

ONE Bank PLC

CARBON DISCLOSURE REPORT

REPORTING PERIOD: FY 2024
(January'2024 to December'2024)



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BACKGROUND

Bangladesh is one of the signatories of Paris Agreement and committed to reduce greenhouse gas emissions through Intended Nationally Determined Contributions (INDCs) for attaining SDGs to reduce global average temperature and to achieve net zero emissions. Bangladesh is unconditionally committed to reduce GHG emissions by 27.56 MtCO₂ (6.73%) below the Business as Usual (BaU) scenario by 2030. Also conditional commitment is 15.12% GHG emission reduction by 2030. In line with national targets, ONE Bank PLC (OBPLC) is committed to participate and contribute to achieve these targets since we care for climate change mitigation and adaptation, preservation of biodiversity, prevention of pollution, promotion of the circular economy, removal of inequality, inclusiveness, investment in human capital etc.

While delivering services, OBPLC actively engages its stakeholders in integrating Environmental, Social, and Governance (ESG) factors into every decision. We promote Green and Sustainable Finance following guidelines of Bangladesh Bank, the central bank of the country. ONE Bank has been conducting banking business in such areas and in such a manner that helps the overall reduction of carbon emission by its customers as well as from own operations. In order to quantify and disclose our GHG emissions of financed portfolio, we have become a proud signatory of PCAF (Partnership for Carbon Accounting Financials) in December, 2024. Now, ONE Bank PLC has measured GHG emissions of its financed portfolio (part) by using PCAF methodology and prepared this report in alignment with internationally recognized sustainability and climate risk management standards, including Sustainability Accounting Standards Board (SASB) standards, and the Task Force on Climate-Related Financial Disclosures (TCFD). Metrics in this report cover the period of January 01, 2024 through December 31, 2024. This is the 1st disclosure report which is prepared by Sustainable Finance Unit (SFU) of the Bank.



ONE Bank Financed Grid Tied Solar Park.

HIGHLIGHTS OF CARBON DISCLOSURE-2024



Financed Portfolio under GHG Emission - 983.93 EURM.
(55.09 % of total portfolio)



Total Financed GHG Emissions: 778,459.17 tCO₂e



Scope 1 & Scope 2 Emission: 337,951.06 tCO₂e



Scope 3 Emission: 440,508.11 tCO₂e



Avoided Emission: 24,525.73 tCO₂e



Business loans and
unlisted equity

Business Loans (Absolute Emission): 333,574.95 tCO₂e



Project finance

Project Finance (Absolute Emission): 444,884.22 tCO₂e

About ONE Bank PLC (OBPLC):

ONE Bank PLC is one of the leading private commercial Banks of Bangladesh incorporated in 1999. Our vision is to meet the needs of our customers, provide fulfillment for our people and create shareholder value. OBPLC is committed to inspiring and building better lives and communities and in accomplishing the same, we thoughtfully collaborate with our clients and other stakeholders to address climate-related risks and opportunities. Some salient features for the year 2024 of the bank are given below:



**Number of Branches-
112**



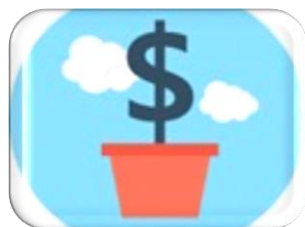
**Number of employees-
2,555 (Male-2014,
Female-541)**



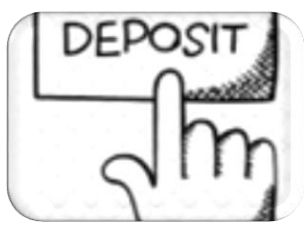
**Total Assets (In EURM)-
2,733.69**



**Loans & Advances (In
EURM)-1,786.09**



**Investment (In EURM)-
437.62**



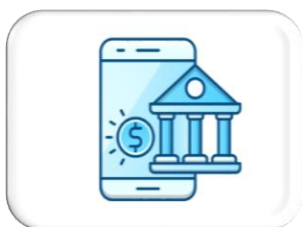
**Deposits (In EURM)-
2,030.94**



**Number of Deposit
Accounts-1,031,627**



**Number of Loan
Accounts-66,968**



**Number of Mobile
Financial Services
Accounts-533,268**



**Number of Agent
Outlets-250**



**Sustainable Finance
(In EURM)-166.13**

Our approach toward sustainability

For the Banks and Financial institutions, Green and Sustainable Finance are the main instruments in achieving global goals which are outlined in Paris Agreement and the Sustainable Development Goals (SDGs) of United Nations and Nationally Determined Contribution (NDC), 2015, 2021 of Bangladesh. In achieving SDGs and transition towards net zero environment, ONE Bank PLC remains steadfast in its commitment to sustainability, aligning with the nation's goal and adhering to the Paris Agreement.



























Given the global urgency for transition to a low-carbon economy and sustainable economic development, ONE Bank PLC (OBPLC) has been concerned to contribute sustainable economy by including Environmental, Social and Governance (ESG) considerations in their every investment decision and in-house activities. The broad objectives of the bank are to use resources with responsibility, avoiding waste & giving priority to environment & society. The bank's dedication to sustainable banking practices is evident in its Sustainable Finance Policy, which emphasizes environmental, social, and governance (ESG) principles. We are committed to contributing in sustainable economy deploying Environmental, Social and Governance (ESG) considerations in our every investment decision and in-house activities. OBPLC cares for climate change mitigation and adaptation, preservation of biodiversity, prevention of pollution, promotion of the circular economy, removal of inequality, inclusiveness, investment in human capital etc. OBPLC helps promote green growth by channeling financial resources towards environmentally sustainable projects, businesses and initiatives.

ONE Bank contributes to long-term economic, environmental, and social growth by championing green and sustainable finance. While Financing, we strictly follow ESRM Policy of ONE Bank which is prepared in line with Bangladesh Bank's Policy and International best practices. We have 'ESRM online Tool' through which we have screened the transactions. OBPLC has its 'Sustainable Finance Policy' and 'Green Office Guide' for facilitating financing and In-house green management. OBPLC has established 27 Dedicated Sustainable Finance Help Desks across the country to enhance awareness among customers and increase Sustainable Financing. These help desks serve as key touchpoints, offering training support to clients, such as assessing the value and scope of green projects.

Responsible Financing towards attaining SDG:

OBPLC has run its operations and financing activities by aligning the Sustainable Development Goals (SDGs). As per Bangladesh Bank's Sustainable Finance Policy, OBPLC has contributed across Green and Sustainable Finance.

Table: 1

Sustainable Development Goals (SDGs)	Green/Sustainable Financing Sector	Products Category	Financing Amount (EURM)
     	Green Finance	Renewable Energy	7.24
		Energy & Resource Efficiency	0.24
		Green Agriculture/Information & Communication Technology	0.90
		Green/Environment Friendly Establishment	1.41
		Green CMSME	0.08
		Green Socially Responsible Financing (SRF)	7.85
   	Sustainable Agriculture	Crops	0.40
		Pisciculture	0.50
		Crop Storage	0.56
		Livestock	1.46
    	Sustainable MSME	Sustainable MSME	22.15
    	Socially Responsible Financing	Financing through MFI/NGO linkage mode for capacity building, employment generation, education etc.	29.59
     	Other Sustainable Linked Finance	Other Sustainable Linked Finance	93.75

Policy Framework:

ONE Bank PLC has formulated & updated following Policies towards sustainability –

1. Green Banking Policy - 2011.
2. Green Office Guide -2014.
3. Corporate Social Responsibility Policy-2014
4. Environmental and Social Risk Management (ESRM) Policy in 2017 & updated in 2025.
5. Sustainable Finance Policy - 2025.

