



Partnering our Clients towards a Net Zero ASEAN and Greater China

May 2023

Our Net Zero Objectives and Partnership-based Approach



Six priority sectors



How we selected the sectors

Contribution to global GHG emissions

These 6 sectors account for the vast majority of our portfolio GHG emissions

Materiality of sector in OCBC portfolio

42% of our corporate and commercial banking loan portfolio captured within scope of our targets

Availability of data

Data availability and accuracy sufficiently robust in the selected sectors

Availability of credible reference pathway

Science based targets aligned with 1.5°C

OCBC is committed to partner with our clients

1. Transition Partner

We want to partner with our clients to support their Net Zero transitions by offering credible and innovative financing solutions

2. Emerging industries and corporates

We will actively seek out new clients that are at the forefront of the transition and are offering new low-carbon solutions

3. Bespoke approach for sector and markets

We have identified decarbonisation levers and will devise specific strategies for each sector

4. Portfolio transitioning

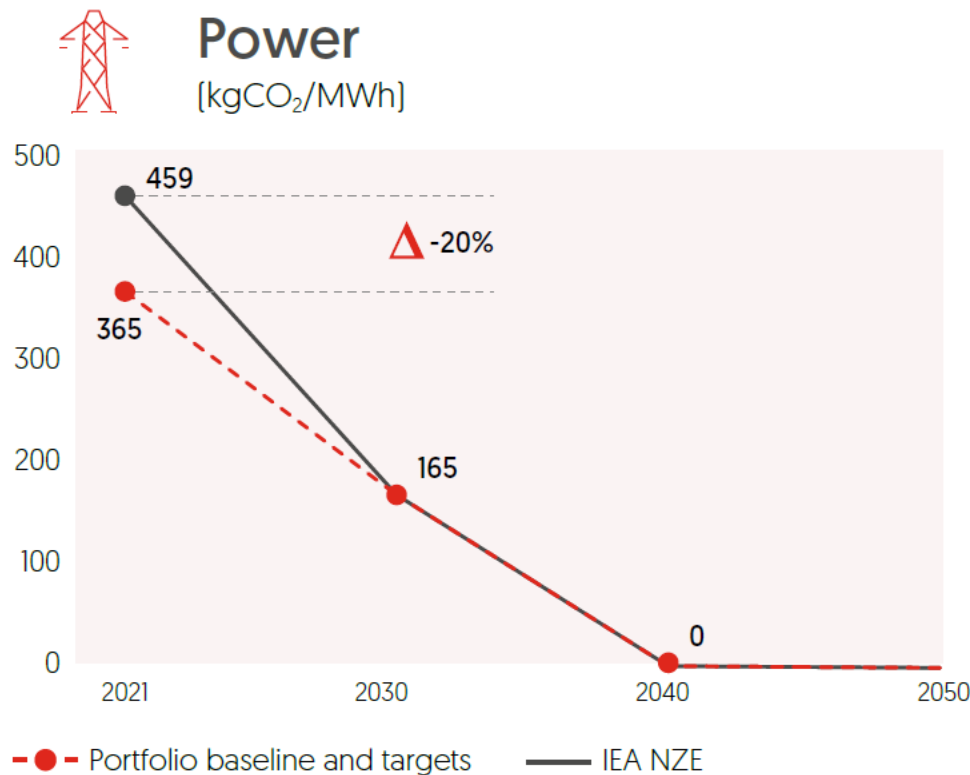
We will optimise our portfolio mix towards a low-carbon economy.

Sectoral Targets



Power Sector

Sector Baseline and Targets



	2021 Baseline	2030 Target	2040 Target
IEA NZE	459	165	0
OCBC	365	165	0
% reduction from 2021 baseline		↓ 55%	↓ 100%

Sector Dynamics

- Currently responsible for 40% of GHG emissions globally
- More electricity is required to build a sustainable future
- Electrification is a key decarbonisation driver for many sectors (e.g. Real Estate, Transportation, Manufacturing)

