Summary
The Partnership for Carbon Accounting Financials (PCAF) published in November 2020 the first ever Global GHG Accounting and Reporting Standard for the financial industry. The Standard was developed by 16 financial institutions and went through a transparent public consultation process. It has been reviewed by the GHG Protocol and is in conformance with the requirements set forth in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Category 15 investment activities.

The Standard covers detailed GHG accounting rules for six asset classes: listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, and motor vehicle loans.

Currently, the PCAF Working Group is extending the Standard to cover sovereign bonds, green bonds, and emissions removals as well. PCAF, in collaboration with the UN-convened Net-Zero Insurance Alliance, also announced the launch of the PCAF Working Group on Insured Emissions to cover insurance liabilities in 2022.
## Partnership for Carbon Accounting Financials (PCAF)

| **WHO** | • Banks  
• Investors  
• Insurers  
• Credit Unions  
• Development Banks |
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<td><strong>WHAT</strong></td>
<td>The tool measures and reports the GHG emissions associated with their loans, investment, insurance liabilities, and other financial activities (Scope 3 emissions).</td>
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<td><strong>WHEN</strong></td>
<td>The tool can assist financial institutions during key reporting periods, such as annual or quarterly reports.</td>
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<td><strong>WHERE</strong></td>
<td>The following asset classes are currently covered by the methodology: listed equity and corporate bonds, business loans and unlisted equity, project finance, mortgages, commercial real estate, and motor vehicle loans.</td>
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| **WHY** | • Measuring and reporting on Scope 3 emissions helps financial institutions start their journey on Paris Alignment, assess climate-related risks and set and track climate targets over time, and report against framework like TCFD or the CDP Financial Service Questionnaire.  
• Measuring Scope 3 emissions enables financial institutions to identify hotspots in their portfolio and to apply complementary tools (like PACTA) to assess the Paris Alignment of these hotspot-sectors.  
• See the [Strategic Framework for Paris Alignment](#) for how PCAF relates to a large variety of initiatives and tools. |
| **HOW** | More information can be found on PCAF’s [website](#). |