Distribution Network for Green/Sustainable Finance:

OBPLC has 112 branches, 4 Corporate Business unit, 27 Dedicated Sustainable Finance help Desks to cater better services and addressing grievance /awareness program for Green/Sustainable finance related clients.

Enhanced ESG Framework:

OBPLC strive to demonstrate its commitment to sustainability and responsible practices, a plethora of ESG frameworks have emerged to guide reporting and assessment. ONE Bank PLC has enhanced its efforts towards ESG (Environmental, Social, and Governance) issues and this report explains what the bank is doing to meet its environmental and social obligations. Our business activities impact a wide range of stakeholders and we strive to make this impact a positive one. We always operate in ethical manner; recognize, respect and protect human rights; develop positive relationships with our business partners; recruit and retain employees who cultivate our ethics and principles; take responsibility for our impact on the environment; and provide support through donations to community organizations, among other philanthropic activities.

Governance Framework on Sustainability:

OBPLC established Sustainable Finance Unit (SFU) under Credit Risk Management Division to manage sustainable banking activities of the bank. SFU headed by Head of CRM Division, looks after Green Banking and Corporate Social Responsibility (CSR) activities of the bank. SFU works collaboratively to integrate sustainable finance initiatives across the bank's operations. The Sustainable Finance Unit is overseen by the Sustainable Finance Committee (SFC), which is responsible for ensuring effective implementation and management of the bank's sustainable finance strategies. The SFC directly reports to the Risk Management Committee of the Board, ensuring transparency and alignment with the bank's overall risk management framework.

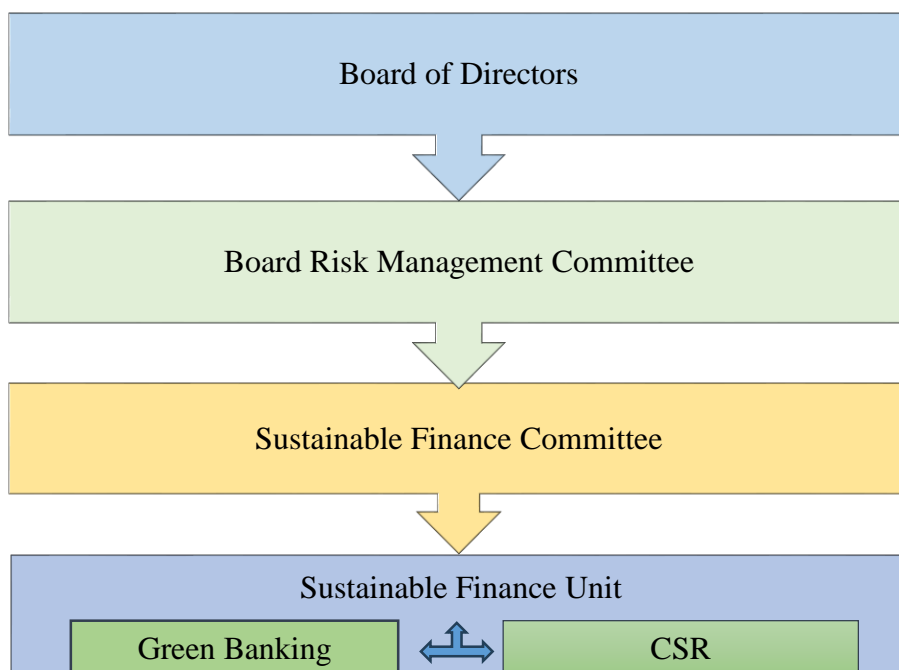


Figure: Governance Framework of Sustainable Finance

Sustainable Finance Committee (SFC)

The Sustainable Finance Committee (SFC) comprises of 15 members mostly from top management headed by senior most Deputy Managing Director of the Bank. The Sustainable Finance Committee (SFC) is responsible for ensuring the smooth operation and continuous improvement of sustainable finance practices of the bank. The committee plays a pivotal role in formulation of policies, strategies mentioned below –

- a. Environment Friendly Banking
- b. Corporate Social Responsibility (CSR)
- c. E&S Risk Management & Sector Specific E & S Guidelines
- d. Green Office Guide
- e. Green Strategic Planning
- f. Gender Parity
- g. Carbon Footprint Measurement (to be done annually)
- h. Formation of Climate Risk Fund & it's operation.

SFC is responsible for overseeing the development and execution of sustainable finance projects, ensuring regulatory compliance, and support the bank's commitment towards sustainability.

Sustainable Finance Unit (SFU): SFU comprises of 6 members headed by Head of Credit Risk Management Division.

Main tasks (not exhaustive) of the Sustainable Finance Unit are as follows:

- a. Enhance sustainable Financing into the transition to a climate neutral, climate-resilient, low-carbon, more resource-efficient, green, competitive and inclusive sustainable economy.
- b. Ensure compliance of Environmental & Social Risk Management [ESRM] Guidelines of Bangladesh Bank in financing activities of bank.
- c. Ensure monitoring for Green Financing at CHQ & Branch level to increase Green exposures significantly.
- d. Ensure compliance of General Guidelines for OBL's in-house Green Banking Practices.
- e. Monitor CSR activities of Bank.
- f. Ensure capacity building of employees & create awareness among employees / stakeholders on Green Banking.
- g. Ensure compliance of new Guidelines/Circulars and Circular letters to be issued by Bangladesh Bank and other regulatory authorities from time to time
- h. Ensure compliance of activities determined by Sustainable Finance Committee (SFC) of the bank.
- i. Maintain MIS for sustainable finance and reporting to local regulatory authorities and international financiers.

Role of Dedicated Sustainable Finance Help Desks

ONE Bank PLC establishes 27 Dedicated Sustainable Finance Help Desks to cater services across the country. Dedicated Sustainable Finance Help Desk responsible for Green Finance and Sustainable Finance related advice /Service/ loan processing of the clients at the quickest possible time on priority basis and coordinate services/support from other departments of the bank. Every Dedicated Help Desks provide training regarding Environmental Friendly Finance/ Green Finance and Sustainable Finance to at least 3 entrepreneurs /clients annually and also ensure financing to at least one entrepreneur/client out of these 3 entrepreneurs /clients. While financing, Sustainable Finance Help Desk of Branch will give priority to women entrepreneur, under privileged people, third gender, physically and mentally disable persons etc.

Dedicated Sustainable Finance Help Desk maintain a Complain Register for keeping records of Green and Sustainable Finance related complains. Help Desk should track received complain and solve in the least possible time on priority basis.

Corporate Social Responsibility (CSR) Activities:

CSR is ingrained in our corporate culture. OBPLC has incorporated CSR activities into its core strategic business planning and translated it into action across different areas and community of the country. OBPLC undertakes CSR not just as charity and compliance issue rather an attempt to respond to all the stakeholders' expectations more efficiently and in a responsible manner. The Bank has organized its CSR activities around seven main areas such as Education, Health, Disaster Management, Environment, Sports, Arts & Culture and Socio-Economic Development etc.