Our Approach

Sector Coverage

- Power Generation Companies
- Power Equipment Manufacturers

Reference Pathway

- International Energy Agency Net Zero Emissions (IEA NZE) by 2050

Decarbonisation Toolkit



Scaling up Renewable Energy



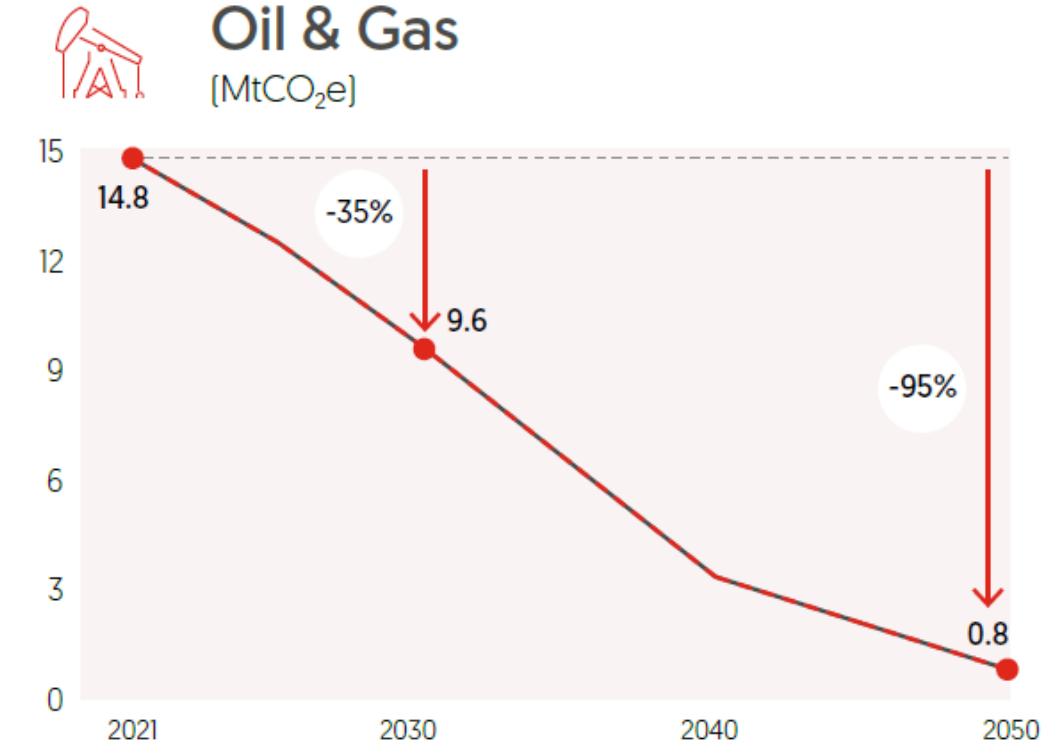
Supporting Emerging Technologies (energy storage, CCUS)



Improving Efficiency and Reducing Emissions

Oil & Gas Sector

Sector Baseline and Targets



—●— Portfolio baseline and targets

— IEA NZE

	2021 Baseline	2030 Target	2050 Target
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OCBC	14.8	9.6	0.8
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% reduction from 2021 Baseline		↓ 35%	↓ 95%
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Sector Dynamics

- Oil and Gas has a limited role in a 1.5°C world
- Reducing emissions from Oil and Gas is dependent on the overall demand for Oil and Gas in all end-user industries

Our Approach

Sector Coverage

- Upstream players
- Integrated companies

Reference Pathway

- IEA NZE by 2050

OCBC Two-pronged Commitment

1. Reduce absolute emissions by 35% by 2030
2. Not extend project financing to upstream Oil & Gas projects that obtained approval for development after 2021.

