

# Financed Emissions Calculator (enabled by Oracle Tech)

November 2023



# Overview and current landscape

## Why now?



The UK has mandated that the largest companies must disclose climate risks in line with TCFD recommendations.

Financed Emissions are emissions generated by the funding provided by Financial Institutions (FI).

The Financed Emissions of an FI are typically more than 700 times higher than their Direct Emissions generated from sources directly owned and controlled.

## So what?



Stakeholders are now expecting FIs to shift focus towards the climate impact of their investments.

Finance departments are key to supporting trusted external reporting, and internally providing the insight to inform decisions to help meet ambitious carbon reduction targets.

## Our Solution?



The solution will leverage your existing Oracle Cloud module of PBCS and accelerate your ability to calculate Financed Emissions as a plug and play solution.

PwC have developed the design in a way which can rapidly translate into other EPM technologies in an agnostic way.

Enhancing existing technology enables climate reporting in a controlled and cost effective way.

## Benefits



PCAF and TCFD compliant solution, meaning you get the right data at the right time. You'll be able to measure and disclose emissions consistently, and with confidence.



What-if analysis and reporting dashboards will help inform decisions to enable you to look forward and meet your business goals.

# Importance of Financed Emissions to Financial Institutions

Financial institutions have a significant responsibility in funding the transition to a low-carbon economy.



They can alleviate the worst effects of climate change by reallocating and decarbonizing their portfolios and investing in climate mitigation and adaptation measures.



Quantifying financed emissions is a tangible first step toward building trust that they are integrating climate change into their core business.



## Achieve your financed emissions goals quickly and effectively

The Oracle Financed Emissions Calculator (OFEC) leverages existing Oracle EPM tooling to enable you to rapidly:

- Report Current Financed Emissions consistent with the PCAF (Partnership for Carbon Accounting Financials) methodology for all asset classes.
  - Equities
  - Bonds
  - Mortgages
  - Sovereign Debt
  - Commercial Real Estate
  - Motor Vehicle Loans
  - Project Finance
- Identify most carbon intensive investments.
- Project the impact of changing investment strategies.



# Calculation Capabilities

Using input data sourced from a combination of internal finance systems, external data vendors and directly from investees OFEC will calculate the baseline Financed Emissions footprint consistent with PCAF guidance and project future emissions under selected scenarios.

## Baseline Calculations

Calculation of the following metrics will enable compliance with PCAF reporting requirements.

1. **Absolute Financed emissions** -  
i.e. proportion of total emissions of investee financed by the FI.
2. **Emissions Intensity metrics** enable comparisons and make decisions on where to focus capital.
3. **Weighted average data quality score** based on the emissions data available.

## What-if analysis

To support informed decision making and assessment of progress in meeting net zero ambitions OFEC will model the impact of:

1. **Changed investment allocations.**
2. **Forecasted reduction of investee emissions.**

Input Data

Financial Data

Emissions Data

Specific data attributes  
e.g. Data Quality



Predictive  
Planning



What if  
Analysis



KPI  
Insights



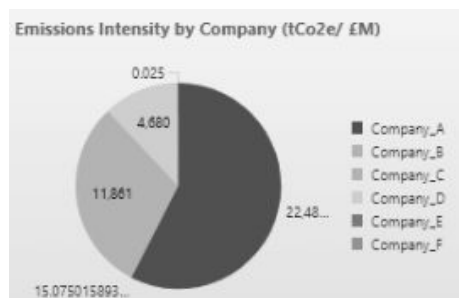
Scenario  
Analysis

# Reporting Capabilities

Pre-built dashboards are available to enable reporting and inform decisions to support your business goals.

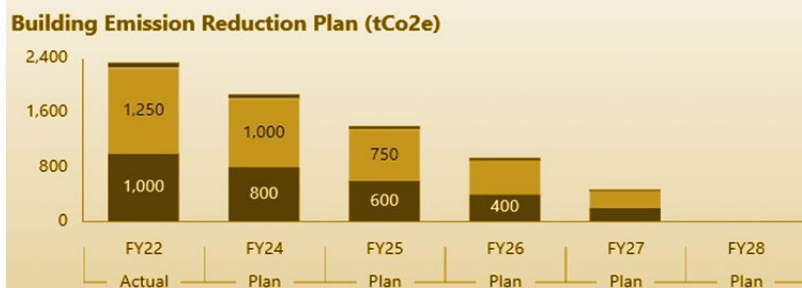
## Reporting and Current State Views

- Produce PCAF compliant disclosure tables.
- Visualise emissions by Sector and Intensity by company.

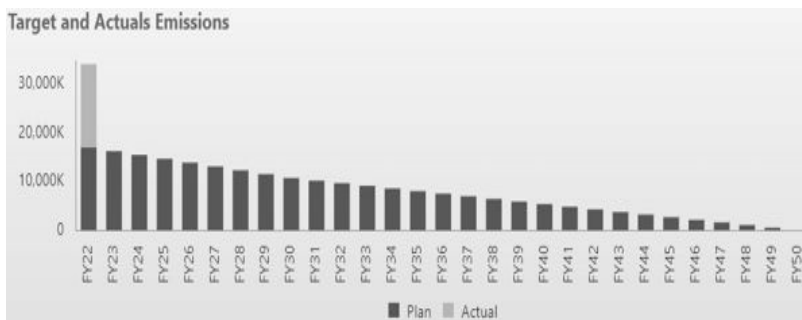


## Forecasts and Comparisons to Plan

- Apply drivers at a Sector or Specific investment level to project the impacts of investee expected CO2 reductions.



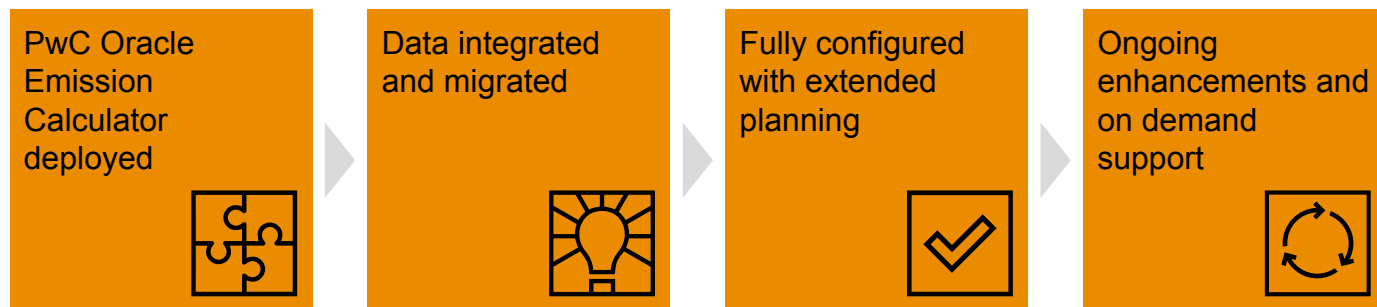
- Actual and target emissions compared to plan.



- Decarbonisation pathways to meet net zero ambitions.

# Our implementation approach

We will collaborate with you and understand your specific requirements by standing up the PwC developed Oracle Financial Emissions Calculator (OFEC) over an initial 4-8 week period. This will showcase its capabilities and support subsequent innovations and integrations that will optimise the tool to support your business needs.



## Get in touch



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