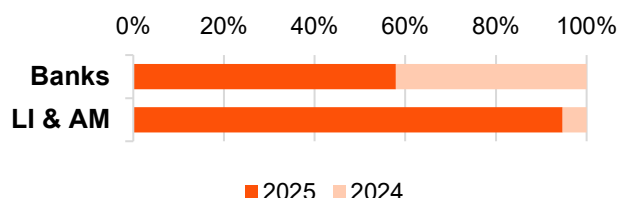
Third party data choices remain a methodology variable. PCAF alignment creates a common reporting language, but institutions still use different third party / paid vendors across asset classes. Comparability therefore depends on how firms select, prioritise, validate and govern third-party inputs, particularly where reported emissions are unavailable.

Public data sources are converging around the PCAF ecosystem. Public data sources observed in disclosures appear more consistent, often aligning with datasets available through the PCAF database. This supports consistency in proxy-based estimation, but firms still need to disclose the source, version and assumptions applied.

Reporting & data lags

Reporting-year lag is the visible timing gap. 42% of Banks disclose financed emissions using a prior reporting year, weakening alignment with current-period financial exposures. This is also a live feasibility challenge: portfolio emissions often depend on clients first calculating and reporting their own emissions data. As ISSB-style reporting raises expectations for connected, period-aligned disclosures, firms will need to explain unavoidable timing gaps and their implications for portfolio interpretation.

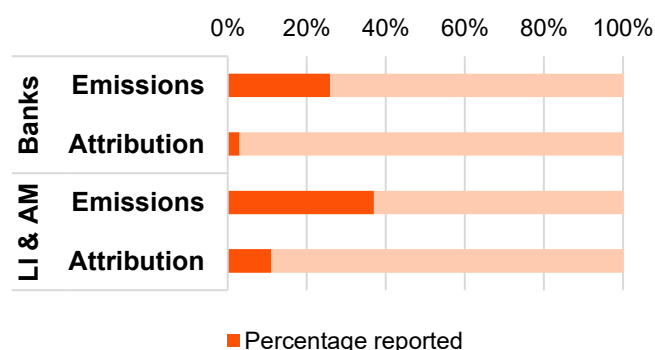
Latest financed emissions reporting year disclosed



Source: Annual reports

⁴ Energy performance certificates – region-specific.

Participants disclosing input data lags: Emissions data vs attribution factors



Input lags are the hidden timing gap. Even within the stated reporting year, attribution factors and emissions inputs may be older. Attribution-factor lags challenge alignment with reporting-year exposures, while emissions lags can rely on outdated technology or intensity data - making it harder to separate real decarbonisation from stale inputs or methodology updates.

