



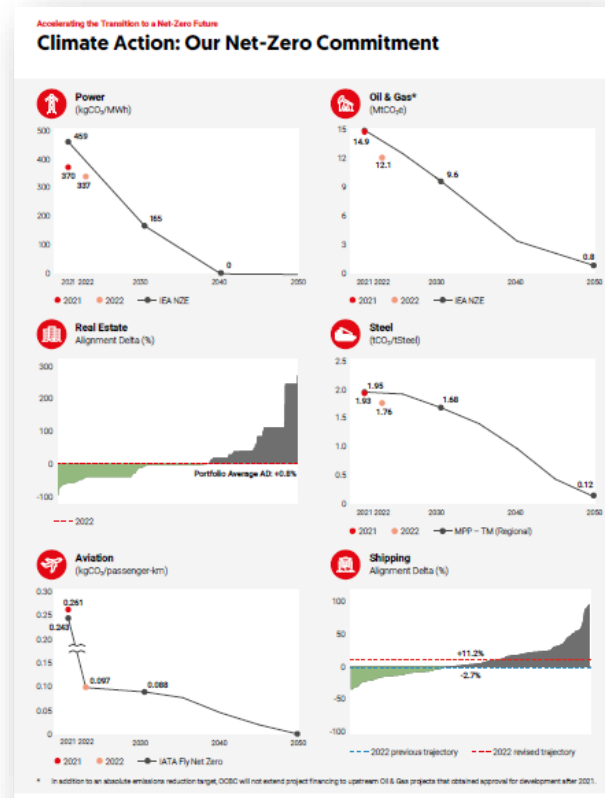
OCBC Net Zero 2022 Progress Update

Global Wholesale Banking

OCBC Bank

April 2024

Net Zero 2022 Progress Report



- As an NZBA signatory, OCBC is committed to *disclose our annual progress* towards our 2030 and 2050 targets.
- Financed emission for 2022 portfolio is included in the 2023 Sustainability Report.
- Given that our clients typically report emissions data at least three months after the end of the Financial Year, there is a time lag in reporting and our 2023 Sustainability Report showcases our 2022 financed emissions.

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

Our approach in target setting

Sectors that contribute to sustainable, Net Zero economy

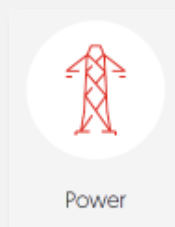
Our approach

- Support growth of the sectors
- While reducing emission from the activities

OCBC sets an Emission Intensity target

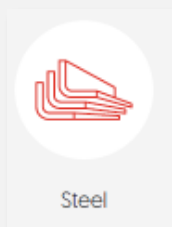
Homogeneous sectors

- Measuring Emissions per unit of output



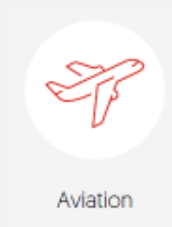
Power

kgCO₂/MWh



Steel

tCO₂/tSteel

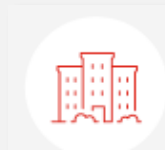


Aviation

kgCO₂/passenger - km

Heterogeneous sectors

- Measuring Alignment Delta (AD)
- For sectors made up of varying asset types and activities, compared to a range of diverse underlying reference pathways



Real Estate

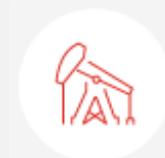


Shipping

Sectors with limited roles in Net Zero economy

Our approach

- Need to limit and reduce our financing to the sector over time
- Measuring absolute emissions

