

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 the Global Alliance for Banking on Values Climate Change Commitment (3c) initiative, the Bank aims to publish the emissions in its loan portfolios and help achieve the SDGs and meet the goals set in the Paris Agreement. This is the first year the Bank is reporting on greenhouse gas emissions in particular of its business loans portfolio.

Member of Global Alliance for Banking on Values (GABV), Cooperative Bank of Karditsa has committed to disclose its climate impact resulting from its portfolio of loans and investments according to the Climate Change Commitment (3C Initiative).

Assumptions

The analysis is based on regional countries emission factors at an industry group level (NACE code). For business loans, an emission factor based on loan volume and assets volume is used. The method differentiates between direct emissions (Scopes 1 and 2). Given the low reliability of available Scope 3 upstream emission factors the Bank has not analyzed Scope 3 emissions.

| NACE_R2 Sector | Outstanding Amt (million€) | % Total Portfolio Outstanding | Emission factor scope 1 (tCO2e/M€ assets) | Financed emissions scope 1 (tCO2e) | Emission factor scope 2 (tCO2e/M€ assets) | Financed emissions scope 2 (tCO2e) | Emission factor 1&2 combined (tCO2e/M€ assets) | Climate impact intensity (tCO2e/M€ assets) |
|--|----------------------------|-------------------------------|---|------------------------------------|---|------------------------------------|--|--|
| SECTION A - AGRICULTURE, FORESTRY AND FISHING | 27,69 | 0,23 | 7.042,74 | 4.961,99 | 190,10 | 157,62 | 5.119,60 | 184,88 |
| SECTION B - MINING AND QUARRYING | 0,52 | 0,00 | 314,57 | 164,53 | 0,00 | 0,00 | 164,53 | 314,5711 |
| SECTION C - MANUFACTURING | 10,06 | 0,08 | 18.432,64 | 4.491,71 | 1.817,95 | 474,07 | 4.965,78 | 493,7594 |
| SECTION D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY | 22,53 | 0,19 | 1.454,51 | 32.593,00 | 456,16 | 20,04 | 32.613,04 | 1447,778 |
| SECTION E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES | 0,03 | 0,00 | 3.780,68 | 65,93 | 35,32 | 0,62 | 66,54 | 1908,001 |
| SECTION F - CONSTRUCTION | 4,65 | 0,04 | 345,51 | 114,81 | 76,63 | 25,46 | 140,27 | 30,15271 |
| SECTION G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES | 23,66 | 0,19 | 2.238,36 | 689,50 | 16,63 | 2,86 | 692,36 | 29,26119 |
| SECTION H - TRANSPORTATION AND STORAGE | 3,53 | 0,03 | 159,31 | 85,25 | 15,04 | 9,34 | 94,59 | 26,79773 |
| SECTION I - ACCOMMODATION AND FOOD SERVICE ACTIVITIES | 6,11 | 0,05 | 161,13 | 164,16 | 12,55 | 12,78 | 176,94 | 540,5826 |
| SECTION J - INFORMATION AND COMMUNICATION | 0,33 | 0,00 | 58,98 | 6,22 | 17,03 | 1,74 | 7,95 | 24,2985 |
| SECTION K - FINANCIAL AND INSURANCE ACTIVITIES | 0,14 | 0,00 | 4,03 | 0,19 | 0,04 | 0,00 | 0,20 | 1,357008 |
| SECTION L - REAL ESTATE ACTIVITIES | 0,23 | 0,00 | 12,99 | 1,00 | 0,20 | 0,02 | 1,02 | 4,397416 |
| SECTION M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES | 4,40 | 0,04 | 636,86 | 324,27 | 117,66 | 56,07 | 380,34 | 86,39942 |
| SECTION N - ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES | 0,03 | 0,00 | 230,99 | 0,66 | 26,64 | 0,08 | 0,74 | 25,58537 |
| SECTION O - PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 0,27 | 0,00 | 40,47 | 2,15 | 12,35 | 0,66 | 2,80 | 10,56401 |
| SECTION P - EDUCATION | 0,28 | 0,00 | 20,51 | 1,43 | 10,40 | 0,73 | 2,16 | 7,726 |
| SECTION Q - HUMAN HEALTH AND SOCIAL WORK ACTIVITIES | 0,80 | 0,01 | 47,29 | 6,31 | 122,29 | 16,30 | 22,61 | 28,26323 |
| SECTION R - ARTS, ENTERTAINMENT AND RECREATION | 0,11 | 0,00 | 42,09 | 1,53 | 21,60 | 0,86 | 2,39 | 21,07758 |
| SECTION S - OTHER SERVICE ACTIVITIES | 0,34 | 0,00 | 116,74 | 7,30 | 100,77 | 2,87 | 10,17 | 30,0421 |

Results

The emissions produced by corporate/SME loans (57% of Cooperative Bank of Karditsa assets in 2021 and 85% of Total loan portfolio) were estimated assigning to each granted organization the average sectoral emissions and calculating the emission proportionally to the outstanding loans. The considered emissions were relative to Scope 1 and 2, as required by PCAF methodology. The emission factors per euro of assets were provided by PCAF.

Corporate/SME loans produced in 2021 accounted for almost 5 thousand tons of CO₂e. The three sectors that most contributed to total loans emissions were “Water supply; sewerage; waste management and remediation activities” for 37%, “Electricity, gas, steam and air conditioning supply” for 28% and “Accommodation and Food Services” for 10%.

According to the PCAF methodology classification, a scoring of data quality is presented with high quality score 1 and low-quality score 5. The business loans emissions, have a score 5 level of data quality.