Source: Annual reports



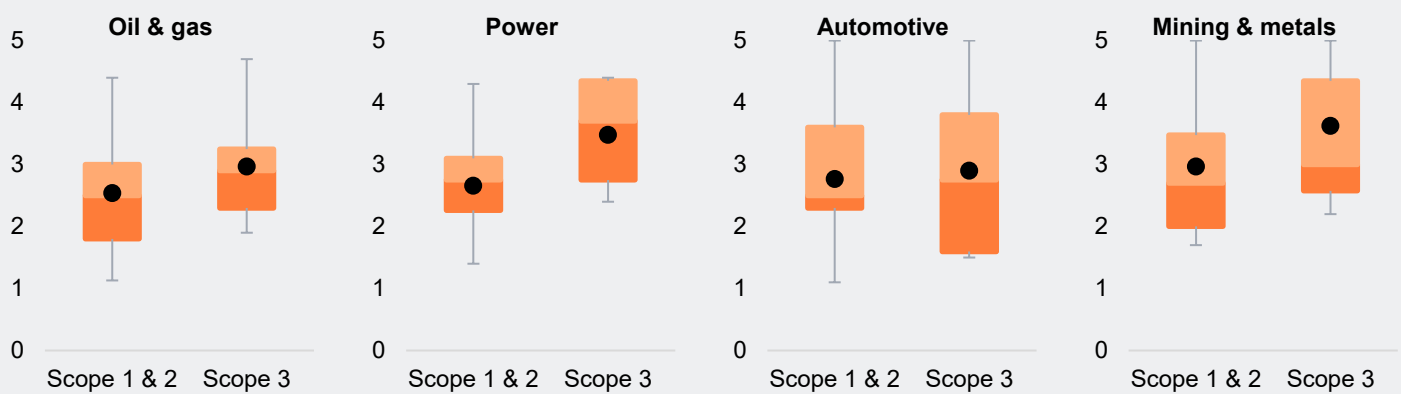
04. Data & methodology

4.2 Data Quality: Trends and comparability

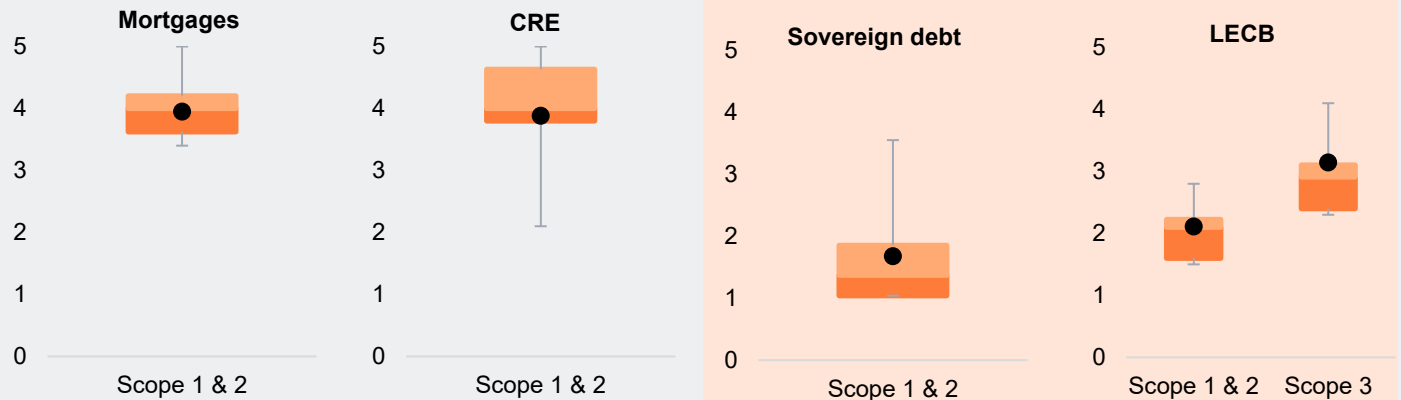
Beyond methodological alignment, **the robustness of financed emissions disclosures depends heavily on the quality and transparency of the underlying data.** PCAF data quality scores provide a way to assess reliability, highlighting where reported emissions rely more heavily on estimates, proxies or less granular inputs.

We have observed **95% of Bank** and **47% of LI & AM** participants are **utilising PCAF data quality scores** in disclosure. Further breakdown is provided below.

Banks – PCAF data quality scores



LI & AM – Data Quality



● Mean

Source: Annual reports

Disclosure of PCAF scores does not remove uncertainty - it makes it visible. Dispersed scores across sectors and scopes show continued reliance on estimates and proxies, meaning emissions movements need clear explanation to distinguish real decarbonisation from data or methodology change.

Scope 3 remains the key comparability challenge. More variable scores in high-impact sectors reflect the difficulty of obtaining robust value-chain data. Some FIs also proxy or interpolate Scope 3 from Scope 1 and 2 emissions, adding judgement and limiting comparability. As coverage expands, firms must evidence both inclusion and reliability.

Data quality needs an asset-class lens, not a portfolio-wide fix. Variation across mortgages, CRE, sovereign debt, LECB and corporate sectors shows data quality cannot be managed through a single portfolio-wide lens; leaders are building targeted improvement roadmaps and stronger estimation controls.



Good practice emerging across the market

The benchmark shows examples of stronger practice across different institutions. This does not mean that one group of institutions is leading across all areas. It means that better reporting is becoming visible in specific parts of the market.

Better disclosures explain what has been measured, why numbers have changed and how financed emissions are being used in business decisions.



01 Sustainable finance

Good practice includes clear eligibility criteria, stronger target coverage and a clearer explanation of how financing supports transition.



02 Target basis & credibility

Good practice includes clear pathway choices, regular progress tracking and explanation of target resets, re-baselining or methodology changes.



03 Scope & coverage

Good practice includes clear disclosure of what is included, what is excluded and how material gaps will be addressed.



04 Data & methodology

Good practice includes clear data ownership, checks over estimates, vendor governance and preparation for assurance.

“Better reporting is not about showing that everything is perfect. It is about making financed emissions numbers easier to understand, easier to check and more useful for decisions.”

Expert view: Moving from reporting to management

From my perspective, stronger examples in the benchmark are not only producing financed emissions numbers for disclosure. They are starting to use those numbers to support governance, target tracking, transition planning, client engagement, capital allocation and risk management.

This shift requires more than applying a methodology. Institutions need a clearer operating model for sustainability reporting and climate risk management. That means better data integration across the business, clearer ownership of data and controls, and stronger processes to monitor year-on-year movements, methodology changes and restatements.

