



**TOPICS:**

ESG Risk

**SOURCE:**

Organisation for Economic Co-operation and Development

## OECD: Mapping Climate-Related Metrics in the Financial Sector

- The OECD paper examines **current practices, data gaps and methodological challenges in the measurement and disclosure of climate-related metrics** by financial institutions, with a particular focus on greenhouse gas (GHG) emissions and net-zero commitments. The paper responds to growing regulatory and supervisory demand for robust, comparable and decision-useful climate data to support risk management, market discipline and financial stability objectives.
- A **central finding** is that the vast majority of **the financial sector's emissions arise from scope 3 emissions**, notably "financed emissions" linked to lending and investment activities. Despite their materiality, disclosure remains limited: in 2024, only 19% of listed financial institutions reported scope 3 emissions. The paper shows that reliance on third-party estimated data substantially increases coverage, but also reveals significant discrepancies between reported and estimated emissions, suggesting potential underreporting and comparability issues. These challenges are exacerbated by uneven data availability across regions, asset classes and institution sizes, with private equity, sovereign bonds, and loans often insufficiently covered.
- The paper also reviews **the disclosure of GHG emission reduction targets and net-zero commitments**. While a growing number of financial institutions have adopted such targets, disclosures are frequently incomplete. Only a minority of institutions set scope 3 reduction targets, disclose baseline emissions or provide credible transition plans. As a result, stakeholders face difficulties in assessing the ambition, comprehensiveness and feasibility of commitments. The analysis indicates that, on average, institutions target annual emission reductions of around 4%, yet a majority fail to meet their stated targets.
- Beyond emissions metrics, the OECD highlights **the importance of governance, portfolio composition and engagement practices** in assessing climate-related risk management. Board oversight and integration of climate considerations into strategy remain uneven, particularly outside advanced economies. To address these issues, the paper proposes a structured framework for monitoring net-zero commitments, centred on minimum disclosure requirements, alignment with international standards, enhanced assurance, and systematic use of both reported and estimated data.