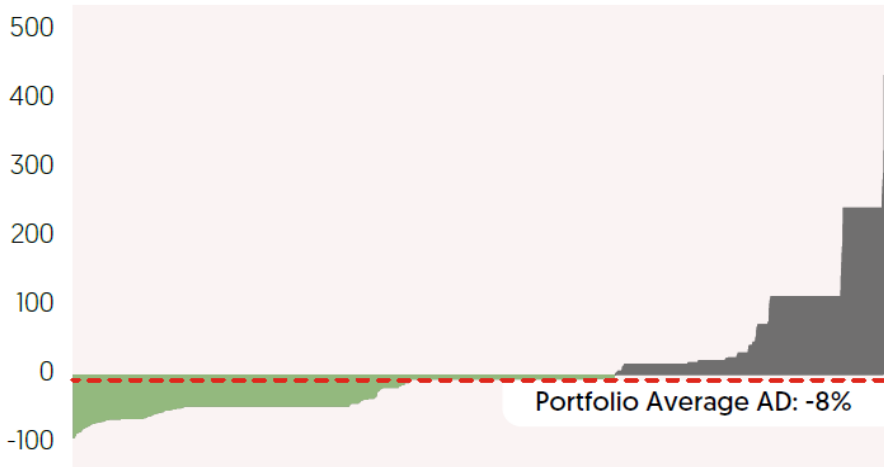
Real Estate Sector

Sector Baseline and Targets



Real Estate

Alignment Delta [%]



--- Portfolio baseline
(no forecast shown; target is to be under the benchmark)

	2021 Baseline	2030 Target	2050 Target
OCBC vs CRREM (AD)	-8%	≤ 0%	≤ 0%
Implied % reduction in emissions intensity from 2021 Baseline (static portfolio mix)		↓ 27%	↓ 98%

Sector Dynamics

- Globally responsible for 35% of energy consumption, 38% of energy related carbon emissions and 50% of resource consumption
- Is expected to double in footprint by 2060, unless addressed

Our Approach

Sector Coverage

- Real Estate Owners and Operators
- Financed Buildings
- REITS

Reference Pathway

- Carbon Risk Real Estate Monitor (CRREM)

Decarbonisation Toolkit



New Buildings:
Green Certified
Buildings



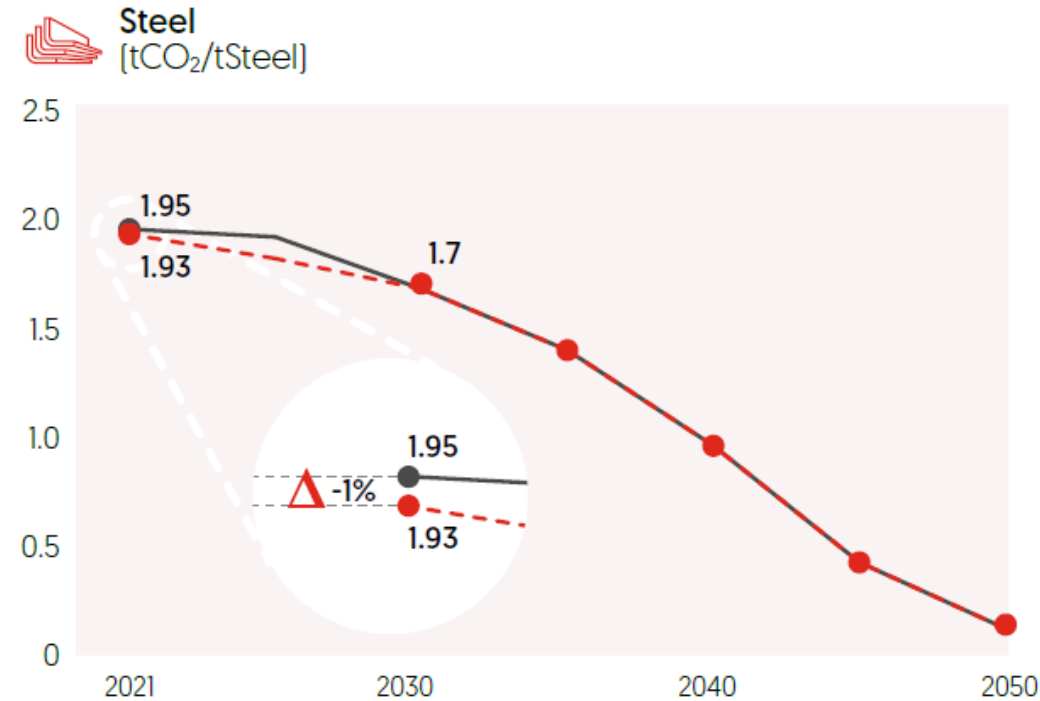
Existing Buildings:
Efficiency &
Optimisation



Energy Transition
& Electrification

Steel Sector

Sector Baseline and Targets



—●— Portfolio baseline and targets

— MPP TM [Regional]

	2021 Baseline	2030 Target	2050 Target
MPP – TM [Regional]	1.95	1.68	0.12
OCBC	1.93	1.68	0.12
% reduction from 2021 Baseline		↓ 13%	↓ 94%

