

3 Bank JSC Novi Sad

GHG Emissions in the bank portfolio (PCAF) 2021

Industry-by-industry calculation of carbon-related credit exposure.

Method

Source: Partnership for Carbon Accounting Financials (PCAF)

The Bank uses the Global GHG Accounting and Reporting Standard for the Financial Industry to estimate greenhouse gas emissions in its loan portfolio.

Date of data: 31.12.2021.

Overview

The Bank is not exposed in carbon-intensive industries such as oil, metal, aviation and therefore has a relatively low carbon-intensive loan portfolio. In line with 3C initiative, the Bank aims to publish the emissions in the loan portfolio since this is where we can help achieving the SDG and goals set in the Paris Agreement. This is the second year the Bank is reporting on greenhouse gas emissions in its loan portfolio. Emissions in the agro/micro SME loan portfolio are at **17,678** tons of CO₂ equivalents and carbon intensity is at **250,75** tons of CO₂ equivalents per EUR million (customers' Scope 1 and 2 emissions).

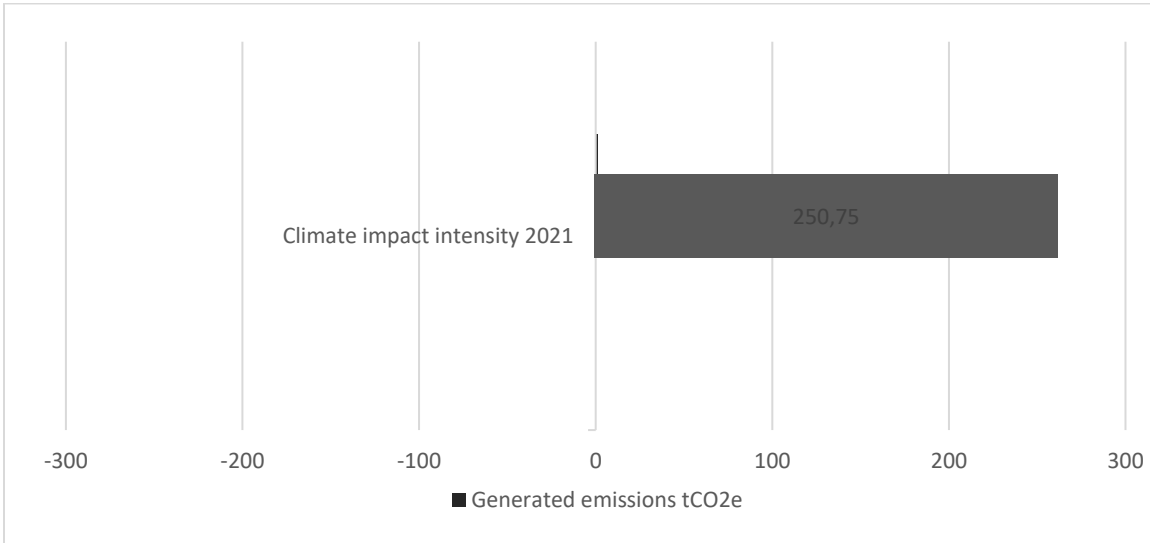
Assumptions

The analysis is based on regional countries emission factors at an industry group level (NACE code). For entrepreneurs and agro, an emission factor based on loan volume and assets volume is used. The method differentiates between direct emissions (Scopes 1 and 2) and emissions upstream in the value chain (Scope 3).

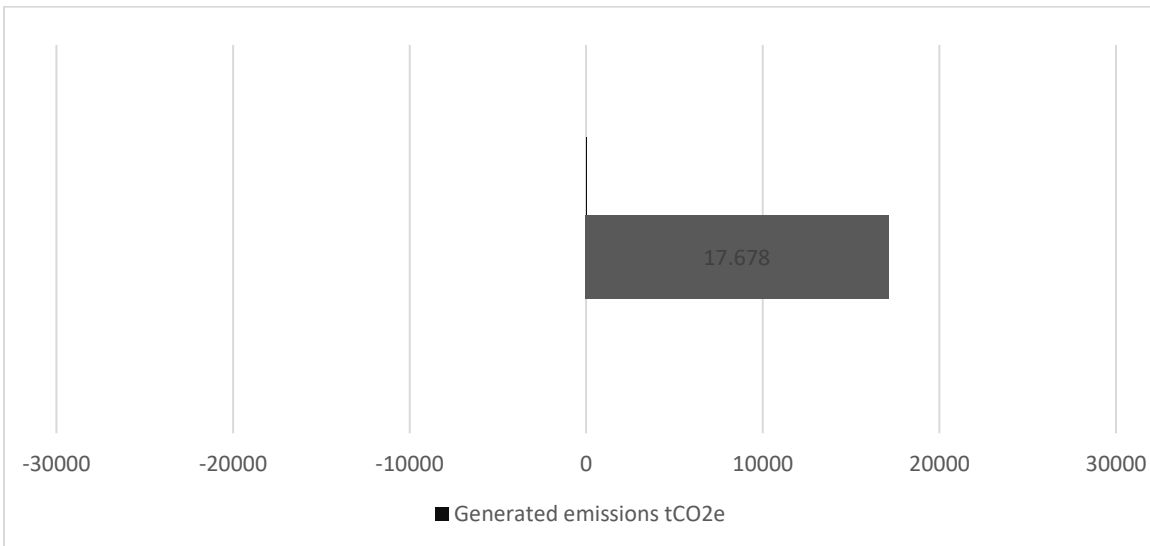
Climate impact by industry 2021

INDUSTRY (Agriculture and Micro SME)	Exposure EUR millions	SCOPE 1 tCO₂e	SCOPE 2 tCO₂e	TOTAL tCO₂e	Climate impact intensity tCO₂e/EUR mil
AGRICULTURE	34,2	15.490	154	15.644	457,4
SERVICES	16,5	792	285	1.077	65,3
TRADE	7,2	86	0	86	11,9
MANUFACTURING	6,5	438	16	454	69,8
TRANSPORTATION	6,0	396	23	419	69,8
Grand Total	70,5	17.201	477	17.678	250,75

Climate impact in emission intensity 2021



Climate impact of our loans 2021



Results

Based on a climate risk analysis of the loan portfolio, which shows that we have the greatest climate risk and opportunities for influence within mixed farming, dairy, hog and trucking segments. As previous year, this years analysis also shows that agriculture and associated services have the greatest direct emissions in our portfolio. Agriculture is our largest industry, and given our geographical location and industry mix, it is expected that agriculture scores high. Banks portfolio GHG emissions is calculated based on Agriculture and Micro SME and entrepreneur's portfolio. Most significant nominal contribution for direct scopes of emissions is to Mixed farming

group, however, most intensive GHG emissions are found to be in Dairy cattle and Milk production group. Assessment is performed using the Option 3: Economic activity-based emissions by available data for industries from countries from the region.

Production : 3 Bank JSC Novi Sad - 2021 GHG Emissions in the bank portfolio (PCAF)

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