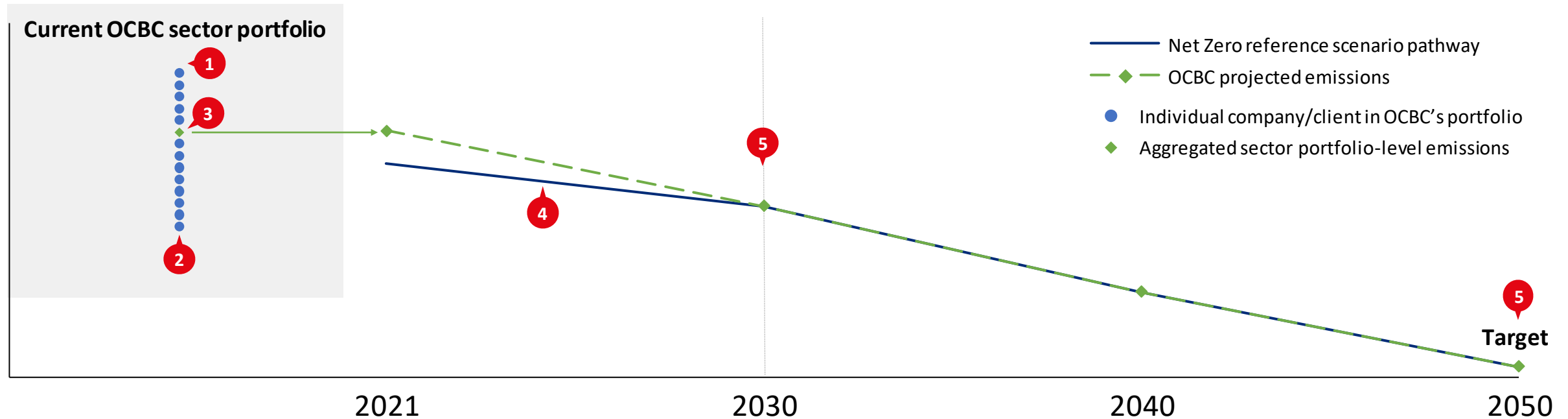


Oil & Gas

Net Zero target setting approach

Example sector-level emissions intensity (EI) pathway

T CO₂/sector unit, 2020–2050F



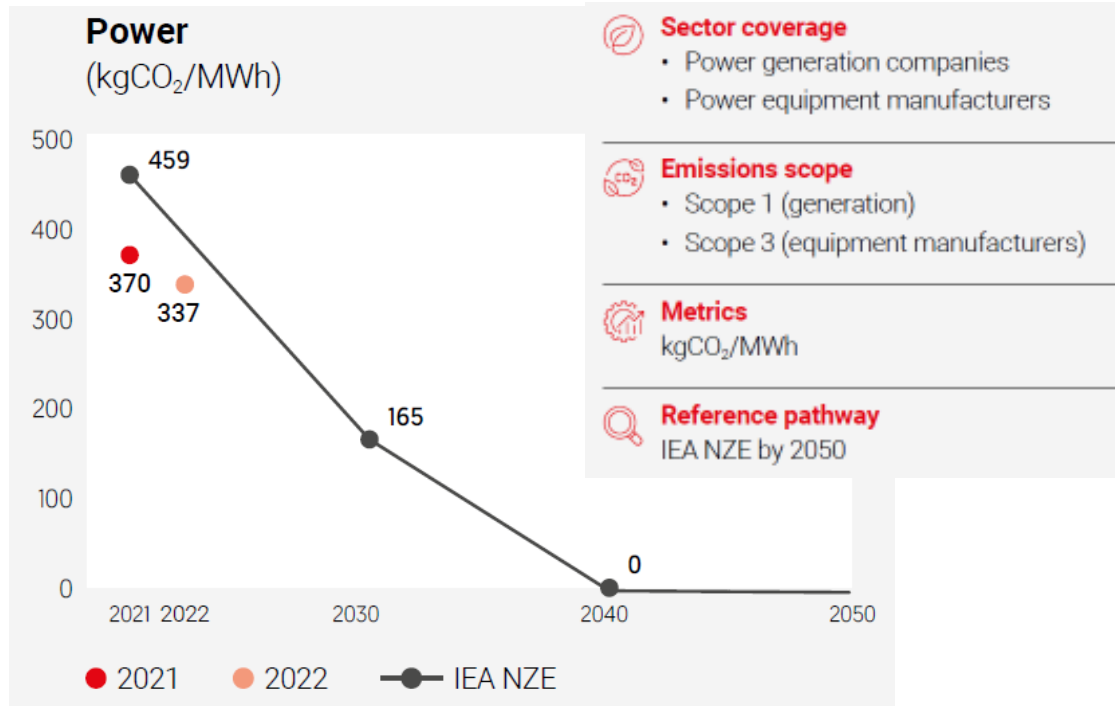
- 1 Select emissions metric (intensity or absolute) and sector perimeter
- 2 Calculate current emissions at company-level
- 3 Aggregate to OCBC portfolio average
- 4 Select reference scenario
- 5 Set 2030 and 2050 targets