Sector Dynamics

- Contributes to 8% of total global GHG emissions
- As an important construction and engineering material, its demand will continue to grow with population growth and urbanisation

Our Approach

Sector Coverage

- Steel Producers

Reference Pathway

- Mission Possible Partnership – Tech Moratorium (MPP – TM) (Regional)

Decarbonisation Toolkit



Recycle Steel



Cleaner Energy in Steel
Production



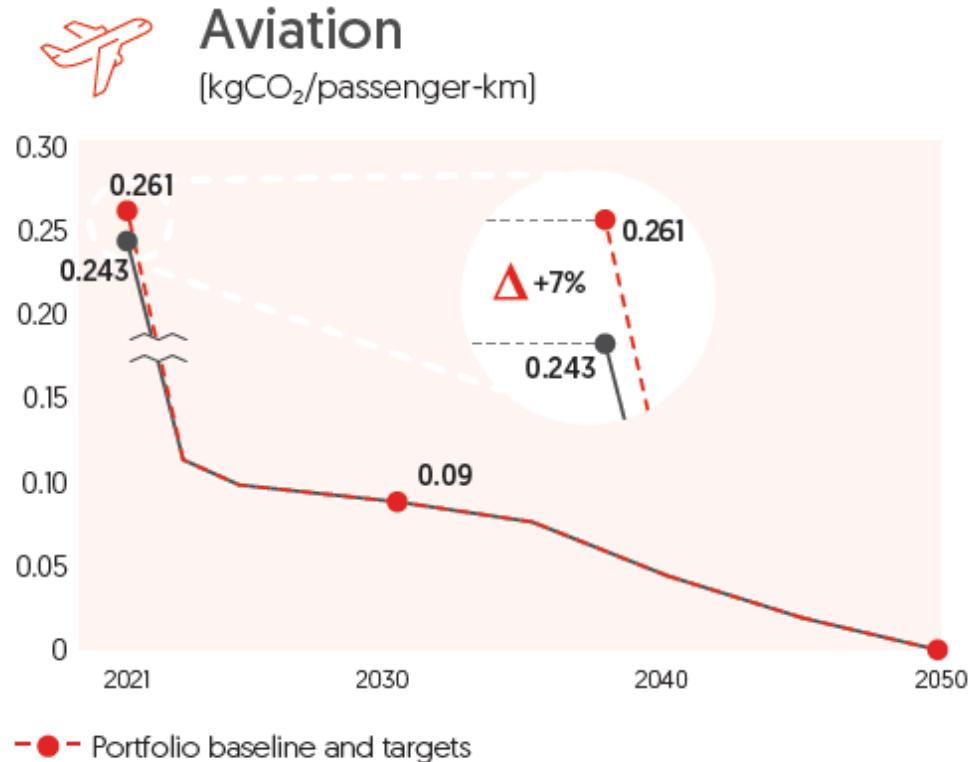
CCUS



Green Hydrogen

Aviation Sector

Sector Baseline and Targets



	2021 Baseline	2030 Target	2050 Target
IATA Fly Net Zero	0.243	0.088	0
OCBC	0.261	0.088	0
% reduction from 2021 baseline		↓ 66%	↓ 100%

Sector Dynamics

- Responsible for an estimated 3% of global carbon footprint, primarily from jet fuel burning
- Hard-to-abate as demand for air transportation is expected to increase but limited low-carbon alternatives
- Demand is expected to increase by 4.3% annually over the next 20 years