Carbon Footprint Disclosure of Financed Emission:

The Carbon Footprint is a measure to estimate the greenhouse gas (GHG) emissions associated directly or indirectly with a product, service, organization, event or individual, usually expressed in tonnes of CO₂ equivalent (tCO₂ e, i.e. emissions of all greenhouse gases are equated with CO₂ in their Global-warming Potential). Measuring the carbon footprint is a vital step in assessing an organization's impact on global warming, guiding decision-making in sustainability initiatives and emission reduction efforts. The emissions measured are the seven gases mandated under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen tri-fluoride (NF₃). In Bangladesh, 44.80% of emissions came from Carbon Dioxide (CO₂), 40.10% came from Methane (CH₄), and 13.10% came from Nitrous Oxide (N₂O). For ease of accounting, these gases are usually converted to and expressed as carbon dioxide equivalents (CO₂ e). GHG accounting helps measure three types of climate impact: **1) generated emissions 2) emission removals and 3) avoided emissions.**

GHG accounting will help our bank to achieve multiple business goals Business –

Goal 1: Create transparency for stakeholders Business

Goal 2: Manage climate-related transition risks Business

Goal 3: Develop climate-friendly financial products Business

Goal 4 Align financial flows with the Paris Agreement

GHG accounting enables ONE Bank PLC to disclose emissions at a fixed point in time i.e 31st December, 2024 and in line with financial accounting period (January'2024 ~ December'2024). Measuring financed emissions shall allow our organization to make transparent climate disclosures on our GHG emissions exposure, identify climate-related transition risks and opportunities, and set the baseline emissions for target setting in alignment with the Paris Agreement.

Scope of carbon Footprint Disclosure:

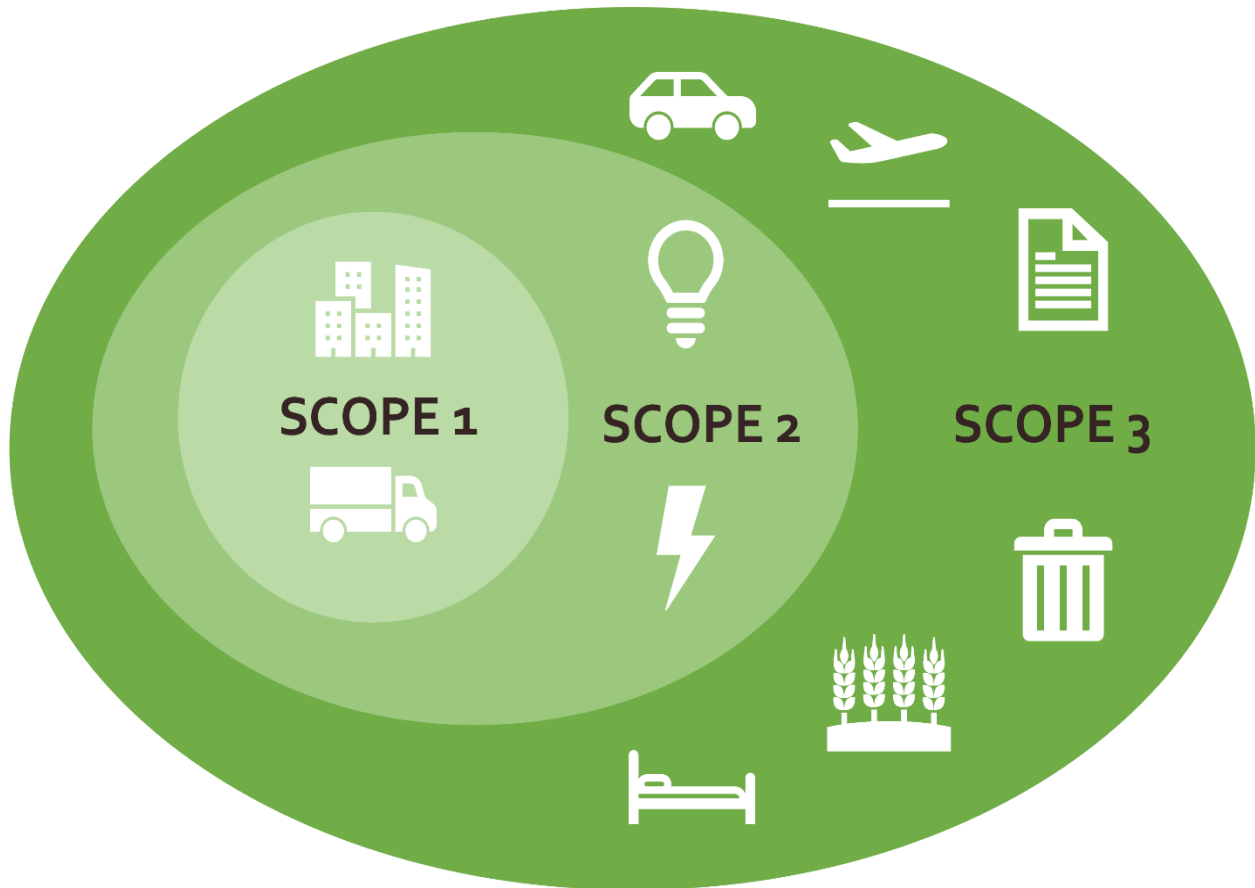
Financed emissions (Category 15) refer to the greenhouse gas emissions associated with the financial products provided by an organization, specifically those related to investments, loans, and other financial services. At ONE Bank, this category includes the emissions produced by the use of capital or financial services provided to clients, and it is a crucial part of understanding the full environmental impact of the bank's operations

The GHG Protocol distinguishes between 3 scopes of measurement, defined by

A. Direct Emissions (Scope 1): Direct emissions that result from activities within the organization's control. This might include on-site fuel combustion, manufacturing and process emissions, refrigerant losses, and company vehicles.

B. Indirect Emissions (Scope 2): Indirect emissions are those that result from an organization's activities but are actually emitted from sources owned by other entities. Scope 2 emissions are indirect emissions that occur through the use of purchased electricity, steam, heat, or cooling. Steam, heat (in the form of hot water), and cooling (in the form of chilled water) can be delivered to an organization's facilities through a localized grid or through a direct line connection.

C. Indirect Emissions (scope 3): Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. An organization's value chain consists of both its upstream and downstream activities. Scope 3 emissions include all sources not within an organization's scope 1 and 2 boundary. The scope 3 emissions for one organization are the scope 1 and 2 emissions of another organization. Scope 3 emissions, also referred to as value chain emissions, often represent the majority of an organization's total greenhouse gas (GHG) emissions. Business travel, Waste disposal, Product transport, logistics, Staff commuting, Construction, Water usage, purchased materials etc. are included under scope3.



Avoided Emission under Scope 3:

Project-specific loans and investments in renewable energy projects can result in emissions being avoided as they displace the emissions that would have otherwise occurred without the project's implementation. These emissions are referred to as avoided emissions and reporting them is a way to demonstrate a quantifiable positive contribution to decarbonization.