Progress report on portfolio financed emission



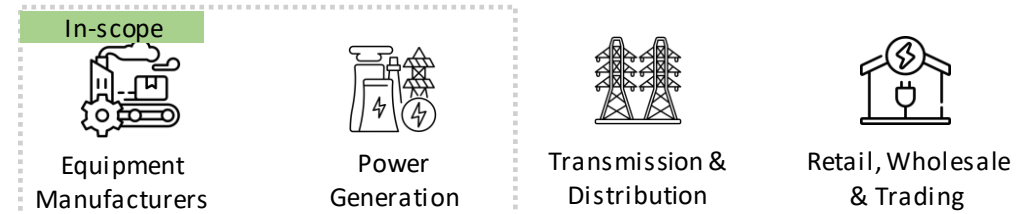
Power sector

Net Zero 2022 result

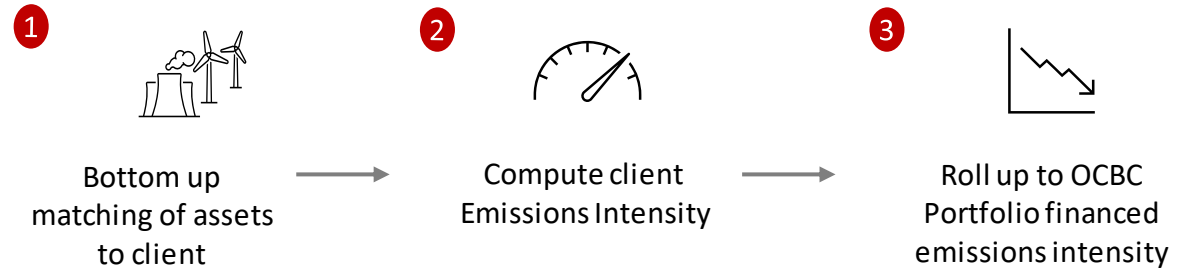


Year	IEA NZE Reference	OCBC Targets	OCBC Position
2021 Baseline	459		370
2022			337
2030	165	165	
2050	0	0	

Power Value Chain



Power Methodology

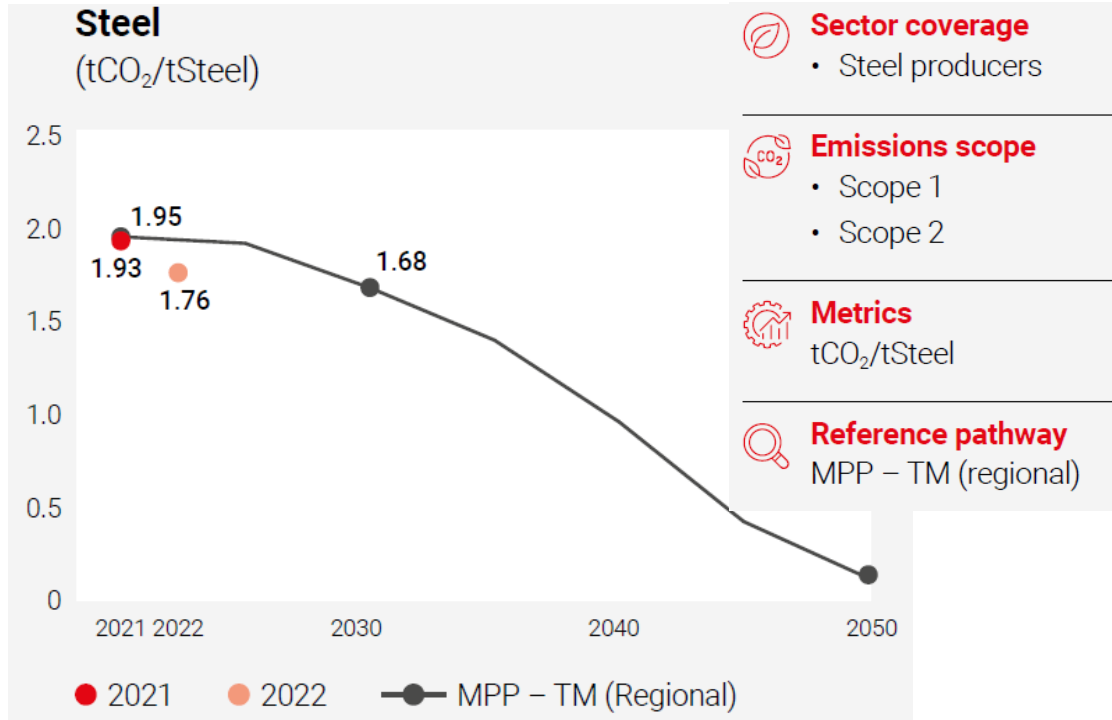


Our actions in 2024

- Continue to shift our portfolio mix towards renewables via project finance and green corporate loans
- Engage our clients in transition engagement to influence their future investment / divestment
- Monitor developments in supporting Emerging Technologies (energy storage, green hydrogen, CCUS)

