



AUTOMOTIVE

OVERVIEW OF KEY DESIGN CHOICES

Key Design Choices	
Activities	Automotive Manufacturers ^A
Emission Scope	Scope 3 Category 11 Tank-to-Wheel (leveraging on production and emission factors)
Metric	Physical Intensity
Financing Activities	Corporate lending book: drawn exposure
PCAF Score	3.0
Scenario	IEA NZ 2050 (World)

The analysis was focused on producers of Light Duty Vehicles, which include passenger cars and light trucks, in line with market best practices and guidance, and with current data availability.

The assessment of the portfolio's emission profile focused on Scope 3 category 11 Tank-to-Wheel (TTW) emissions, on which auto manufacturers have more levers for decarbonization, like the shift to electric vehicles and improved fuel efficiency.

The primary metric for the Automotive sector was an exposure weighted, physical intensity metric (gCO₂/vkm), measuring Scope 3 Category 11 TTW emission intensity of new Light Duty Vehicles produced.

The in-scope portfolio drawn exposure amounted to 1.8bn EUR as of 31/12/2021.

1.8bn

in-scope portfolio drawn exposure as of 31/12/2021

BASELINE ESTIMATION

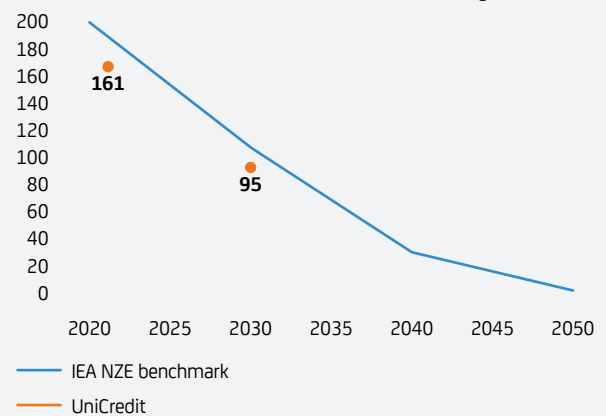
Input	Data Source
Financials (Exposure)	Internal
TO Emissions	Scope 3 Category 11 TTW - Computed using production and emission factors
Production (by tech type)	External data providers
Emission factors (baseline estimation)	Environmental Protection Agency (EPA)
Baseline financed intensity	161 gCO ₂ /vkm
On balance sheet lending (drawn exposure)	EUR 1.8BN

The following data inputs were used to calculate the emissions intensity: counterparty-level production data (number of vehicles produced, per technology type) and counterparty-level Scope 3 Cat. 11 TTW emissions of new vehicles sold, calculated by applying an emissions factor (CO₂) to the production data, by technology type and manufacturer. The emissions factor is sourced from the EPA and it is adjusted to geographies through regional multipliers.^B

TARGET-SETTING

The IEA NZE 2050 scenario was selected as the benchmark to measure portfolio alignment due to the availability of a dedicated pathway for the automotive sector, its credibility, and alignment with NZBA guidelines.

NZE Automotive Emission Intensity TTW (gCO₂/vkm)



The scenario estimates physical intensity to be 184 gCO₂/vkm in 2021. IEA NZE 2050 Scenario reflects an emission intensity target inclusive of the entire existing fleet, while the bank's baseline is calculated based on physical intensity associated with manufactures' new vehicles sales only, based on external data availability and market practice.

The bank's 2021 161 gCO₂/vkm baseline physical intensity is already below the 2021 physical intensity implied by the IEA NZE 2050 Scenario (184 gCO₂/vkm).

95gCO₂/vkm

2030 interim convergence target implying a reduction of 41% compared to the baseline value

^A Identified through NACE 29.10.

^B From IEA GFEI 2021 initiative.