Carbon Footprint Disclosure Report of ONE Bank PLC:

ONE Bank PLC became a signatory to the Partnership for Carbon Accounting Financials (PCAF) in December 2024. Reflecting to our commitments as signatory of PCAF, ONE Bank PLC has measured GHG emission of Bank's financed portfolio of EURM 983.93 for the Financial Year 2024 (January 2024 to December'2024) to disclose. This report covered 55.09 % of total financed portfolio under 2 Asset Class (Business Loans & Project Finance) across 17 industrial sectors of the bank's portfolio. We shall gradually explore incorporating all the eligible portfolio data as well in our future assessments. This 1st Disclosure Report aligns with globally recognized frameworks and standards, including the Partnership for Carbon Accounting Financials (PCAF), the International Financial Reporting Standards (IFRS), regulatory requirements along with the United Nations Sustainable Development Goals (SDGs). By adhering to these internationally accepted guidelines, we ensure that our sustainability efforts are transparent, measurable, and impactful. OBPLC has measured generated emission and avoided emission of the reported portfolio for the year 2024.

Methodology for measuring Financed GHG Emissions:

In measuring GHG emission from financed portfolio, OBPLC has used PCAF Global GHG Accounting and Reporting Standard methodology [The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition]. For 'Business Loans' and 'Project Finance', company emissions were estimated based on the revenue data or production data and corresponding sectoral emission factors for the emerging economies/Global from the PCAF database. Company emissions were then multiplied by the corresponding attribution factor in order to derive OBPLC's financed emission attributed to investment in a given company. We have used information from PCAF database for generated emission and other external sources for calculating avoided emission.

A brief overview of the GHG emission calculation tools, results and results analysis of portfolio under Asset Class Business Loan & Project Finance is provided below.

Business Loans:

Business loans include all on-balance sheet loans and lines of credit to businesses, nonprofits, and any other structure of organization that are not traded on a market and are for general corporate purposes, i.e., with unknown use of proceeds as defined by the GHG Protocol.

Classification Type	NOGA, NACE rev 2.1, December 2024
Methodology Option	2b,3a
Activity Variable	Revenue & Asset
Country or Region	Emerging Economies, Global
Data Source/Year	Exiobase /2019, IPCC EFDB/2006
Data Quality	3 & 4
Financed Emission Scopes	Scope1, Scope2 & Scope3
Currency Conversion	1 Euro=123.6859 [As on 31.12.2024, Source: https:// www.exchangerates.org.uk]

The equations used to calculate business loans emission are:

a) For Activity Variable Revenue (Option: 3a):

$$\sum_c \frac{\text{Outstanding amount}(c)}{\text{Total equity} + \text{debt}(c)} \times \text{Revenue}(c) \times \frac{\text{GHG emission}(s)}{\text{Revenue}(s)}$$

Where c = borrower or investee company and s = sector

Attribution (Financial Data): Total equity plus debt for business loans and equity investments to/in private companies, and EVIC for business loans to listed companies

Emission Factor: Revenue per sector and GHG emission per sector.

b) For Activity Variable Production (Option 2b):

$$\sum_c \frac{\text{Outstanding amount}(c)}{\text{Total equity} + \text{debt}(c)} \times \text{Production}(c) \times \text{Emission factor}$$

Where c= borrower or investee company

Attribution (Financial Data): Total equity plus debt for business loans and equity investments to/in private companies.

Emission Factor: Per tonne of production (Here we use Steel Production)

Project Finance:

This asset class includes all on-balance sheet loans or equities to projects or activities that are designated for specific purposes, i.e., with known use of proceeds as defined by the GHG Protocol.

Classification Type	NACE.v2
Methodology Option	2b,3a
Activity Variable	Revenue & Asset
Country or Region	Emerging Economies, Global
Source/Year	Exiobase /2019, IPCC EFDB emission database factor-2006
Data Quality	3 & 4
Financed Emission Scopes	Scope1, Scope2 & Scope3
Currency Conversion	1 Euro=123.6859 [As on 31.12.2024, Source: https:// www.exchangerates.org.uk]

The equations used to calculate Project Finance are:

a) For Activity Variable Revenue (Option: 3a):

$$\sum_p \frac{\text{Outstanding amount}(p)}{\text{Total equity} + \text{debt}(p)} \times \text{Revenue}(p) \times \frac{\text{GHG emission}(s)}{\text{Revenue}(s)}$$

Where P = Project of borrower or investee company and s = sector.

Attribution (Financial Data): Total equity plus debt for business loans and equity investments to/in private companies, and EVIC for business loans to listed companies

Emission Factor: Revenue per sector and GHG emission per sector.

b) For Activity Variable Production (Option 2b):

$$\sum_p \frac{\text{Outstanding amount}(p)}{\text{Total equity} + \text{debt}(p)} \times \text{Production}(p) \times \text{Emission factor}$$

Where P = Project of borrower or investee company

Attribution (Financial Data): Outstanding amount of the project, Total project equity and debt & Revenue.

Emission Factor: Primary physical activity data for the project's production (Emission factor per tonne of Steel Production.)

Avoided emission:

For avoided emission under scope 3 emission, the equation is

$$= \text{Annual production} \times \text{Grid's carbon intensity} - \text{Annual Lifecycle Emission}$$

Absolute Emission:

The total GHG emissions of an asset class or portfolio.

$$= \text{Attribution Factor} \times \text{Total Emissions of the Investee or Borrower}$$

Economic Emission Intensity:

Absolute emissions divided by the loan or investment volume in Euro expressed as tCO₂e/€M.

$$= \frac{\text{Absolute emissions (tCO}_2\text{e)}}{\text{Loan or investment volume (€M)}}$$

Data & Data Quality Score:

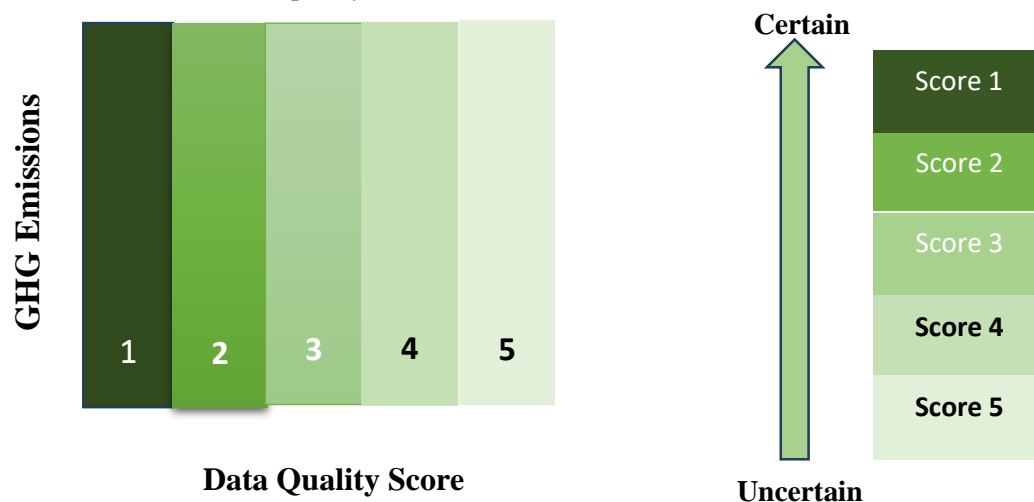
ONE Bank PLC has used FY 2024 data to measure financed emission. Activity Data are collected from Bank's data repository and from borrower financial statements. Emission data are collected from PCAF Data base mostly from Exiobase Revenue/2019 and for steel industry from IPCC EFDB emission factor /2006 database.

