Financed Emissions Calculator™

Automate financed emissions calculations, support net-zero commitments and meet disclosure requirements.

With Environment, Social & Governance (ESG) regulations getting clearer and enforced on large corporations and the reporting of financed emissions becoming more crucial than before, there has never been a greater need for an automated process for financial institutions reporting requirements.

This is why Equifax is proud to introduce our first-to-market automated solution enhancing environmental regulations: the Financed Emissions Calculator™, powered by CienDos.

The reporting of financial emissions is an arduous task, often manually calculated by financial institutions. This carbon calculation is derived by analysing each loan in their lending portfolio and meticulously calculating the carbon emissions associated with every pound lent. Each financial institution will have their own methodology for calculating these carbon emissions - which can be high-level estimations and, too often, inaccurate due to manual calculations and user error.

With the launch of our first-to-market automated Financed Emissions Calculator™, we assist in removing the headache of manual calculations by utilising Equifax's extensive database of commercial credit information that the Financial Institutions are lending to.

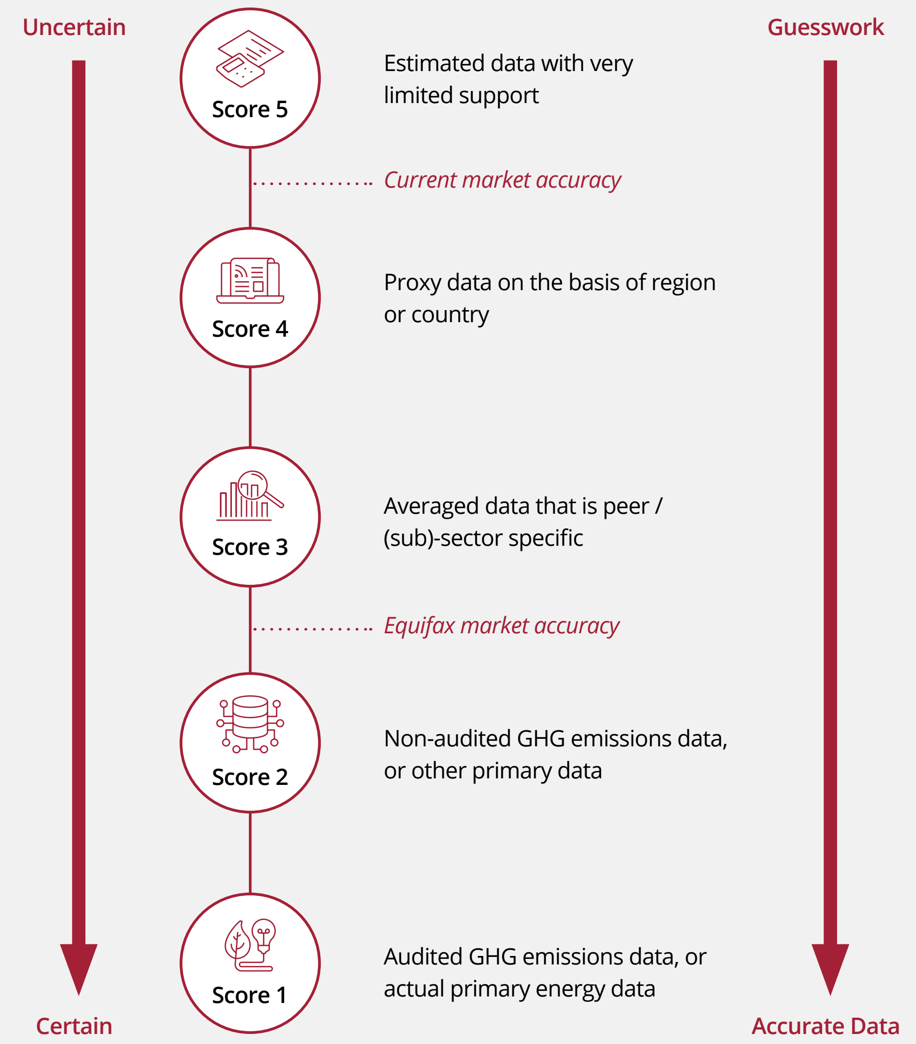
"Poor data granularity enhances the risk of vastly under or over-estimating the emissions baseline, therefore setting incorrect targets. Banks need to invest in the right resources to improve their data granularity and accurately track their financed emissions."

Bain & Company, Banks' Great Carbon Challenge.

Helping clients achieve net-zero
Banks are indirectly responsible for their customer's carbon emissions, through lending and other facilities.

Financed emissions represents at least 95% of banks overall carbon footprint.

Clients need to report on their financed emissions annually as part of their reporting requirement.



Source: The Partnership for Carbon Accounting Financials (PCAF)

Why calculating your carbon footprint is so important:
A portfolio carbon footprint reveals the total emissions associated with an organisation's credit and investments, providing a snapshot of the environmental impact of each asset or company within the portfolio, weighted by the level of investment. This footprint acts as a strategic compass, guiding the creation and implementation of a comprehensive climate change strategy, transition plans, and environmental risk assessments.

By calculating this footprint, financial institutions can both unlock portfolio alignment metrics, enabling them to assess how well their portfolio of credit and investments align with the crucial 1.5°C decarbonisation pathways, whilst reducing their risk exposure and associated capital allocation requirements.

Benefits:

Enhances your understanding of the environmental risk and impact of your corporate lending activity.

Significantly improves the accuracy and transparency of your corporate financed emission, reducing climate, green-washing and brand risks.

Automates your financed emissions calculations - saving time, reducing additional overheads, and eradicating human error.

Audit-grade data lineage, which improves your reporting compliance with, amongst others, IFRS, ISSB, CSRD and TCFD.

How our Financed Emissions Calculator™ can help:

Assessing the carbon footprint of your credit and investments portfolio establishes a valuable benchmark for tracking progress against both internal emissions reduction targets and broader industry standards.

Equipped with accurate and auditable emissions data and other key insights, investors and lenders can identify critical areas for action, fostering deeper engagement with companies on their transition plans and monitoring progress towards a net-zero future at both company and industry levels.

Financial institutions that have already embraced portfolio emissions measurement report a greater understanding of the risks and opportunities that climate change presents within their portfolios.

Our partnership with clients empowers them to confidently address stakeholder enquiries about their climate change strategies and to showcase their commitment to translating emissions reduction goals into reliable data action.

How it works

Public, private and primary data sources
Structured and unstructured data is ingested from multiple public and private data sources.

Raw data elements
Data is converted into structured data points, which are validated and quality checked.

Data quality assessment
All data points can be traced directly back to their source, version and date, and assigned either a PCAF Data Quality Score, or CienDos Assessment Score (CAS), which provides guidance for the overall data quality and accuracy of the financed emissions calculation.

Calculation methodology
The calculation methodology if fully aligned to the latest PCAF methodology, and operates as a waterfall approach based on the type of corporate entity (private or public) and the data availability.

Let’s talk

Contact us today to schedule a consultation with one of our experts.

Speak to our experts