Our Approach

Sector Coverage

- Airline Operators
- Aircraft Lessors

Reference Pathway

- IATA Fly Net Zero

Decarbonisation Toolkit



Sustainable
Aviation Fuel



New Aircraft
Technologies



Optimisation &
Efficiency



Carbon Capture &
Quality Offsets

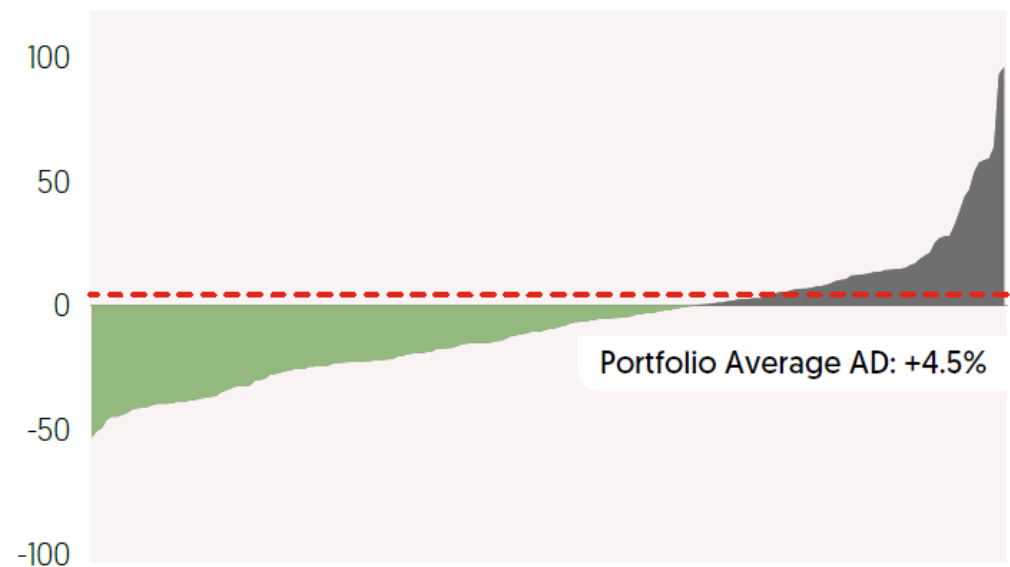
Shipping Sector

Sector Baseline and Targets



Shipping

Alignment Delta [%]



-- Portfolio baseline
(no forecast shown; target is to be under the benchmark)

	2020 Score	2021 Score	2030 Target	2050 Target
OCBC vs IMO – PP [AD]	-1.8%	+4.5%	≤0%	≤0%

Sector Dynamics

- Responsible for the carriage of approximately 90% of the world's trade
- About 99% of energy demands in Shipping is met by oil product
- Global demand for transportation of freight is projected to triple by 2050

Our Approach

Sector Coverage

- Financed Vessels

Reference Pathway

- International Maritime Organisation – Poseidon Principles (IMO – PP)