To disclose the best representation of data quality, the Financed emissions standard requires that financial institutions normalize the data quality scores for each asset class and sector to the total outstanding of loan or investment amount.

$$= \frac{\sum_{i=1}^n / 10 \text{Outstanding amount}(i) \times \text{Data quality score}(i)}{\sum_{i=1}^n / 10 \text{Outstanding amount}(i)}$$

(with i=borrower or investee)

In this report, our disclosure ranges from data quality 3 to 4 for scope 3 (financed emission) calculation. The weighted data quality score for the calculation is; where score of 1 indicates high data quality and score of 5 indicates low data quality.



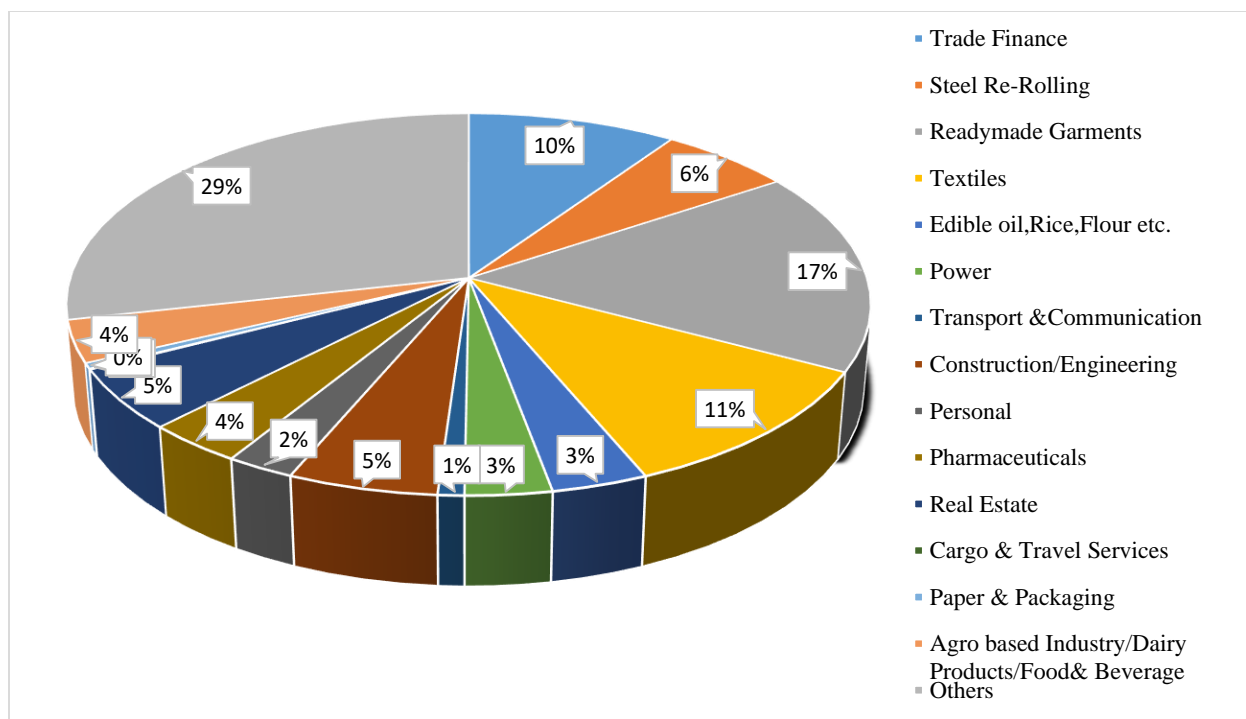
General Data Quality Scorecard

Financed Portfolio of ONE Bank PLC:

OBPLC's total loan portfolio as of 31st December, 2024 was BDT. 220,914 million equivalents to 1,786.09 EURM. Industry wise distribution of OBPLC exposure given below:

Table: 2

Sector	Outstanding in EURM	Percentage of share
Trade Finance	170.8804	9.57%
Steel Re-Rolling	108.6438	6.08%
Readymade Garments	306.2233	17.14%
Textiles	194.3698	10.88%
Edible oil, Rice, Flour etc.	60.91802	3.41%
Power	54.71683	3.06%
Transport & Communication	16.58637	0.93%
Construction/Engineering	94.7416	5.30%
Personal	43.20541	2.42%
Pharmaceuticals	62.1243	3.48%
Real Estate	91.70811	5.13%
Cargo & Travel Services	1.587893	0.09%
Paper & Packaging	8.262057	0.46%
Agro based Industry/Dairy Products/Food& Beverage	63.49147	3.55%
Others	508.6319	28.48%
Total	1,786.09	100.00%



Graph: Financed Portfolio of OBPLC as on 31st December, 2024.

Portfolio under Carbon Disclosure:

We have mapped our portfolio into several Asset classes as defined by PCAF. Out of this financed portfolio, we have calculated GHG emissions of 983.93 EURM which is 55.09% of total portfolio under Business Loans & Unlisted Equity and Project Finance. The bank's Business Loans & Unlisted Equity and Project Finance portfolio comprised 23.26% and 31.83% respectively of the bank's total loan portfolio respectively. As of December 31, 2024, 55.09% of our total loan portfolio has been covered in this disclosure, encompassing Key manufacturing /Industrial sectors such as:

Table: 3

SL#	Sector	Exposure in Million Euro	Percentage over total reported exposure
Sl No	Industry Sector		
1	Cement	11.97	1.22%
2	RMG (Except Textile)	306.38	31.14%
3	Textile	154.65	15.72%
4	Rubber & Plastic Industries	31.29	3.18%
5	Pharmaceuticals	62.12	6.31%
6	Construction	75.74	7.70%
7	Food production, beverages & tobacco	54.24	5.51%
8	Electrical and Machinery	47.21	4.80%
9	Leather & Leather Products	14.42	1.47%
10	Ceramic Industries	1.03	0.10%

SL#	Sector	Exposure in Million Euro	Percentage over total reported exposure
11	Chemical & Chemical Products	14.65	1.49%
12	Power & Gas (Electricity Generation)	81.07	8.24%
13	Furniture, Fixture, particle Boards & other wood products	9.40	0.96%
14	Wood, Paper & Publishing	4.14	0.42%
15	Transport	10.97	1.11%
16	Transport Equipment	4.19	0.43%
17	Steel Engineering	100.46	10.21%
	Total	983.932	100.00%

Asset Class Coverage:

Out of 7 (Seven) asset classes outlined in PCAF methodology, OBPLC initially able to disclose GHG emission calculation on Business Loans & Unlisted Equity and Project Finance etc. There are separate methodologies to identify financed emissions of these different asset classes. ONE Bank has significant portfolio in others sectors such as Trading business, Credit Card, Professional Loan, Trade Services, Ship Breaking & Ship Building etc for which there is no global methodology to quantify emissions.