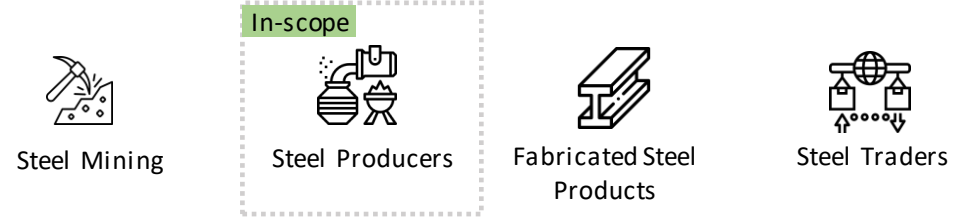
Steel sector

Net Zero 2022 result

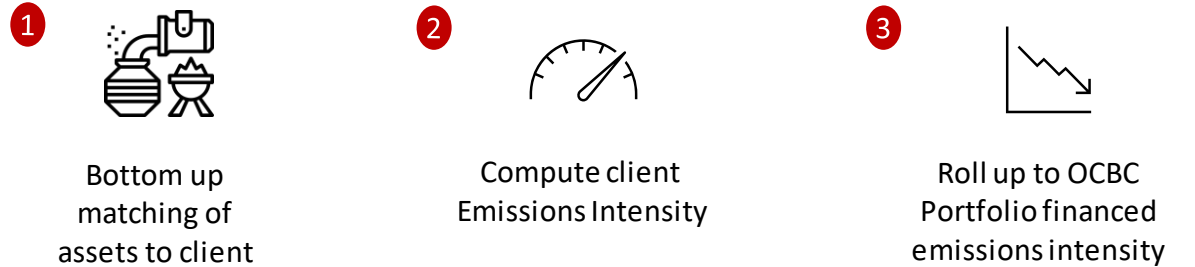


Year	MPP – TM Reference	OCBC Targets	OCBC Position
2021 Baseline	1.95		1.93
2022			1.76
2030	1.68	1.68	
2050	0.12	0.12	

Steel Value Chain



Steel Methodology



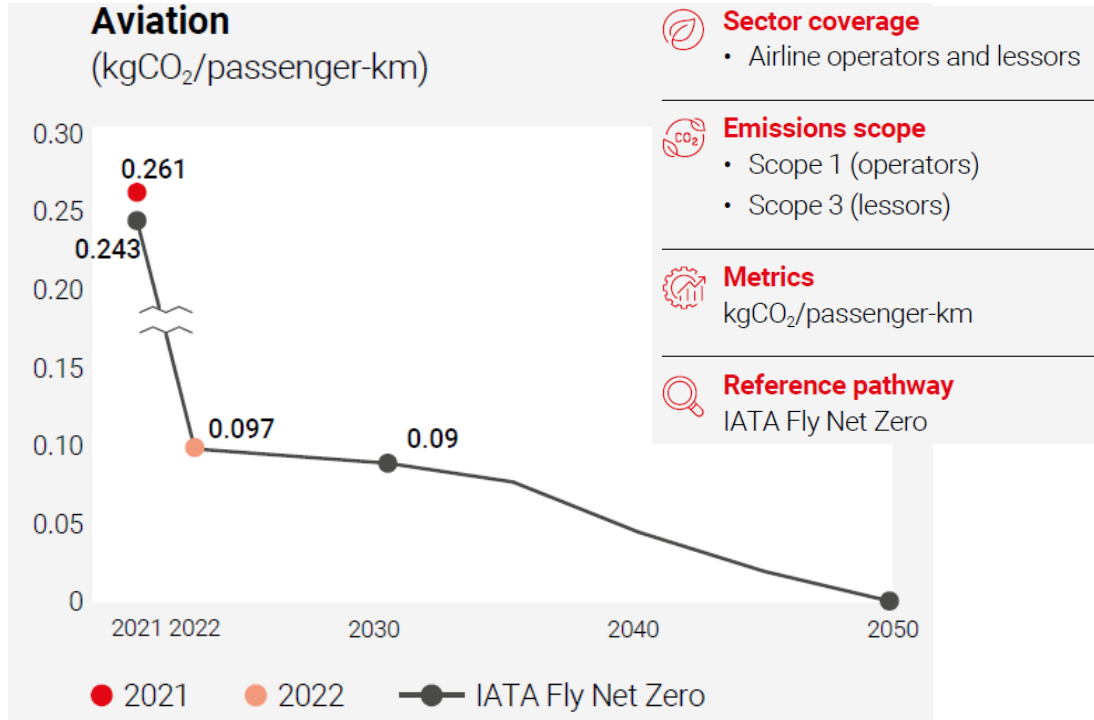
Our actions in 2024

1. Engage our clients in transition engagement, with the aim of improving data coverage and encouraging the greening of steel production
2. Monitor developments in supporting Emerging Technologies (CCUS, green hydrogen) and green steels



