



Banca Popolare di Sondrio

PRESS RELEASE

BANCA POPOLARE DI SONDRIO SETS DECARBONIZATION TARGETS FOR THE LOAN PORTFOLIO AS PART OF NET-ZERO BANKING ALLIANCE INITIATIVE

Targets set for the first group of priority sectors: Oil and Gas, Agriculture, Iron and Steel, Aluminum and Power generation

Banca Popolare di Sondrio S.p.A. joined the Net-Zero Banking Alliance (NZBA) in December 2023 and strengthens its commitment through the publication of the first group of loan portfolio decarbonization targets, in line with the Paris Agreement, six months ahead of the timeline fixed by the Alliance.

The analysis of the loan portfolio and the relevance of the financed emissions to the *carbon-intensive* sectors identified by the NZBA led to the choice of the sectors: Banca Popolare di Sondrio pursues the targets and, in general, its climate strategy by integrating the lending policies and processes and renewing the financial offering by supporting companies in the implementation of their transition paths.

Specifically, Banca Popolare di Sondrio has focused on five priority sectors on which it has set its reduction targets¹:

Oil and Gas: the target identified through the IEA NZE Oil&Gas 2050 Global scenario foresees a reduction of 26% in financed emissions (Scope 1, 2, 3) by 2030 compared to 2,011 thousand tons of CO₂ equivalent financed emissions reported in 2023. For this sector, the extraction (*upstream*), transport and storage (*midstream*) and refining (*downstream*) segments were included.

¹ Please note that the *baseline* values as of 31/12/2023 in terms of financed emissions and gross exposure reported below refer to the perimeter identified by the Bank for the *target-setting* exercise.

Agriculture: the target identified through the OECM Agriculture, Food & Tobacco Europe scenario foresees a reduction of 63% for Scope 1 and 2 emissions by 2030 compared to 25 thousand tonnes of CO₂ equivalent in 2023 and 32%, also in 2030, for the emissions of Scope 3 compared to 1,207 thousand tons of CO₂ equivalent of the *baseline* year. The evaluation considered companies operating in the sectors of agricultural products, forest products, paper products, food and packaged meat, tobacco.

Iron and Steel: the target identified through the IEA NZE Steel Global scenario foresees a reduction of 27% (Scope 1 and 2) by 2030 compared to 32 thousand tons of CO₂ equivalent reported in 2023. The evaluation considered companies operating in the iron and steel production sectors only.

Aluminum: the target identified through the IEA NZE Aluminium Global scenario foresees a reduction of 24% (Scope 1 and 2) by 2030 compared to 17 thousand tons of CO₂ equivalent reported in 2023. Companies operating in the aluminium production sectors only were considered.

Power generation: the target identified through the IEA NZE Powergen Global scenario foresees a reduction of 45% (Scope 1) by 2030 compared to 42 thousand tons of CO₂ equivalent reported in 2023. Companies operating in sectors related to the transmission, distribution and sale of electricity were excluded from the scope of analysis as deemed not relevant to the definition of decarbonization targets.

"With the first publication of targets in priority sectors, we are taking a further step towards achieving climate neutrality and supporting our customers for a fair transition and a more sustainable economy, with a particular regard for the future generations" commented **Mario Alberto Pedranzini - Chief Executive Officer and General Manager** of Banca Popolare di Sondrio.

More details on Banca Popolare di Sondrio's commitment can be found on the page of the corporate website, [Sustainability - Environment section](#).

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The English translation is provided solely for the benefit of the reader and in the case of discrepancies the Italian version shall prevail.

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