



**PCA F**  
Partnership for  
Carbon Accounting  
Financials



# Werkconferentie Klimaatcommitment en Platform voor Duurzame Financiering

Partnership for Carbon Accounting Financials  
(PCA F)

November 29<sup>th</sup> , 2022





# Agenda

<b>1. Introductions</b>	<b>3 min</b>
<b>2. About PCAF</b>	<b>4 min</b>
<b>3. Analysis PCAF disclosures</b>	<b>8 min</b>
<b>4. Open discussion: road ahead</b>	<b>15 min</b>

# PCAF Netherlands: Introducing the team



**Tjeerd Krumpelman**

- ❖ Chair PCAF NL & Europe
- ❖ Member of Steering Committee PCAF Global
- ❖ Global Head of Reporting, Regulations & Stakeholder Management at ABN AMRO



**Bart van Lunteren**

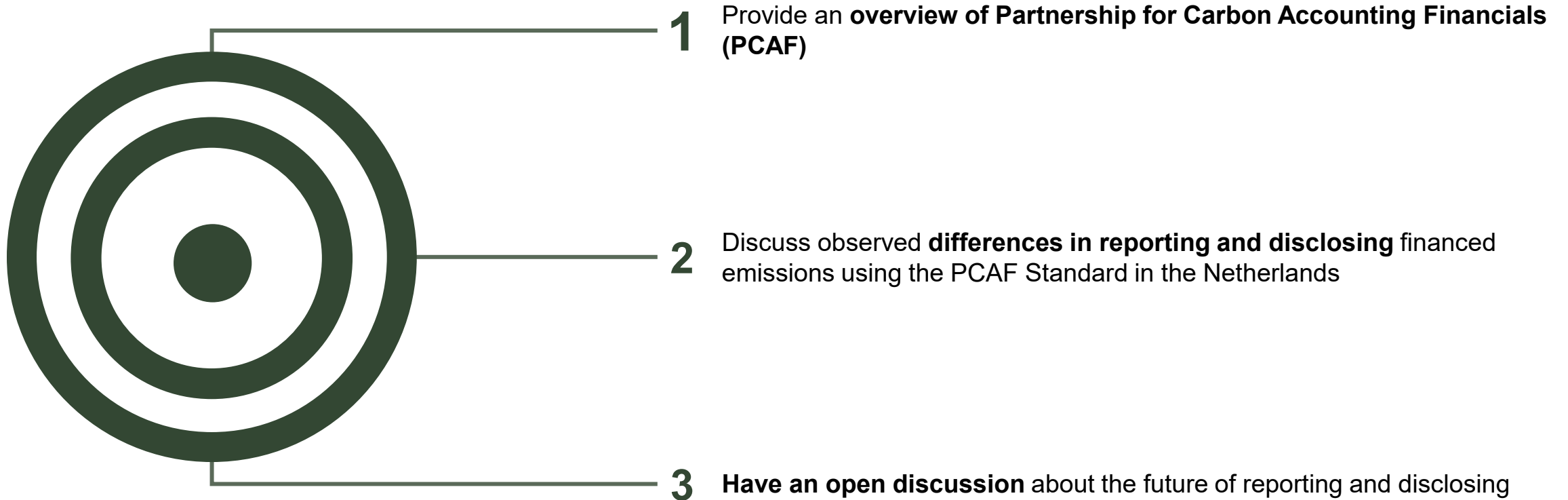
- ❖ Regional lead PCAF NL
- ❖ Managing Consultant at Guidehouse



**Dylan Hauser**

- ❖ Coordinator PCAF NL
- ❖ Regional lead PCAF Africa
- ❖ Consultant at Guidehouse

# Goal of today's session





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# Partnership for Carbon Accounting Financials (PCAF) is a global partnership of 343 financial institutions with >\$85 trillion financial assets



## PCAF objectives

1

Develop the Global GHG Accounting and Reporting Standard for the Financial Industry