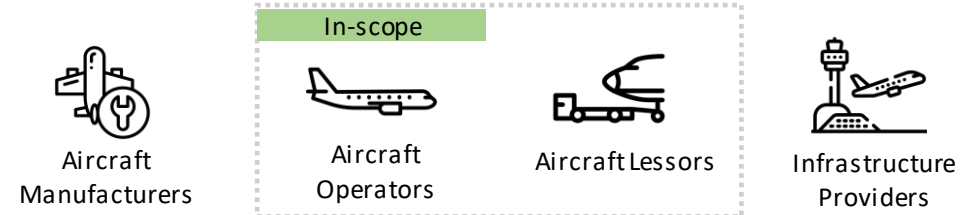
Aviation sector

Net Zero 2022 result

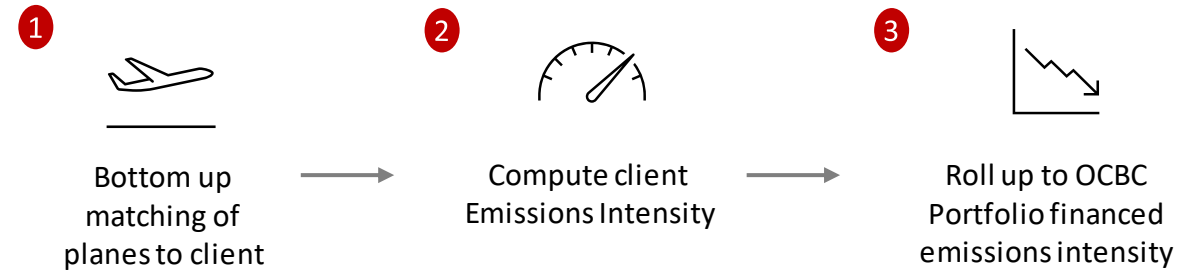


Year	IATA Fly Net Zero Reference	OCBC Targets	OCBC Position
2021	0.243		0.261
2022			0.097
2030	0.088	0.088	
2050	0	0	

Aviation Value Chain



Aviation Methodology



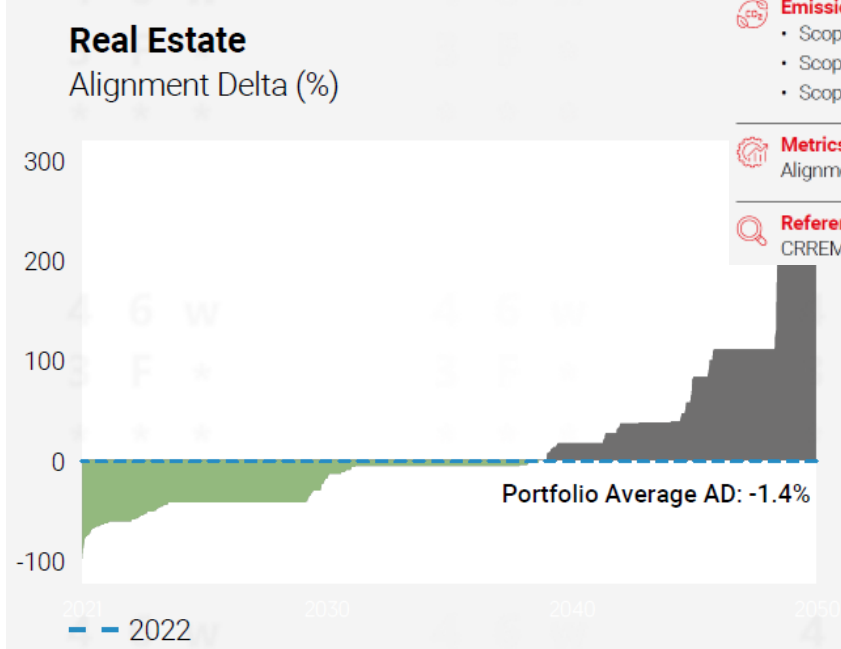
Our actions in 2024

1. Engage our clients in transition engagement to encourage fleet optimisation and efficiency of their aircrafts
2. Continue to finance newer and more efficient aircrafts
3. Monitor developments in supporting emerging technologies (CCUS, Sustainable Aviation Fuel)

Real Estate sector

Net Zero 2022 result

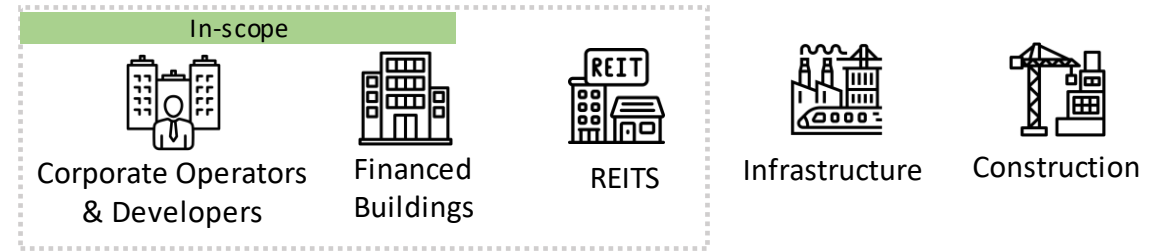
- Sector coverage**
 - Real Estate owner-operators
 - Financed buildings
 - REITs
- Emissions scope**
 - Scope 1
 - Scope 2
 - Scope 3 (tenant/plug load)
- Metrics**
 - Alignment Delta based on percentage
- Reference pathway**
 - CRREM