Decarbonisation Toolkit



Lower Carbon
Alternative Fuel



Retrofitting Existing
Ships

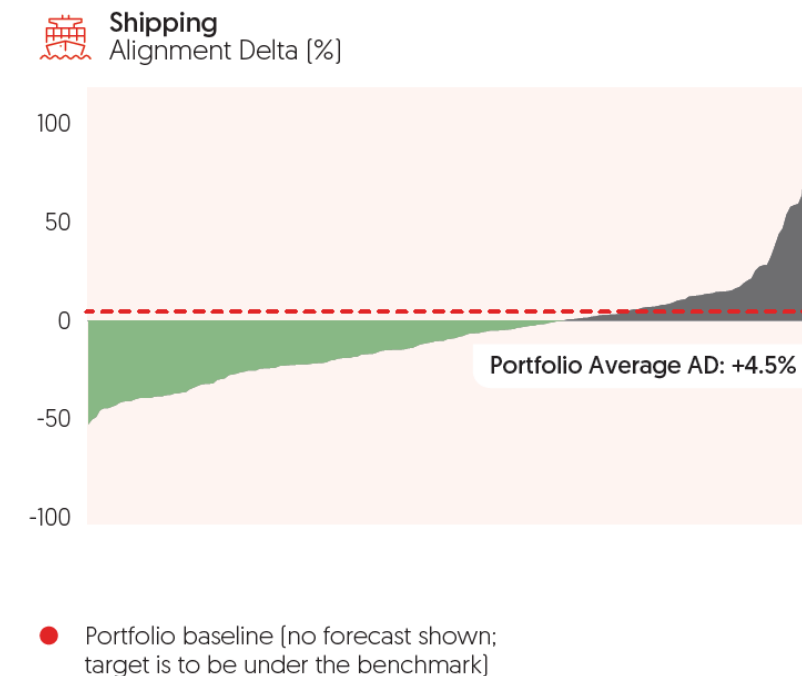
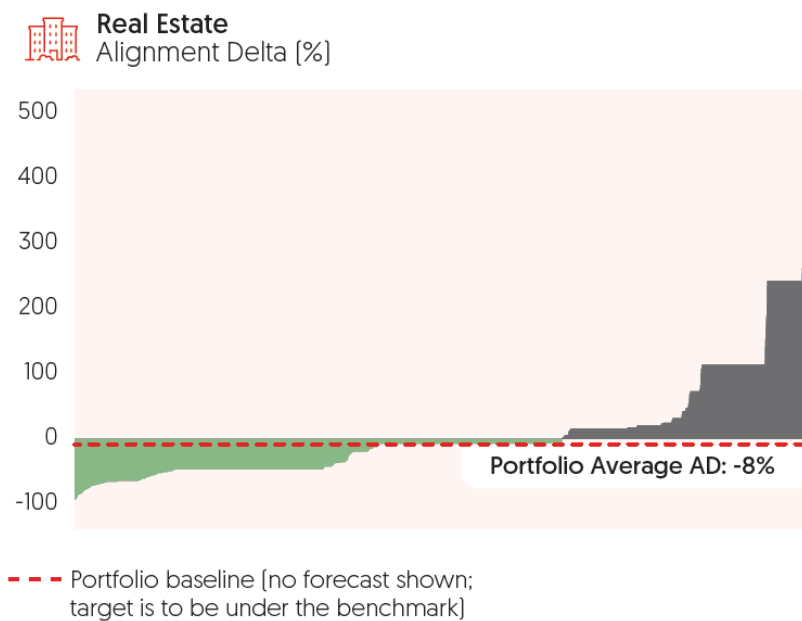
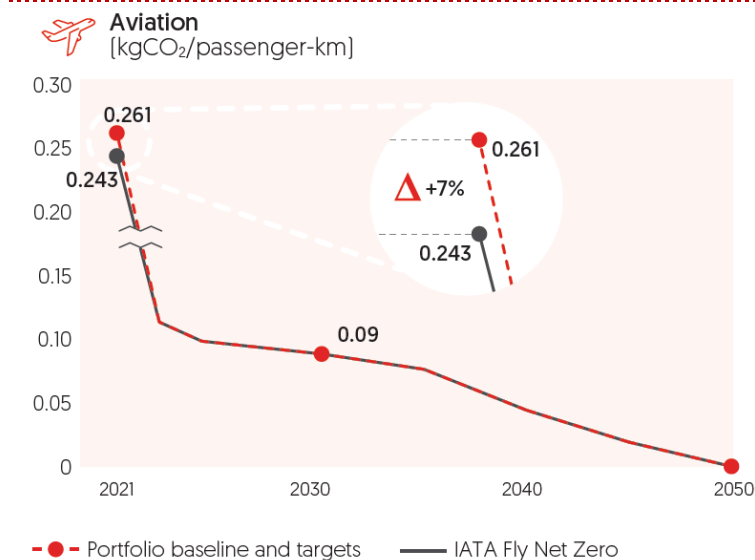
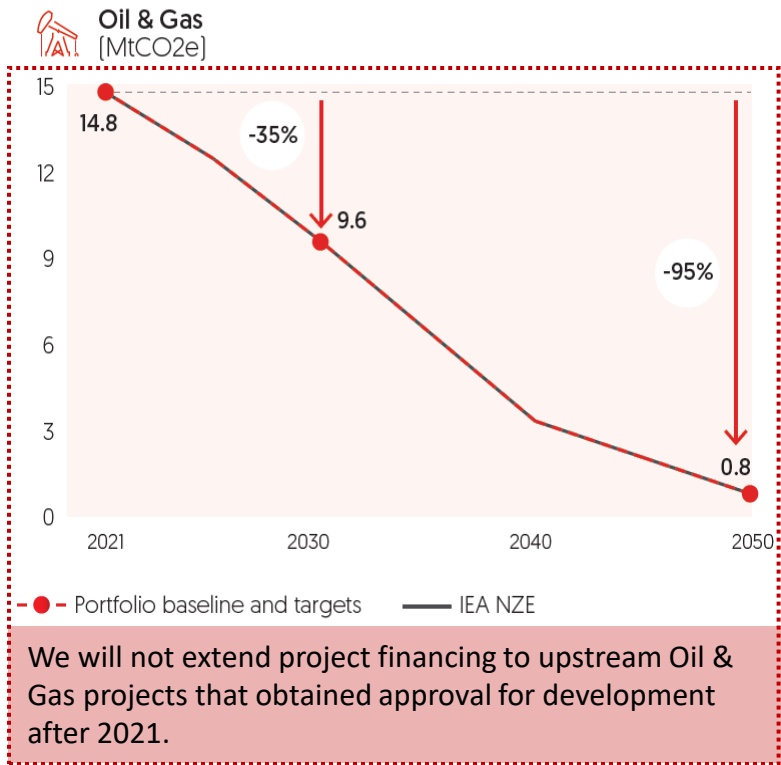
