

# GHG Emissions in the 3 Bank portfolio (PCAF) 2023

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 as of:** 31.12.2023.

## Overview

The Bank is not exposed to 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 achieve the SDG goals as well as goals set in the Paris Agreement.

This is the third year that the Bank is reporting on greenhouse gas emissions in its loan portfolio. As of the end 2023, emissions in the agro/micro SME loan portfolio are at **36,082** tons of CO<sub>2</sub> equivalents and carbon intensity is at **260 tons** of CO<sub>2</sub> equivalents per EUR million (customers' Scope 1 and 2 emissions).

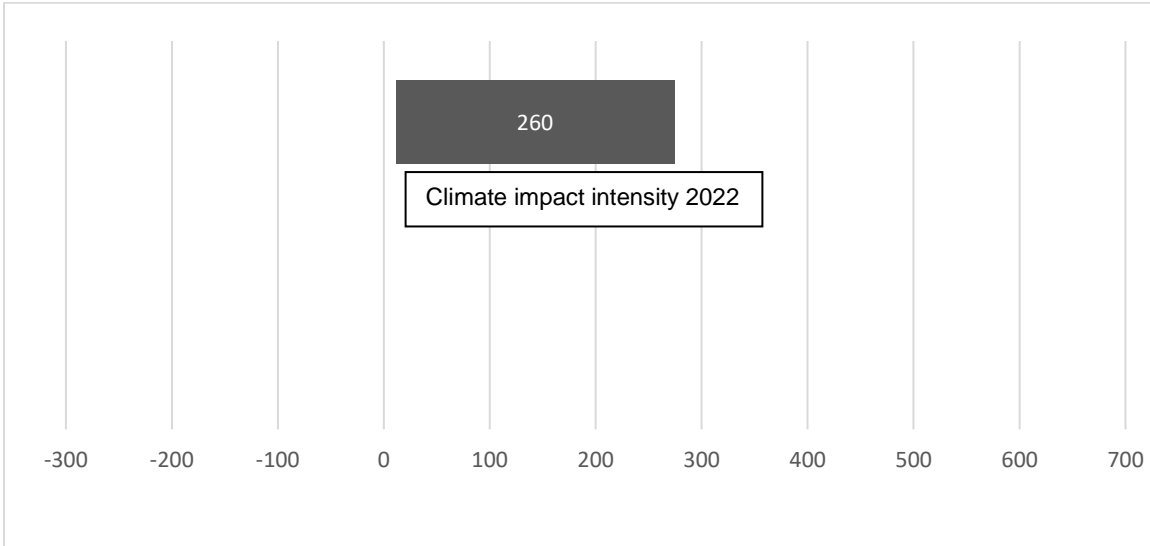
## Assumptions

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).

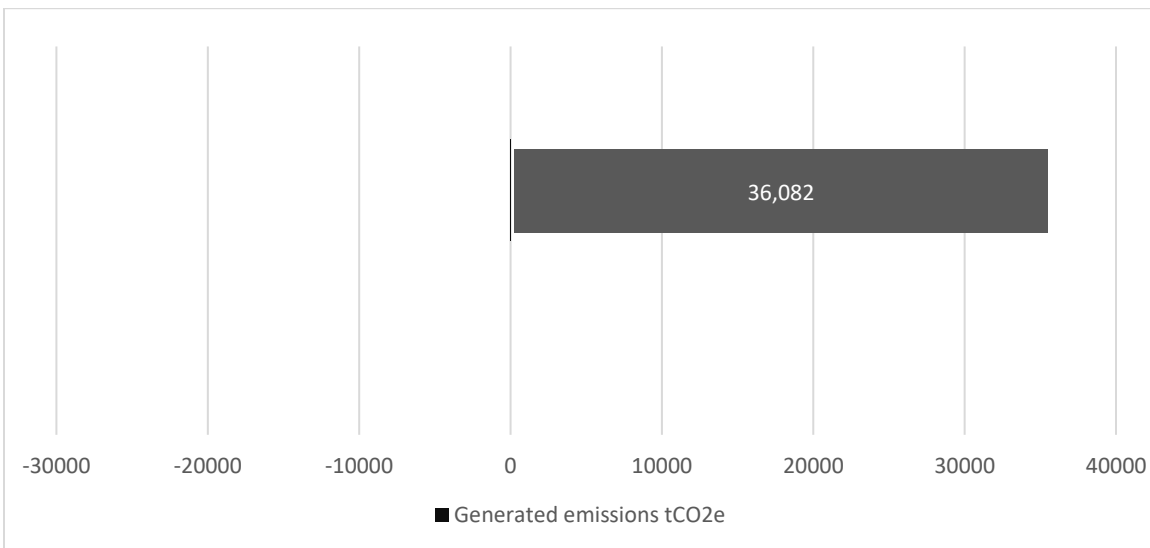
## Climate impact by industry 2023

INDUSTRY (Agriculture and Micro SME)	Exposure EUR millions	SCOPE 1 tCO <sub>2</sub> e	SCOPE 2 tCO <sub>2</sub> e	TOTAL tCO <sub>2</sub> e	Climate impact intensity tCO <sub>2</sub> e/EUR mil
<b>AGRICULTURE</b>	69.16	31,768	315.66	32,083.66	463.9
<b>SERVICES</b>	31.69	1,513	561.53	2,074.53	65.46
<b>TRADE</b>	12.38	148.41	0	148.41	11.99
<b>MANUFACTURING</b>	13.6	916.42	29.83	946.25	69.58
<b>TRANSPORTATION</b>	11.95	782.73	46.65	829.38	69.40
<b>Grand Total</b>	<b>138.78</b>	<b>35,128.6</b>	<b>953.7</b>	<b>36,082.23</b>	<b>260</b>

### Climate impact in emission intensity 2023



### Climate impact of our loans 2023



## Results

Climate risk analysis of the loan portfolio shows that we have the greatest climate risk and impact opportunities within mixed farming, dairy, hog and trucking segments. As in previous years, this year 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 was expected that agriculture will score high. Bank's portfolio GHG emissions are calculated based on Agriculture and Micro SME and entrepreneur's portfolio. Most significant nominal contribution for direct scopes of emissions is from Mixed farming group, however, most intensive GHG emissions are found to be in Dairy cattle and Milk production group. Assessment has been performed using the Option 3: Economic activity-based emissions by available data for industries from countries from the region.

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