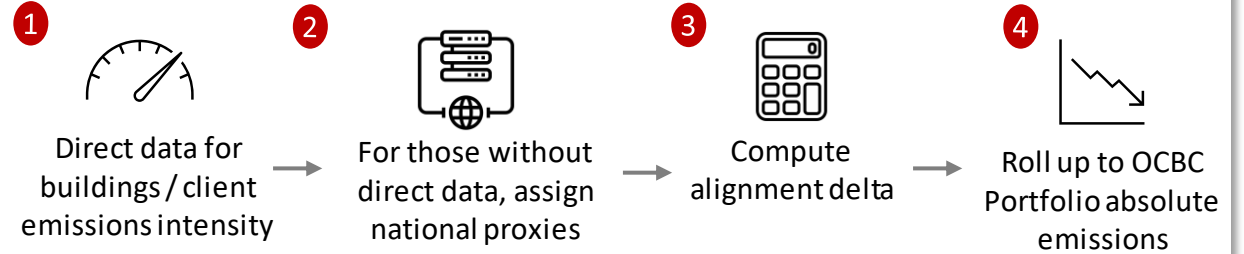
Our Progress

Year	OCBC vs CRREM	OCBC Position
2021 Baseline		- 5.3%
2022		-1.4%
2030	≤0%	
2050	≤0%	

Real Estate Value Chain



Real Estate Methodology



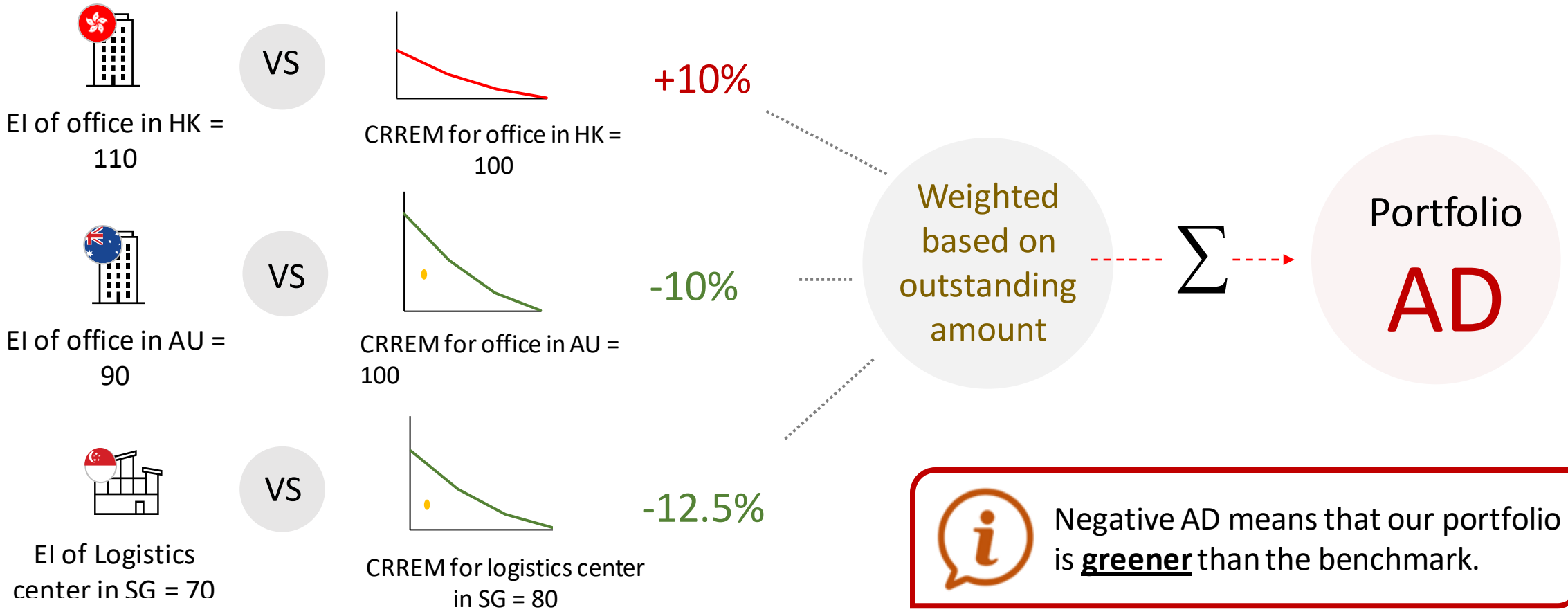
Our actions in 2024


1. Continue to actively shift our portfolio mix towards **green certified buildings**
2. Improve our data quality. Proactively gathering data through our transition engagement, partnerships and sustainability linked financing.