Table:4

SL#	Asset Class	Asset size in EURM	Percentage of Portfolio	Disclosure coverage	Reason for exclusion
1	Listed equity and corporate bonds	0.00	0.00%	0%	The activities are insignificant to the bank's total financed emissions.
2	Business Loans	415.45	23.26%	100%	-----
3	Project finance	568.48	31.83%	100%	-----
4	Commercial real estate	19.08	1.07%	0%	Required ALL data unavailable
5	Mortgages	71.63	4.01%	0%	Required ALL data unavailable
6	Motor vehicle loans	11.78	0.66%	0%	Required ALL data unavailable
7	Sovereign debt	0.00	0.00%	0%	The activities are insignificant to the bank's total financed emissions.
8	Others loan not matched with PCAF Asset Class (Trading business, Credit Card, Professional Loan, Trade Services, Ship Breaking & Ship Building etc.)	699.67	39.17%	0%	There is no global methodology to quantify the financed emission
		1,786.09	100.00%		

Results:

Table 5: GHG Accounting Report for scopes 1,2 and 3 of Financed Emission

Scopes and categories	Baseline year emissions (tCO ₂ e) (if relevant)	Current reporting year (2024) emissions (tCO ₂ e)
Scope 1 emission		270,162.96
Total Scope 1		270,162.96
Scope 2 emissions		67,788.10
Total Scope 2		67,788.10
Upstream scope 3 emissions		440,508.11
Total emissions all scopes		778,459.17
Scope 1 total emissions		270162.96
Scope 2 total emissions		67,788.10
Scope 3 total emissions		440,508.11
Overall total emissions		778,459.17

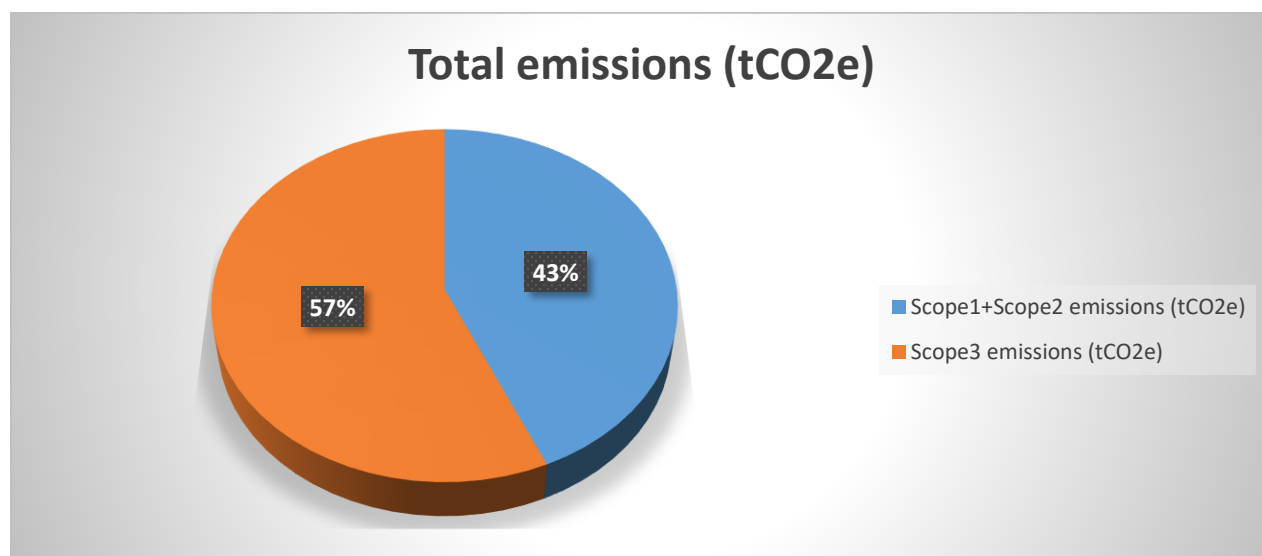
Table 6: Sector Wise Absolute Emission

SL #	Sectors	Total outstanding loan and investments covered (EURM)	Scope 1+ Scope 2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/€ M)	Weighted data quality score
1	Cement	11.97	21,270.33	4,115.94	2121.36	4
2	RMG (Except Textile)	306.38	45,706.49	206,909.93	824.51	4
3	Textile	154.65	7,321.49	70,766.45	504.95	4
4	Rubber & Plastic Industries	31.29	1,804.53	5,885.04	245.78	4
5	Pharmaceuticals	62.12	510.60	3,656.57	67.08	4
6	Construction	75.74	2,964.11	46,195.24	649.09	4
7	Food production, beverages & tobacco	54.24	8,543.86	36,969.25	839.07	4
8	Electrical and Machinery	47.21	1,336.34	15,031.31	346.69	4
9	Leather & Leather Products	14.42	1,391.40	6,460.97	544.47	4
10	Ceramic Industries	1.03	118.94	309.56	415.87	4
11	Chemical & Chemical Products	14.65	2,370.47	4,230.96	450.63	4
12	Power & Gas (Electricity Generation)	81.07	143,921.24	32,412.22	2174.97	4
13	Furniture, Fixture, particle Boards & other wood products	9.40	198.01	295.24	52.48	4
14	Wood, Paper & Publishing	4.14	1283.78	4,950.34	1505.12	4


SL #	Sectors	Total outstanding loan and investments covered (EURM)	Scope 1+ Scope 2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/€ M)	Weighted data quality score
15	Transport	10.97	2,669.86	2,267.66	450.09	4
16	Transport Equipment	4.19	2.46	51.43	12.86	4
17	Steel Engineering	100.46	96,537.14	0.00	960.95	3
	Total	983.93	337,951.06	440,508.11		

Table 7: Reporting of absolute financed emissions-scope 3 category 15 (investments) emissions

Absolute emission per asset class	Total outstanding loan and investments covered (EURM)	Scope 1+Scope2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/€M)	Weighted Data Quality Score
Business Loans	415.45	157,127.34	176,447.61	802.93	3.84
Project Finance	568.48	180,823.72	264,060.50	782.58	3.94
Total	983.93	337,951.06	440,508.11		



Avoided Emission from Renewable Energy Project under Scope 3 emission:

Activity	Total outstanding loan and investments covered (x€ 1,000)	Emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/€ M)	Weighted data quality score (High Quality=1, Low Quality=5)
 Solar Project	7,238.50	24,525.73	3,387.53	4

Note: Avoided emissions are calculated using the actual energy generation of the solar project, multiplied by Bangladesh's national Grid 's carbon intensity and Annual Lifecycle emission. The national Grid 's carbon intensity and Annual Lifecycle emission are sourced from the Sustainable and Renewable Energy Authority (SREDA), Bangladesh.

Table 8: GHG emissions of Business Loans portfolio by sector activity:

SL #	Sectors	Total outstanding loan and investments covered (EURM)	Scope 1+Scope 2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Emission Intensity (t CO ₂ e/€ M or tCO ₂ e/ ton product produced)
1	Cement	11.63	20,055.05	3,880.78	2,058.85
2	RMG (Except Textile)	127.09	20,526.32	92,921.16	892.63
3	Textile	94.58	4,471.78	43,222.40	504.29
4	Rubber & Plastic Industries	8.98	1,526.71	4,978.99	724.30
5	Pharmaceuticals	12.88	151.45	1,084.55	95.98
6	Construction	38.99	658.99	10,270.32	280.31
7	Food production, beverages & tobacco	4.03	142.01	614.48	187.81
8	Electrical and Machinery	14.45	489.89	5,510.38	415.30
9	Leather & Leather Products	7.02	921.11	4,277.15	740.93
10	Ceramic Industries	1.01	101.38	263.84	360.36
11	Chemical & Chemical Products	6.89	2081.43	3,715.06	841.88
12	Power & Gas (Electricity Generation)	17.60	16,838.46	3792.16	1,172.45
13	Wood, Paper & Publishing	1.78	388.35	1,497.53	1,058.33
14	Transport	2.33	493.09	418.81	391.37
15	Steel Engineering	66.20	88,281.32	0.00	1,333.55
	Total	415.44	157,127.34	176,447.61	802.93

