TARGETS CAN BE SET USING THREE METRICS: ABSOLUTE FINANCED EMISSIONS, PHYSICAL EMISSIONS INTENSITY AND FINANCED EMISSIONS LENDING INTENSITY

Metric	Description	Equation
1. Absolute financed emissions *PCAF-aligned*	The emissions attributed to a bank based on its financing activities to clients. Driven by client emissions and the financing.	$\sum \frac{Financing\ to\ client}{Company\ EVIC^1} \times Company\ emissions$ - *Calculate for each company and then sum up* - *Expressed as MtCO2e*
2. Physical emissions intensity (PEI) *Clients that do not generate power cannot be included*	The physical emissions intensity (emissions / production) attributed to a bank based on the financing-weighted intensities of its clients. Driven by client-level intensities, weighted by % of financing to client.	$\sum \frac{Company\ emissions}{Company\ production} \times \frac{Financing\ to\ client}{Total\ sector\ financing}$ - *Calculate for each company and then sum up* - *Expressed as kgCO2e / "production" metric*
3. Financed emissions lending intensity ("FELI")	The financed emissions lending intensity (emissions / enterprise value) attributed to a bank based on the financing-weighted intensities of its clients. Driven by client-level intensities, weighted by % of financing to client.	$\frac{\sum \frac{Financing\ to\ client}{CompanyEVIC^1} \times Company\ emissions}{Total\ Sector\ Financing}$ ▼ $\sum \frac{Company\ emissions}{Company\ EVIC^1} \times \frac{Financing\ to\ client}{Total\ sector\ financing}$ - *Calculate for each company and then sum up* - *Expressed as gCO2e / $ lent*

1. Enterprise Value Including Cash