How Alignment Delta works

Alignment Delta (AD) is a useful metric for sectors with diverse assets that are not interchangeable

- 1 For each asset, Emission Intensity (EI) is compared to against its relevant reference points in %.
- 2 AD is compiled for a portfolio using outstanding amount



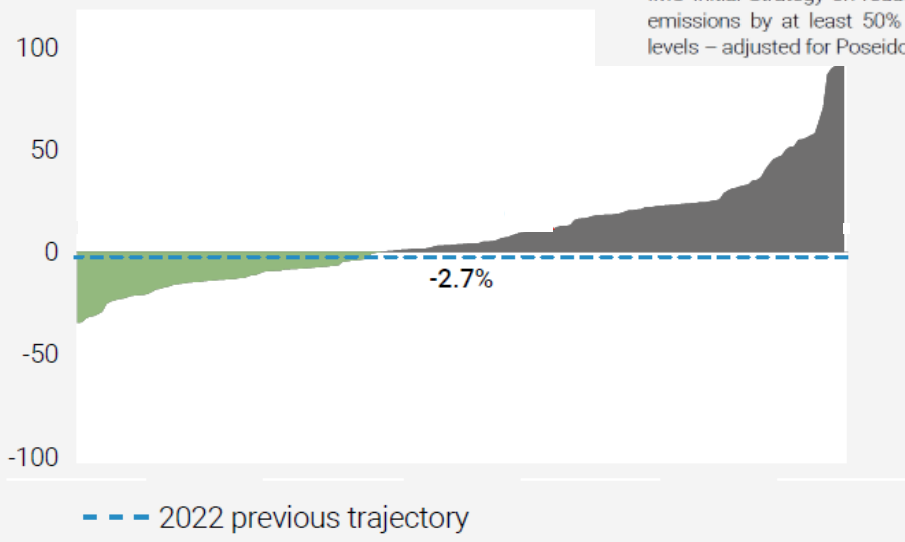
 Negative AD means that our portfolio is **greener** than the benchmark.

Shipping sector

Net Zero 2022 result

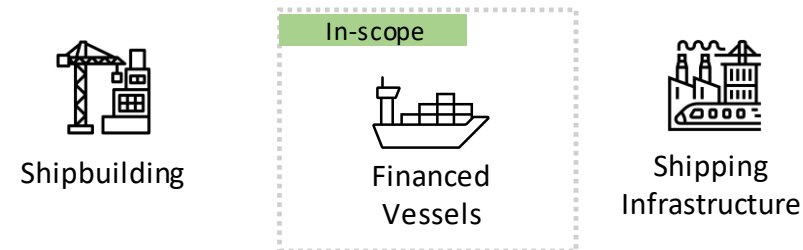
- Sector coverage**
 - Financed vessels under the purview of IMO54
- Emissions scope**
 - Scope 1 from fuel burn
- Metrics**
 - Alignment Delta based on percentage
- Reference pathway**
 - IMO Initial Strategy on reduction of total annual GHG emissions by at least 50% by 2050 based on 2008 levels – adjusted for Poseidon Principles

Shipping Alignment Delta (%)

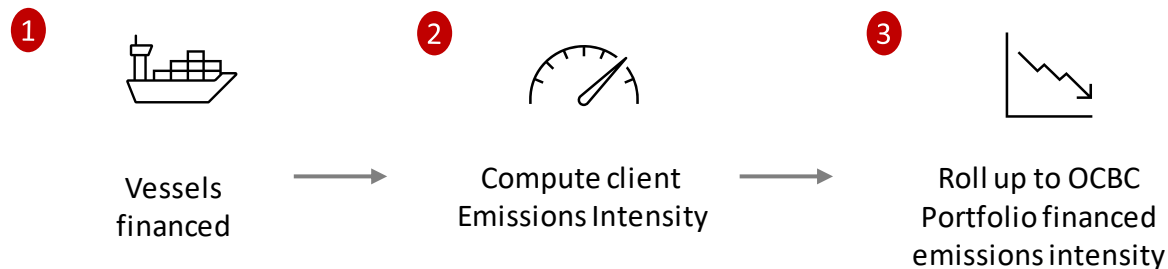


Year	OCBC vs IMO – PP	OCBC Position
2021 Baseline		+4.5%
2022		-2.7% (previous trajectory)
2030	≤0%	
2050	≤0%	