Table 9: GHG emissions of Project Finance portfolio by sector activity:

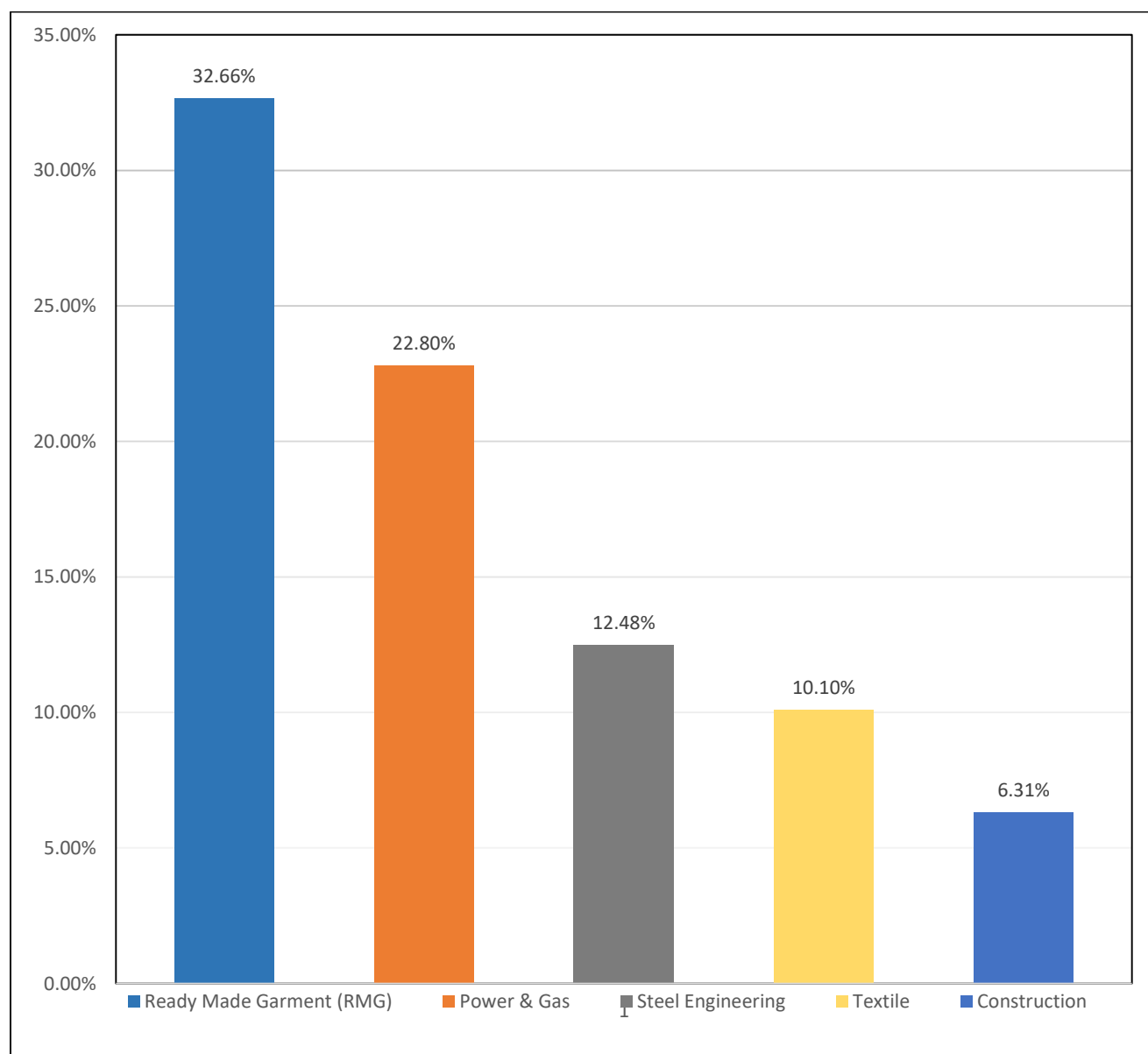
SL #	Sectors	Total outstanding loan and investments covered (EURM)	Scope 1+ Scope 2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/€ M or tCO ₂ e/ ton product produced)
1	Cement	0.34	1215.27	235.17	4251.16
2	RMG (Except Textile)	179.29	25180.18	113988.78	776.22
3	Textile	60.07	2849.70	27544.05	505.98
4	Rubber & Plastic Industries	22.30	277.82	906.04	53.08
5	Pharmaceuticals	49.25	359.15	2572.02	59.52
6	Construction	36.75	2305.12	35924.92	1040.39
7	Food production, beverages & tobacco	50.21	8401.85	36354.77	891.31
8	Electrical and Machinery	32.76	846.45	9520.92	316.43
9	Leather & Leather Products	7.41	470.30	2183.82	358.36
10	Ceramic Industries	0.02	17.57	45.72	3741.63
11	Chemical & Chemical Products	7.76	289.04	515.90	103.68
12	Power & Gas (Electricity Generation)	63.48	127,082.78	28620.06	2452.87
13	Furniture, Fixture, particle Boards & other wood products	9.40	198.01	295.24	52.48
14	Wood, Paper & Publishing	2.36	895.43	3452.81	1842.47
15	Transport	8.64	2176.77	1848.85	465.93
16	Transport Equipment	4.19	2.45	51.43	12.86
17	Steel Engineering	34.26	8255.83	0.00	240.98
	Total	568.49	180,823.72	264,060.50	782.58

Table 10: Scope wise total GHG emissions and Data Quality Score (DQS)

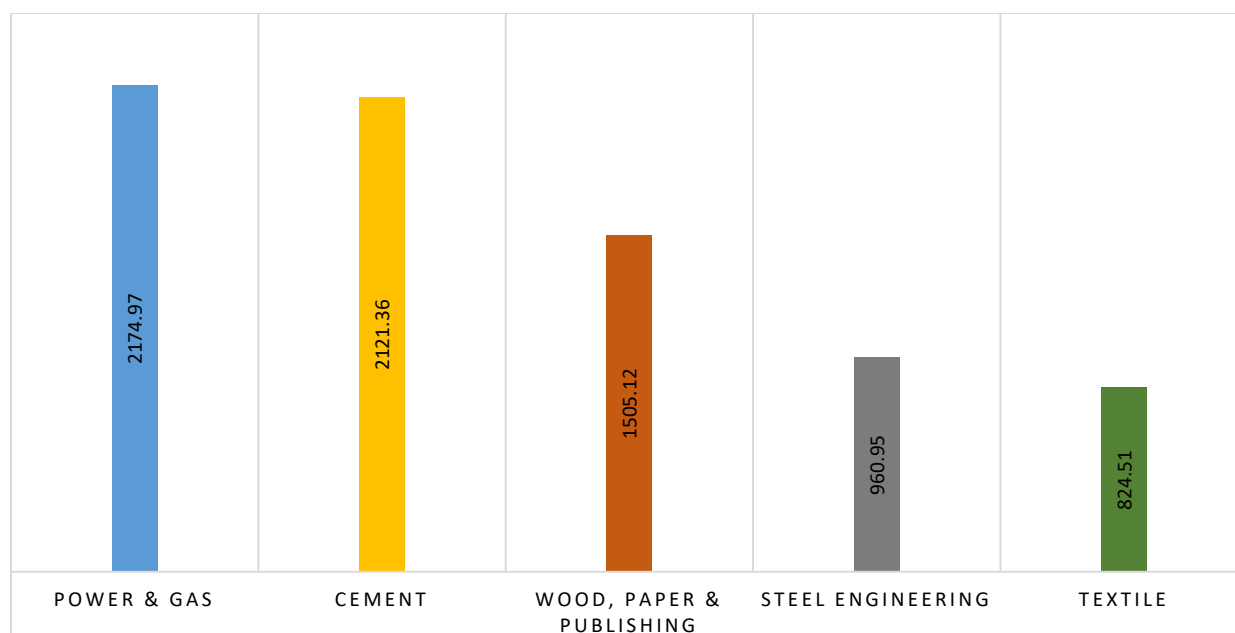
Scope	GHG Emissions (tCO ₂ e)	Data Quality Score (DQS)
Scope 1+Scope 2	337,951.06	3.90
Scope 3	440,508.10	4.00

