

# Just in Time

## Mapping Climate-Related Metrics in the Financial Sector

March 2026



# Executive Summary

- The [OECD paper](#) examines the **state of climate-related metric disclosures in the financial sector**, with a particular focus on greenhouse gas (GHG) emissions, emission reduction targets, and net-zero commitments.
- It identifies **persistent data gaps, methodological challenges, and inconsistencies** that limit the transparency, comparability, and credibility of climate-related disclosures by financial institutions. The analysis is grounded in a large dataset of listed financial institutions globally and draws extensively on third-party commercial data providers.



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**Keywords:** Climate Risk, GHG Emission, Net-zero Commitments



# 01

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## Introduction



# Introduction

Below we set out the **rationale** for focusing on climate-related metrics in the financial sector and clarifies the **scope** and **objectives** of the paper. **Climate-related disclosures** are presented as a **critical tool** for both financial stability and market discipline.

The paper builds on earlier **OECD work assessing voluntary net-zero frameworks for financial institutions**.

While **voluntary initiatives** have contributed to raising awareness and encouraging disclosure, the OECD notes that they have **not yet delivered a sufficiently clear, consistent, and comparable set of metrics**. The paper therefore shifts the **focus** from framework design to **actual market practices**, using empirical evidence to identify gaps and challenges.

The definition of “**financial institutions**” is broad, encompassing retail and commercial banks, insurance companies, investment banks, and asset managers. The analysis covers both the number of institutions disclosing specific metrics and the proportion of total assets and assets under management (AUM) represented by those institutions. This dual approach recognises that **climate-related risks** and **impacts** are concentrated among **larger institutions**, even when disclosure rates appear low in terms of firm counts.

The dataset underlying the analysis includes more than 1,100 listed financial institutions that disclosed some form of GHG emissions data in 2023 or 2024, drawn from a broader universe of nearly **5,000 listed institutions globally**. This provides a robust empirical foundation while also highlighting the extent of non-disclosure in the sector.

# 02

## Market Practices

A Comprehensive Set of Information Points and Metrics  
for the Financial Sector

Disclosure of GHG Emission Metrics

Disclosure of GHG Emission Reduction Targets and Net-  
Zero Commitments

Corporate Governance and Risk Assessment Disclosure



# Market Practices 1/4

## A Comprehensive Set of Information Points and Metrics for the Financial Sector

Below are identified the **key categories of information** required to meaningfully **assess financial institutions' progress toward net-zero commitments**.

Drawing on major voluntary frameworks and international sustainability standards, the OECD groups metrics into four broad categories:

GHG emissions  
metrics

Portfolio composition  
metrics

Engagement  
metrics

Strategy and governance  
metrics

The analysis highlights a **key tension** between **the breadth of information recommended by existing frameworks** and the **limited availability of consistent data in practice**.

While standards such as IFRS S2 and the European Sustainability Reporting Standards (ESRS E1) provide detailed disclosure requirements, many of the corresponding data points are not yet widely available from commercial data providers.

This **limits** the **ability** of regulators and market participants to perform **cross-institutional comparisons**.

The OECD notes that forthcoming implementation of **IFRS S2 and ESRS E1** has the **potential** to significantly **reduce data gaps over time**. However, until these standards are fully adopted and enforced, reliance on incomplete and inconsistent datasets will continue to constrain effective monitoring of climate commitments.



# Market Practices 2/4

## Disclosure of GHG Emission Metrics

We provide an **in-depth assessment of current disclosure practices for GHG emissions**, covering scope 1 (direct emissions), scope 2 (indirect emissions from purchased energy), and scope 3 (all other indirect emissions).



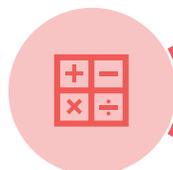
The analysis confirms that **scope 3 emissions dominate the financial sector's emissions profile**, reflecting the emissions generated by borrowers, investee companies, and other counterparties. Despite their materiality, **scope 3 emissions are the least disclosed**. In 2024, fewer than one in five listed financial institutions globally reported scope 3 emissions based on company data.



A key finding is the **significant discrepancy between reported and estimated emissions**. When estimated data are considered, total GHG emissions attributed to the financial sector are several times higher than those reported by institutions themselves. This suggests a **substantial risk of underestimation in current disclosures** and raises **concerns about the credibility of reported progress toward emission reduction targets**.



**Financed emissions** (scope 3, category 15) account for the overwhelming majority of scope 3 emissions. Among institutions that disclose financed emissions, these typically represent more than 90% of total scope 3 emissions. Disclosure of financed emissions has improved in recent years, but remains uneven across regions and institution types.



The OECD further analyses the **methodologies** used for **emissions accounting**, finding that while the **GHG Protocol is widely used**, **a significant share of institutions do not disclose the methodology applied**. This lack of transparency further undermines comparability and confidence in reported data.

*To address this gap, the OECD examines the use of estimated emissions data provided by third-party service providers.*

*Incorporating estimated data substantially increases coverage, particularly for scope 3 emissions. However, the paper emphasises that estimated data have important limitations.*

*They are typically based on sectoral and regional averages and lack the granularity needed to assess individual institutions' performance or to support detailed supervisory analysis.*

# Market Practices 3/4

## Disclosure of GHG Emission Reduction Targets and Net-Zero Commitments

The discussion turns to the **disclosure of emission reduction targets** and **net-zero commitments**, which are presented as a cornerstone of credible climate risk management.

Globally, **fewer than one-third of listed financial institutions have disclosed any form of GHG emission reduction target.**

However, those institutions account for a disproportionately large share of total assets and AUM, indicating that larger institutions are more likely to adopt and disclose targets.