2

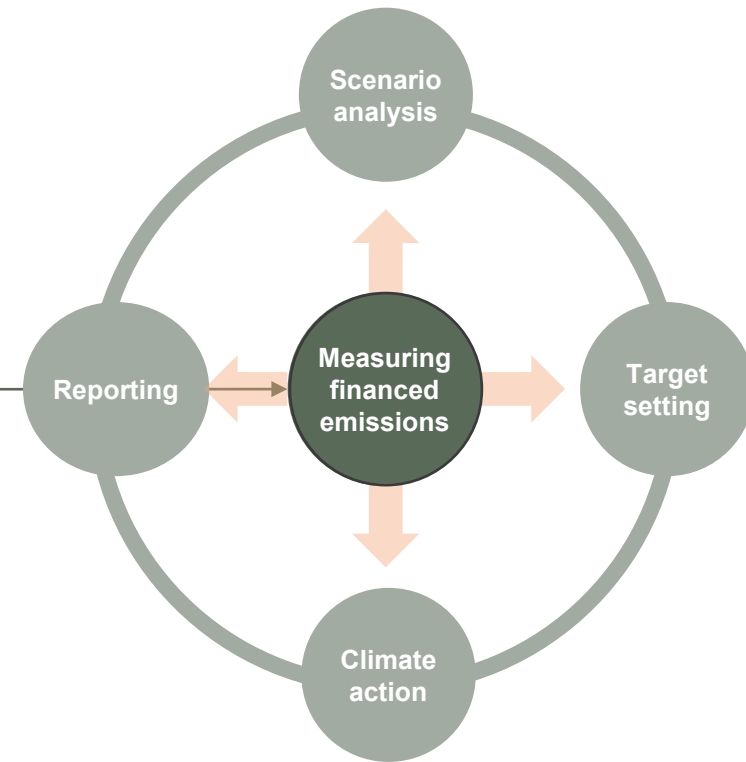
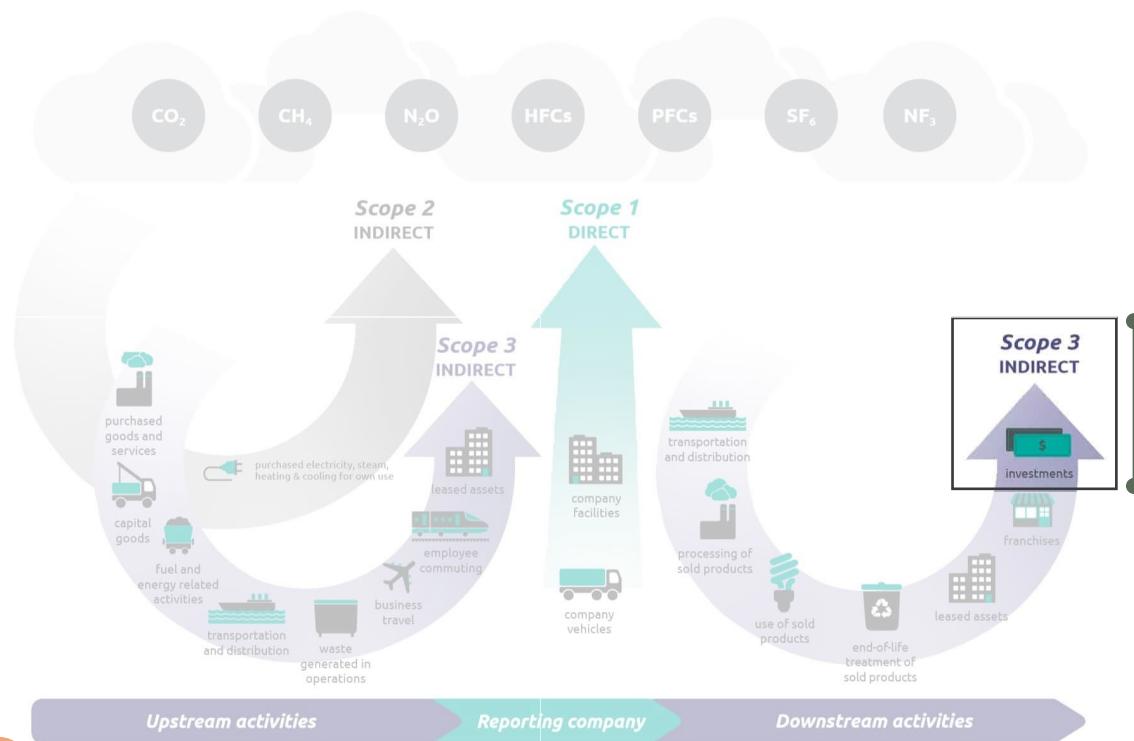
Increase the number of financial institutions that use the Standard and disclose financed emissions to over **250 institutions worldwide by year-end 2022**

Check the full list of PCAF participants [here](#)

The PCAF Netherlands group consists of different types of financial institutions and continues to add new participants each year



# PCAF offers a harmonized approach to assess and disclose greenhouse gas emissions associated with loans and investments



1 **Financed emissions** are emissions resulting from a reporting company's loans and investments. These emissions are categorized as **scope 3 category 15** emissions.

2 PCAF is important as it provides **harmonized methodologies** to measure these emissions and thereby forms the starting point for many other **actions to take**.