It also means connecting financed emissions to risk and strategy. Banks need to understand how climate and emissions data are used in credit decisioning, model risk management, vendor data oversight, balance-sheet coverage and scenario analysis. The same data should also support decarbonisation strategy, including transition planning, reference pathway choices and assessment of decarbonisation levers.

For many institutions, this remains an evolving journey. The priority is to make financed emissions reporting clearer, more controlled and more useful for management decisions over time — across data, reporting, risk and strategy.



Vinay Sewraz

Director

Sustainability specialist



A1. How PwC can help: from measurement to management

PwC tools

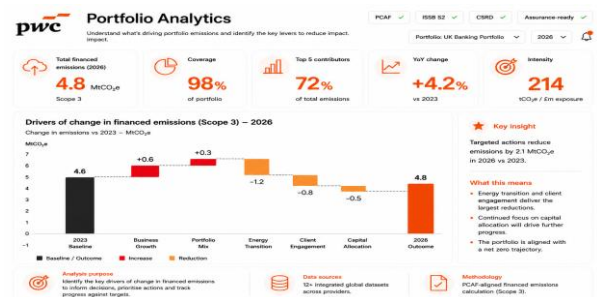
GHG Emissions Analyser

An in-depth sustainability disclosure analytics tool that visualises key metrics to identify market-wide trends, peer differences and reporting gaps across several FIs. To explore the full benchmark dataset and gain access to our comprehensive GHG Emissions Analyser, please reach out to our team.



Portfolio Emissions Manager (PEM) tool

Enables financial institutions to calculate, monitor and analyse financed emissions across portfolios, supporting target-setting, scenario analysis and regulatory reporting requirements.



How PwC can support on the findings from the benchmark

01 Sustainable finance

Finding: Sustainable finance commitments are increasingly visible, but definitions, classification and target coverage remain inconsistent.

How PwC can help: Classification and eligibility review; governance over definitions and approvals; second-party opinions; links to client transition plans, product strategy and portfolio steering.

02 Target basis & credibility

Finding: Targets are being disclosed, but pathway choices, progress tracking and treatment of re-baselines / restatements vary.

How PwC can help: Emissions baselining and target design; pathway selection and target coverage assessment; progress tracking, governance over restatements, re-baselining and methodology changes

03 Scope & coverage

Finding: Coverage is expanding across core portfolios, but gaps remain across asset classes, sectors, value chains and Scope 3.

How PwC can help: Portfolio coverage assessment; PCAF asset-class mapping; boundary, exclusion and materiality review; roadmap to close material coverage gaps.

04 Data & methodology

Finding: PCAF has created a common language, but data sources, proxy types, methodologies, lags and data quality still differ.

How PwC can help: Data source and provider review; proxy and estimation methodology assessment; PCAF data quality plans; vendor governance and assurance readiness.

Other publications



[YE24 Financed Emissions Benchmarking linked at the bottom of our website](#)



[Financed emissions: Navigating the data challenge](#)



[Navigating the sustainability reporting landscape in the UK for banks - UK SRS](#)



[Strategy meets sustainability: Closing the gap between sustainability ambitions and corporate strategy](#)

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For a regional perspective, look out for PwC Asia Pacific's forthcoming financed emissions benchmarking study: A first look into the state of financed emissions in Asia Pacific



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A3. Glossary

Term	Definition
BLUE	Business Loans and Unlisted Equity
CCC	Climate Change Committee
CRE	Commercial Real Estate
CRREM	Carbon Risk Real Estate Monitor
CSRD / ESRS	Corporate Sustainability Reporting Directive / European Sustainability Reporting Standards
HKMA	Hong Kong Monetary Authority
IEA scenarios	International Energy Agency scenarios referenced in target pathway analysis, including APS, NZE, SDS and B2DS
ISSB / IFRS S1 and S2	International Sustainability Standards Board / IFRS Sustainability Disclosure Standards S1 and S2
LECB	Listed Equity and Corporate Bonds
LI & AM	Life insurers and asset managers
NGFS	Network for Greening the Financial System
NZAOA	UN-convened Net-Zero Asset Owner Alliance
NZBA	Net-Zero Banking Alliance
PCAF	Partnership for Carbon Accounting Financials
SBTi	Science Based Targets initiative

A4. Population distribution

	Balance sheet (+AUM for LI & AM) size (£tn)	UK	EMEA	APAC
Banks	<= 0.25	10	5	0
	0.25-<0.5	3	4	0
	0.5-<0.75	2	2	4
	0.75-<3.00	3	4	1
LI & AM's	<= 0.25	4	2	2
	0.25-<0.5	1	1	1
	0.5-<0.75	3	1	1
	0.75-<2.00	4	0	0



Thank you

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