Emission Analysis of Asset Class: Business Loans and Project Finance:

Total GHG emission measured 778,459.17 tCO₂e tons where Ready Made Garments (RMG), Power & Gas, Steel Engineering, Textile and Construction are the top five sectors contributing to highest emission emitters in the reported Loans portfolio. Ready Made Garments (RMG), Power & Gas, Steel Engineering, Textile and Construction comprise 32.66%, 22.80%, 12.48%, 10.10%, 6.31% respectively. The outstanding exposure of these sectors comprise EURM 718.30 which is 40.21% of Bank's total portfolio and 73% of GHG measured portfolio. In terms of Emission Intensity, Power & Gas (Electricity generation), Cement, Wood, Paper & Publishing, Steel Engineering and Textile sectors high intensities of 2174.97 tCO₂e/\$ million, 2121.36 tCO₂e/\$ million, 1505.12 tCO₂e/\$ million, 960.95 tCO₂e/\$ million and 824.51 tCO₂e/\$ million respectively.



Top 5 most emissive sectors in absolute emissions (Scope 1, 2 and 3, tCO₂eq)



Top 5 sectors having highest Emission Intensity

Strategies for reduction of GHG emission:

OBPLC will be more focused in monitoring these high GHG emitting sectors and work on possible solutions to minimize them. Based on the results, we will define our transition plan where we intend to support our clients in the identified sectors to march towards low carbon technologies. Portfolio diversification towards less emitting sectors like RMG, Textile, Renewable energy etc. will be prioritized.

Besides, we are trying to strengthen our data acquisition quality to improve our carbon accounting accuracy. Moreover, we are aiming to formulate 'De-carbonization Strategy'.

Our bank is focusing more to facilitate green and climate financing opportunities especially in Renewable Energy and Energy Efficiency sectors with priority to attain national targets set by the Government of Bangladesh, such as/1Intended Nationally Determined Contributions (INDCs), Delta Plan 2100 and other international goals.

General Disclosure:

ONE Bank PLC uses the **financial control approach** to report emissions from our financed portfolio reported herein. This approach includes emissions from our financed activities where we have significant financial influence and the potential to benefit economically. We have chosen this approach as it aligns with the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry and the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Recalculation Policy:

OBPLC will establish and disclose the significant threshold that triggers base year (2024) emissions recalculations for the asset class: Business Loans and Project Finance initially. Bank will disclose any significant changes that trigger the recalculation of base-year (2024) financed emissions, in line with our commitment to ensuring consistency, comparability, and relevance of the GHG emissions data reported over time. As we currently focus on reporting our portfolio emissions, any recalculations impacting our data will be clearly explained along with the factors driving these changes. This includes significant changes in business operations, methodological improvements, and corrections of errors.

Our commitment towards sustainability:

To limit global warming to 1.5°C above pre-industrial levels, ONE Bank PLC need to decarbonize and facilitate the transition financing to reach net-zero emissions by 2050. Being a financial institution, ONE Bank is unwaveringly committed to a transformative journey towards sustainability and climate risk adaptation and mitigation. We constantly make every effort to proactively identify and integrate Sustainability principles within our business strategies and operations to minimize risks and to leverage opportunities towards generating value not just for the Bank but for all our stakeholders, including society as a whole.

Strategy alignment: OBPLC shall align its strategies and operations with the Sustainable Development Goals (SDGs), the Paris Agreement, fostering financial decisions that generate positive impacts on society and the environment. OBPLC shall establish a **climate governance structure** as part of our ESG governance framework. Embed climate risk into credit risk assessment. Ensure compliance with global climate risk management frameworks and Bangladesh's regulatory expectations.

Climate Change Resilience and Sustainable Solutions Framework: Our sustainability strategy is driven by a robust sustainable financing framework that promotes green, social, and sustainable investments. By integrating Environmental, Social, and Governance (ESG) principles, we ensure our investments support for the well-being of our planet and communities. We are committed to enhancing climate change resilience by investing in projects that support mitigation and adaptation actions to address climate change.

Trade-off between Financing and Divestment: ONE Bank PLC is committed to a sustainable economic model by combining strategies for financing responsible projects and divesting from polluting activities. These actions will enable the bank to channel capital into initiatives that not only reduce carbon emissions but also drive innovation in clean technologies and environmental solutions.

Climate Scenario Analysis: Climate Scenario Analysis helps to identify and prioritize vulnerabilities that need to be addressed, and opportunities that can be realized. To assess climate-related and environmental risks, OBPLC shall perform climate scenario analyses for portfolios with exposures to climate-associated risks. We shall set our ambition to achieve net-zero greenhouse gas (GHG) emissions associated with our operational and financing activities by 2050. The scope of our climate scenario analysis shall cover all credit risk exposure arising from all business lines and regions across the bank. This analysis shall allow us to explore the potential risks and opportunities we may face across a range of plausible climate futures, under certain conditions and assumptions. Address Physical risks, which arise from the increasing frequency and severity of extreme weather events, such as floods, droughts, dzuds (severe winter conditions), and rising sea levels and Transition risks, which arise from shifts in government policies,

regulations, technologies, and market demand as economies move from high-emission to low carbon models

De-carbonization pathways: We are committed to measure and reduce GHG emission (Scope 1 & Scope 2) from our own operation and financed emission (Scope 3)/across all the asset class outlined in PCAF methodology. We are dedicated to reducing our carbon footprint through strategic investments in renewable energy, Green Industry, Energy Efficiency projects that replace fossil fuel consumptions.

Community and International Collaboration: Our commitment extends beyond internal operations. By integrating climate considerations into our risk management, supporting climate-resilient infrastructure, and fostering international collaborations, we aim to build a robust climate resilience framework as well as to extend experience sharing, awareness building, and advocacy efforts on climate cooperation.

Circular economy: Circular economy plays a significant role in reducing climate change and biodiversity loss, given that resource extraction and processing account for 50% of global CO₂ emissions and damage to local biodiversity. OBPLC always shall Prioritize banking activities towards Reduce, Reuse, Recycle Reduce waste, reuse items, recycle materials to protect our globe.



References:

1. PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.
2. [https:// www.exchangerates.org.uk](https://www.exchangerates.org.uk)
3. <https://sreda.portal.gov.bd>
4. Annual Report 2024 of ONE Bank PLC.