



## POWER GENERATION

### OVERVIEW OF KEY DESIGN CHOICES

Key Design Choices	
Activities	Power Generation <sup>A</sup>
Emission Scope	Scope 1 (leveraging on production and emission factors)
Metric	Physical Intensity
Financing Activities	Corporate lending book: drawn exposure
PCAF Score	3.6
Scenario	IEA NZ 2050 (Europe)

Carbon emissions from power generation were considered, since they account for more than 90% of total emissions in the power value chain.

The focus was on Scope 1 emissions, the most material for the sector. Scope 2 and 3 emissions were not considered, given their small impact in the overall power value chain and because of limited data availability.

Portfolio-weighted physical intensity of carbon emissions per unit of energy was used as key metric to calculate the baseline and set a target.

## 8.9bn

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

### BASELINE ESTIMATION

Input	Data Source
Financials (Exposure)	Internal
T0 Emissions	Scope 1 - Computed using production and emission factors
Production (by tech type)	External data provider
Emission factors	IEA
Emission factors (baseline estimation)	IEA NZ2050
Baseline financed intensity	208 gCO <sub>2</sub> e/kWh
On balance sheet lending (drawn exposure)	EUR 8.9bn

The following key inputs were used to calculate the emissions intensity: counterparty-level production data and counterparty-level emissions data sourced from an external data provider.

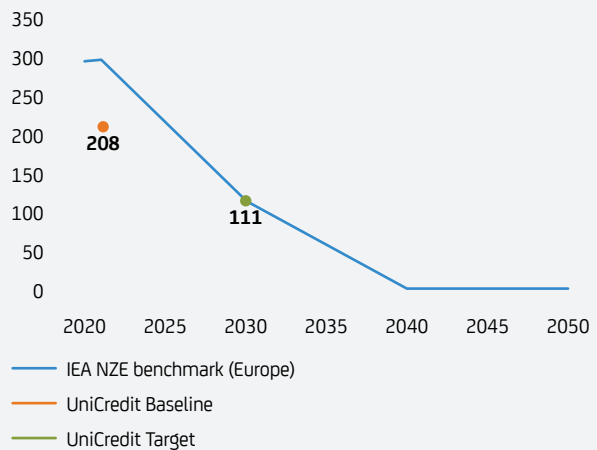
Scope 1 emissions were calculated by applying an emissions factor to the power generated by technology type. The emissions factor was computed from the IEA dataset, using total emissions and generation per technology type.

**The 2021 baseline Scope 1 physical intensity of the Power sector has been estimated at 208 gCO<sub>2</sub>e/kWh.**

### TARGET-SETTING

2030 targets are aligned with the IEA Net Zero Emissions (NZE) scenario. The share of Europe for production and emissions data were used because the majority of the bank's portfolio is based in Europe.

#### NZE Power Generation Emission Intensity (gCO<sub>2</sub>/kWh)



According to the IEA NZE scenario focused on Europe, physical intensity was at 295 gCO<sub>2</sub>/kWh in 2021. The bank's physical intensity for 2021 was 208 gCO<sub>2</sub>e/kWh, which is lower than the benchmark, reflecting the ongoing effort to finance cleaner projects and counterparties.

## 111gCO<sub>2</sub>e/kWh

**2030 convergence target in line with the benchmark and market practices for the Power Generation sector**

<sup>A</sup> Identified through NACE 35.11.