Source: WRI/WBCSD Corporate Value Chain (Scope 3) (2011)

Source: The Global GHG Accounting and Reporting Standard (2020)

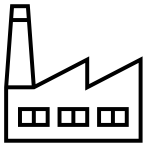




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# Differences exist between FIs in how they disclose



## 1. Context dependence: Sector orientation

- Multiple industry classifications are used by different financial institutions
- Asset classes, as defined by PCAF, and sectors are used interchangeably



## 2. Context dependence: Regional exposure

- Some FIs choose to disclose and split financed emissions information based on the countries they invest in, while others do not
- FIs can also choose to disclose on a subnational level if this provides relevant context



## 3. Disclosure details: Indicators and metrics

- Disclosures contain different ways of reporting emissions
- FIs can choose to report either only absolute emissions, economic emission intensity, physical emission intensity, or a combination of these



## 4. Disclosure details: Scope

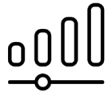
- Disclosures vary in the emission scopes (Scope 1,2,3) that are included in the financed emissions calculations per sector
- Variations exist in how FIs report exclusions per sector and the percentage coverage of the portfolio



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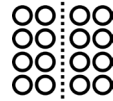
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# In order to foster harmonisation in reporting, multiple directions can be considered. How do you think we should do this?



**Create consensus amongst financial institutions on context dependent factors of a portfolio (e.g. sectors):**

1. Which context dependent factors need to be considered?
2. Which stakeholders should be involved?
3. Are there parties present that are already doing this? Can you share your experiences?



**Create consensus amongst the participants on fixed formatting of the disclosure details:**

1. What are things you decided to purposely include in your report?
2. Which stakeholders should be involved to create a format?
3. Which international developments are important to consider?



**Increase data availability and similarity amongst the financial institutions**

1. Which important stakeholders must be included to increase data availability?
2. What information can they provide?
3. Would it be necessary to create consensus around the data input?



**What else?**



**Let's have a discussion**



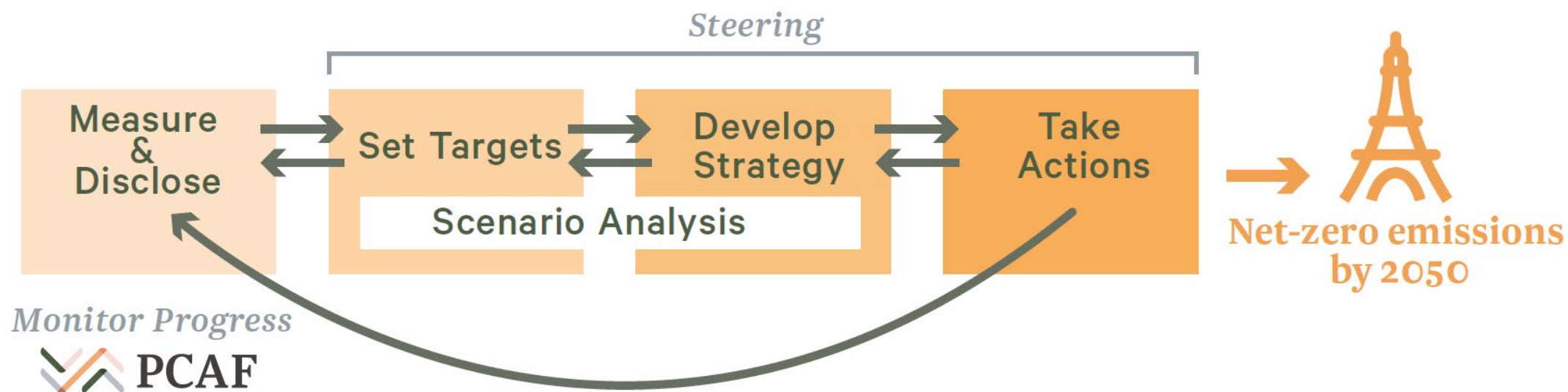
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## The non-linear process of Paris Alignment starts with PCAF



- Paris alignment is the process by which financial institutions reorient their financial flows away from activities inconsistent with the Paris Agreement and **scale up consistent decarbonization activities**
- This process must be done in line with the required **speed and volume established by climate science.**

Source: PCAF, [Strategic Framework for Paris Alignment](#), 2021

# Strategic Framework for Paris Alignment provides an overview of different climate initiatives and their role in the ecosystem

**Existing collaborative climate initiatives supporting FIs on climate actions**  
as of April 2021

For whom?		Focus of Initiative	High-level Commitment to Act	Measurement of Financed Emissions	Target Setting	Scenario Analysis	Strategy Development	Taking Actions	Disclosing
B Banks	I Investors								
B			◆						
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Source: PCAF, [Strategic Framework for Paris Alignment](#), 2021