

We are here  
for the greater good.

# Net Zero transition plan

CRÉDITO AGRÍCOLA



CA

Crédito Agrícola



Sustentável

# Manifest

Licínio Pina,  
Chairman of the Crédito Agrícola Group



## WE ARE HERE FOR THE GREATER GOOD.

**We are here** for a healthier Planet. For a country that doesn't accept the inevitability of droughts, fires or coastal erosion. For communities that value well-being, healthy growth, clean air, focus on reuse and renewable energy. For an economy that grows in harmony with nature and people. For companies that are resilient to the inevitable impacts of climate change. For families to have decent housing, affordable energy services and easy access to clean mobility solutions. For a society mobilised for a fair climate transition.

**We are here** to contribute to the reality of the Portuguese economy's Net Zero scenario.

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*The aim of the CA Group's Net Zero Transition Plan is to strengthen our commitment to society to be more resilient to climate change, which has visibly affected the sustained growth of the Portuguese economy. We are also committed to the socio-economic development of local communities and the well-being, quality of life and health of the population. We intend to give priority to financing in line with the European Union's energy and climate targets. The CA Group wants to actively contribute to reducing climate and ecological risks inevitably associated with numerous economic activities, as well as fostering the growth and competitiveness of strategic sectors for our country, protecting and enhancing the natural capital existing in the Portuguese territory and investing in innovation and technology solutions that contribute to accelerating the path of sustainability and inclusion in society.*

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# 0 Framework and purpose

The United Nations Intergovernmental Panel on Climate Change (IPCC) has warned, through its scientific reports, of the dramatic evolution and consequences of rising global temperatures for humanity.

The latest report released<sup>1</sup> points out the **need to reduce CO<sub>2</sub> emissions by at least:**

**43%** by 2030

**60%** by 2035

in order to achieve the goal of limiting global warming to 1.5°C, a limit which, according to scientific simulations, guarantees the maintenance of habitable conditions on the planet.

Despite growing awareness, the IPCC stresses that funding for solutions to reduce emissions is far below what is needed to reach the indicated temperature limit, a trend that makes it impossible to comply with the Paris Agreement.

1. 6<sup>th</sup> Evaluation Report. Climate Change 2023. March 2023. Available at <https://www.ipcc.ch/report/ar6/syr/>

Portugal, for its part, has one of the most ambitious commitments to decarbonisation, having defined in the Roadmap to Carbon Neutrality 2050 (RNC2050)<sup>2</sup> that by 2030:

- 1 45% - 57% of the energy produced must come from renewable sources;
- 2 30% of mobility should be electrified;
- 3 The consumption of oil products should be marginal in the final energy consumption of industry;
- 4 There should be up to 300.000 hectares of precision agriculture and 150.000 hectares of biological farming and conservation agriculture

In 2023, a revision of the National Energy and Climate Plan 2021-2030 was proposed, which reinforces the country's ambition for decarbonisation, with the proposal to reduce greenhouse gases in Portugal by 55% compared to 2005 levels, in line with the European Green Deal, and to bring forward the country's carbon neutrality target to 2045.

2. RNC 2050. June 2019. Available at <https://www.portugal.gov.pt/>

3. Government of Portugal. A greener country, sooner. 30 June 2023. Available for consultation at <https://www.portugal.gov.pt/> and on the Agência Portuguesa do Ambiente website.



Financial institutions have a unique capacity to accelerate the necessary transformation towards a net-zero economy, reallocating financial resources into investments and projects aligned with ambitious energy and climate goals, in harmony with the principles of a just transition.

Aware of the systemic role of the financial sector, with the ability to redirect financial resources to projects aligned with the stated objectives, the Crédito Agrícola Group (CA Group), under the umbrella of unique cooperative values in the Portuguese market, such as proximity and commitment to the progress and well-being of communities, and responsibility towards sectors of activity with high exposure to climate risks (e.g. agriculture and tourism), assumes its commitment to become Net Zero by 2050 and thus **joins the Net Zero Banking Alliance<sup>4</sup>, of the Glasgow Financial Alliance for Net Zero.**

To this end,

- 1** the **main sources of CO<sub>2</sub> emissions and of the CA Group** were mapped and calculated, both at operational level<sup>5</sup> (internal management of operations) and at business level (financing and investments)<sup>6</sup>
- 2** the **emission reduction targets** required for each component of the carbon footprint were proposed, in line with the net zero scenarios defined by the international scientific community and the Portuguese Roadmap to Carbon Neutrality 2050 and;
- 3** the **decarbonisation initiatives** required to meet the emission reduction targets were identified.

4. <https://www.unepfi.org/net-zero-banking/>

5. At the operational level, the carbon footprint of the Integrated System of Caixas Agrícola Mútuo (SICAM), CA Seguros, CA Vida, CA Serviços and FENACAM was calculated.

6. The financed emissions calculated relate to SICAM's activity  
SICAM concerns the banking business of the Crédito Agrícola Group

# 1 Net Zero Commitments

The Crédito Agrícola Group is publicly committed to reduction targets both for CO<sub>2</sub>e emissions related to its own consumption, facilities and operations (i.e. scope 1, 2 emissions and categories 5, 6 and 7 of scope 3), which represent less than 0.1% of total emissions, and for emissions related to investments and financing granted by the bank (i.e. category 15 emissions of scope 3), which represent more than 99.9% of total emissions (Table 1).