Shipping Value Chain



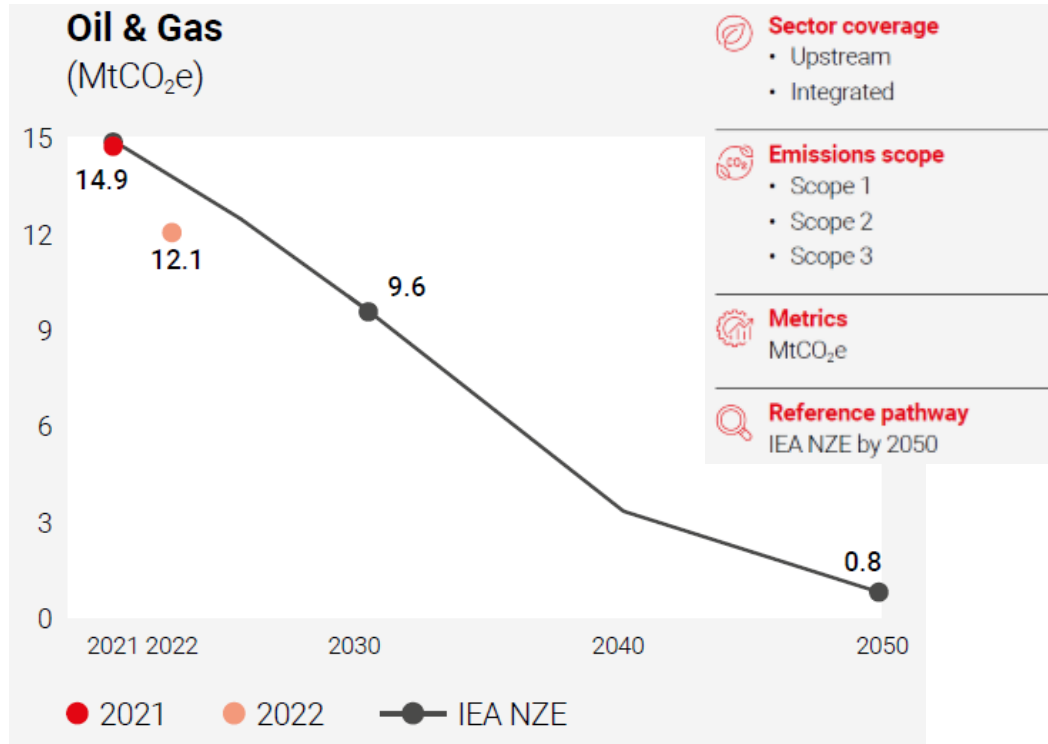
Shipping Methodology



Our actions in 2024

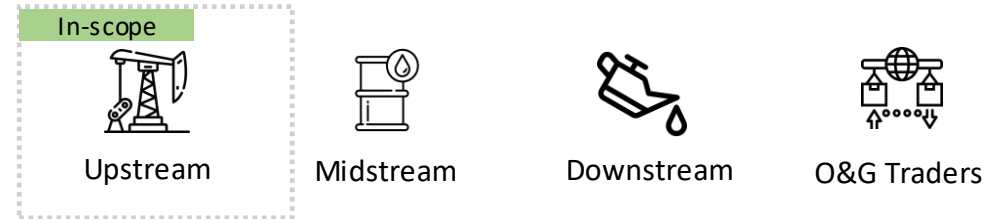
- Continue to actively shift our portfolio mix towards newer and more efficient vessels
- Engage our clients in transition engagement to encourage retrofitting existing vessels to improve efficiency
- Monitor developments in supporting Emerging Technologies (low carbon alternative fuels) to explore financing

Net Zero 2022 result



Year	OCBC Targets	OCBC Position
2021		14.9
2022		12.1
2030	9.6	
2050	0.8	

O&G Value Chain



O&G Methodology



Our actions in 2024

1. We are committed not to extend project financing to upstream Oil & Gas projects that obtained approval for development after 2021
2. Engage our clients to understand their diversification plan and explore opportunities to offer banking services.

Oil and Gas is a transition sector with limited roles in Net Zero economy.

We continue to focus on the following key areas



Client Transition Engagement

- Develop tools to scale up Real Estate transition advisory
- Develop sector specific engagement pitchbook on transition



Training

Upskilling of staff through courses on Net Zero, transition advisory and sector relevant in-depth sustainability topics



Improve Direct Data coverage and pathways

Improve direct data coverage in key markets



Monitoring & Visualisation

Sharing financed emission to Business leaders and RMs for informed client engagement

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