The analysis reveals **significant variation in the scope and quality of disclosed targets**. While many institutions have set targets for scope 1 and scope 2 emissions, far fewer have extended these targets to scope 3 emissions. Only around one-quarter of institutions with targets include scope 3 emissions, and an even smaller subset explicitly covers financed emissions.



The paper also highlights **gaps in the disclosure of essential target parameters**, such as baseline year, baseline emissions, and target year. Without this information, it is difficult for stakeholders to assess the ambition or progress of emission reduction targets. Even among institutions with targets, incomplete disclosure is common.



**Science-based targets** and **alignment** with initiatives such as the Science Based Targets initiative (**SBTi**) are discussed as indicators of credibility. While participation in such initiatives is increasing, it remains limited, particularly outside Europe and developed Asia-Pacific economies.



Finally, the analysis underscores the **limited uptake of climate transition plans**. Only a small minority of financial institutions have published transition plans outlining how they intend to achieve their net-zero commitments. This gap raises concerns about the operational feasibility of many disclosed targets.

# Market Practices 4/4

## Corporate Governance and Risk Assessment Disclosure

Finally, the analysis examines how **climate-related risks** are integrated into **governance structures** and **risk management processes**.

### Climate Risk Materiality

The OECD finds that a relatively **small share of financial institutions explicitly identify climate-related risks as material**. However, those that do represent the majority of total assets, suggesting that larger institutions are more attuned to climate risk considerations.

### Governance

Board-level oversight of climate-related issues is relatively widespread among large institutions, but dedicated **sustainability committees remain uncommon**. Similarly, the linking of executive remuneration to climate or sustainability performance is still rare, indicating **limited integration of climate objectives into incentive structures**.

*The analysis suggests that stronger governance arrangements are associated with more comprehensive climate disclosures and more ambitious targets. However, the overall picture remains one of partial and uneven integration of climate considerations into corporate governance frameworks.*

# 03

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## Assessing Financial Institutions' Net-Zero Commitments



# Assessing Financial Institutions' Net-Zero Commitments

## Ambition

Ambition is assessed through **implied annual emission reduction rates**. On average, financial institutions' targets correspond to modest annual reductions, raising questions about alignment with global climate goals.

## Comprehensiveness

Comprehensiveness is assessed by examining the **share of total emissions covered by targets**. The analysis shows that, even among institutions with targets, a substantial portion of emissions—particularly scope 3 emissions—remains uncovered.

## Feasibility

Feasibility is assessed by comparing **historical emissions trends** with target trajectories. The OECD finds that a majority of institutions are not on track to meet their stated targets, highlighting a gap between commitments and actual performance.

### Country Cases: Financial Authorities' Role in Monitoring GHG Emission Targets



*Selected country experiences in monitoring climate commitments in the financial sector are analysed, highlighting the growing role of financial authorities in setting expectations, collecting data, and assessing climate-related risks at the system level. The analysis also underscores the importance of supervisory guidance, standardised reporting requirements, and centralised data platforms in improving the quality and usability of climate-related information. Differences across jurisdictions illustrate varying levels of regulatory maturity and capacity.*

Finally, the analysis expands beyond emissions and targets to consider financial flows and portfolio alignment. Metrics such as **green revenues**, **sustainable bond issuance**, and **sustainable lending** are examined as **indicators of financial institutions' contribution to the low-carbon transition**. While issuance of green and sustainable financial instruments has grown significantly, the OECD cautions that such metrics should be interpreted carefully. Without robust definitions and alignment criteria, there is a risk of overstating progress toward climate goals.

# 04

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## Key Challenges, Policies and Practices for Better Monitoring Net-Zero Commitments



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## Key Challenges and Potential Policies

The OECD outlines potential policy responses, emphasising the **role of standardisation**, **digitalisation of disclosures**, and **supervisory oversight**. The importance of **proportionality** is noted, particularly for smaller institutions and those operating in emerging markets.



## A Proposed Framework for Monitoring Net-Zero Commitments

A framework is proposed, built around **five steps**:

1. Collecting essential data,
2. Evaluating targets by scope,
3. Monitoring adherence to initiatives,
4. Assessing governance arrangements, and
5. Tracking climate finance.

The framework is designed to be **flexible** and **scalable**, allowing authorities to adapt it to different regulatory contexts while maintaining a consistent analytical approach.

# 05

## Conclusions & Take-Aways



# Conclusions & Take-Aways

Key points are summarized below.

- 1 Scope 3 and financed emissions dominate the financial sector's climate footprint but remain insufficiently disclosed.
- 2 Estimated emissions data suggest that reported emissions may significantly understate actual climate impacts.
- 3 A growing number of financial institutions have adopted emission reduction targets, but coverage of material emissions is often incomplete.
- 4 Disclosure of essential target parameters remains inconsistent, undermining comparability and accountability.
- 5 Net-zero commitments are frequently not supported by credible transition plans or governance arrangements.
- 6 Stronger standardisation, assurance, and supervisory oversight are critical to improving data quality and credibility.
- 7 A structured monitoring framework can support regulators and policymakers in assessing progress toward net-zero at the sector level.

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## Strategy

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**Strategic advisory** on the **design** of **advanced frameworks** and **solutions** to fulfil both **business** and **regulatory needs** in Risk Management and IT departments

## Methodology & Governance

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**Implementation** of the designed **solutions** in bank departments **Methodological support** to both **systemically important financial institutions** and **supervisory entities**

## Solution

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Advanced **software solutions** for **modelling, forecasting, calculating** metrics and **integrating** risks, all on cloud and distributed in Software-as-a-Service (**SaaS**)

KEEP IN TOUCH



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