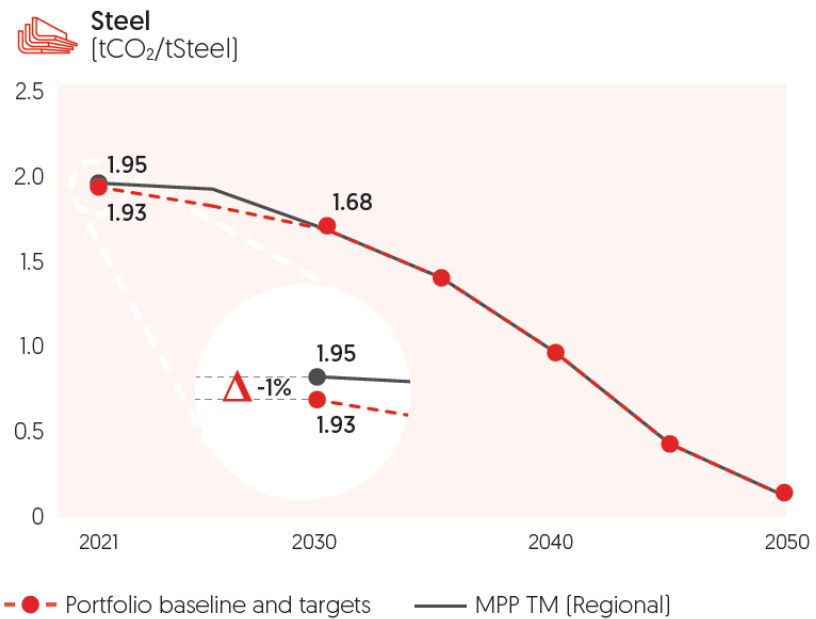
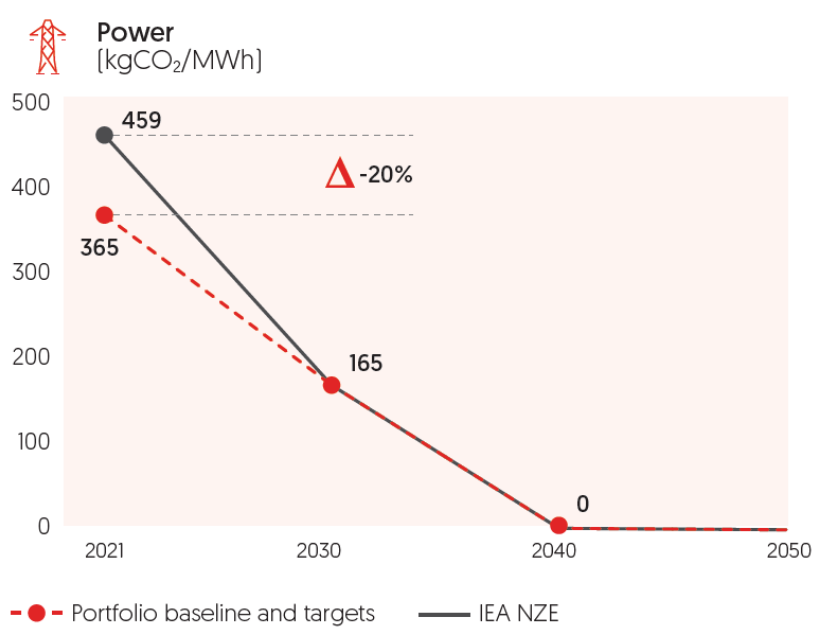


Renewing
Shipping Fleet



Smart Shipping
Management
Systems

OCBC Net Zero Targets



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Thank you