The identification and selection of the economic sectors to be considered in the net zero targets of category 15 of scope 3 was based on the existing scientific guidelines in international reference frameworks, the exposure of the bank's credit portfolio to the different energy and carbon intensive sectors, as well as the ambition outlined in Portugal's Roadmap to Carbon Neutrality 2050.

The CA Group believes that this approach is essential to ensure alignment with the energy and climate goals of both the European Union and Portugal, while remaining faithful to the path that the Portuguese economy must take towards decarbonisation.

# TABLE 1. NET ZERO GOALS OF CRÉDITO AGRÍCOLA FOR 2030

Type of emissions		tCO <sub>2</sub> eq. in 2022	% of total	Scenario adopted	CA Group carbon intensity metric (2022)	Commitment 2030: Δ - absolute emissions	Commitment 2030: Δ - carbon intensity
Consumption, facilities and operation of the bank (< 0,1%)	Scope 1 and 2 (combustion and energy)	3.305	<0,1%	N/A	N/A	100%	N/A
	Scope 3 - categories 5, 6 and 7 (waste, business travel and employee mobility)	4.325	≈0,1%	N/A	N/A	33%	N/A
	<b>Sub-total</b>	<b>7.360</b>	<b>≈0,1%</b>			<b>60%</b>	<b>N/A</b>
Scope 3 - category 15 (investments and financing):							
Business - credit and investment portfolio (> 99,9%)	Residential real estate assets	172.938	5,4%	IEA NZ 2050 <sup>7</sup>	21 kgCO <sub>2</sub> e / m <sup>2</sup>	31%	42%
	Commercial real estate assets	396.396	12,3%	IEA NZ 2050 <sup>7</sup>	106 kgCO <sub>2</sub> e / m <sup>2</sup>	41%	50%
	Agriculture	282.540	8,8%	UTS OECM <sup>8</sup>	188 gCO <sub>2</sub> e / kWh	64%	67%
	Hotels and Restaurants	105.570	3,3%	GHD <sup>9</sup>	285 tCO <sub>2</sub> e / M€	42%	42%
	Energy	34.862	1,1%	UTS OECM <sup>8</sup>	136.178 gCO <sub>2</sub> e / MWh	51%	45%
	Aviation	412	<0,1%	IEA NZ 2050 <sup>7</sup>	119 gCO <sub>2</sub> e / pkm	53%	60%
	Waste and wastewater	70.978	2,2%	RNC 205010	627 tCO <sub>2</sub> e / M€	21%	21%
	Car loans	418	<0,1%	RNC 205010	42 tCO <sub>2</sub> e / M€	36%	36%
	<b>Sub-total</b>	<b>1.064.114</b>	<b>33,0%</b>			<b>45%</b>	
	<b>TOTAL</b>	<b>1.071.474</b>	<b>≈33,1%</b>			<b>45%</b>	

**Notes:** i. Taking into account the international frameworks, namely those of GFANZ and SBTi, financing for sectors of economic activity such as Food & Beverages, Health, Transport and the Textile Industry are not taken into account, although they have been accounted for in Crédito Agrícola's total emissions; ii. Given the nature of CA Group's investment in sovereign public debt, concentrated in European countries committed to the Paris Agreement and European legislation, CA is committed to following the path to which the countries themselves have committed.

7. Net Zero Scenario 2050 of the International Energy Agency

8. One Earth Climate Model from the University of Technology of Sydney

9. Global Hotel Decarbonisation by the Sustainable Hospitality Alliance

10. Portugal's Roadmap to Carbon Neutrality 2050

# 2 Net Zero initiatives

Committing to Net Zero targets presupposes a willingness to undertake a series of initiatives that transform the organisation and the relationship with the most varied economic agents. To this end, Crédito Agrícola Group has defined a set of initiatives of different types (Management & Governance, Implementation/Transformation and Engagement), which have been prioritised according to their impact (from those that prevent emissions, to those that reduce them and finally and only finally those that compensate them), to be carried out gradually over the next few years.

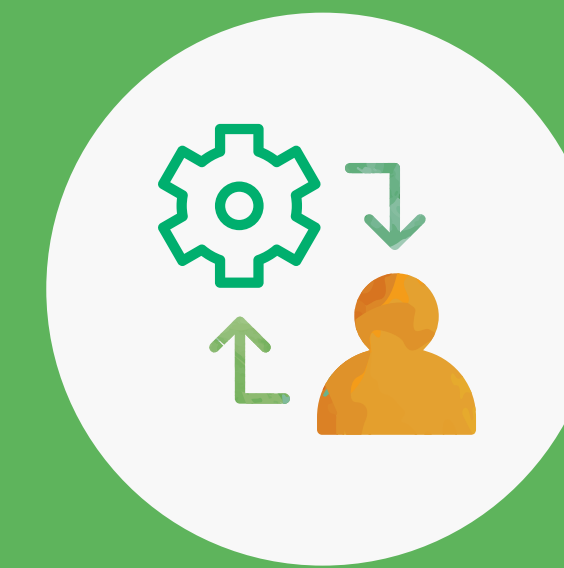
## 2.1. TYPES OF INITIATIVES



**Management & Governance**  
Initiatives to create structures to monitor, encourage and support compliance with Net-Zero objectives

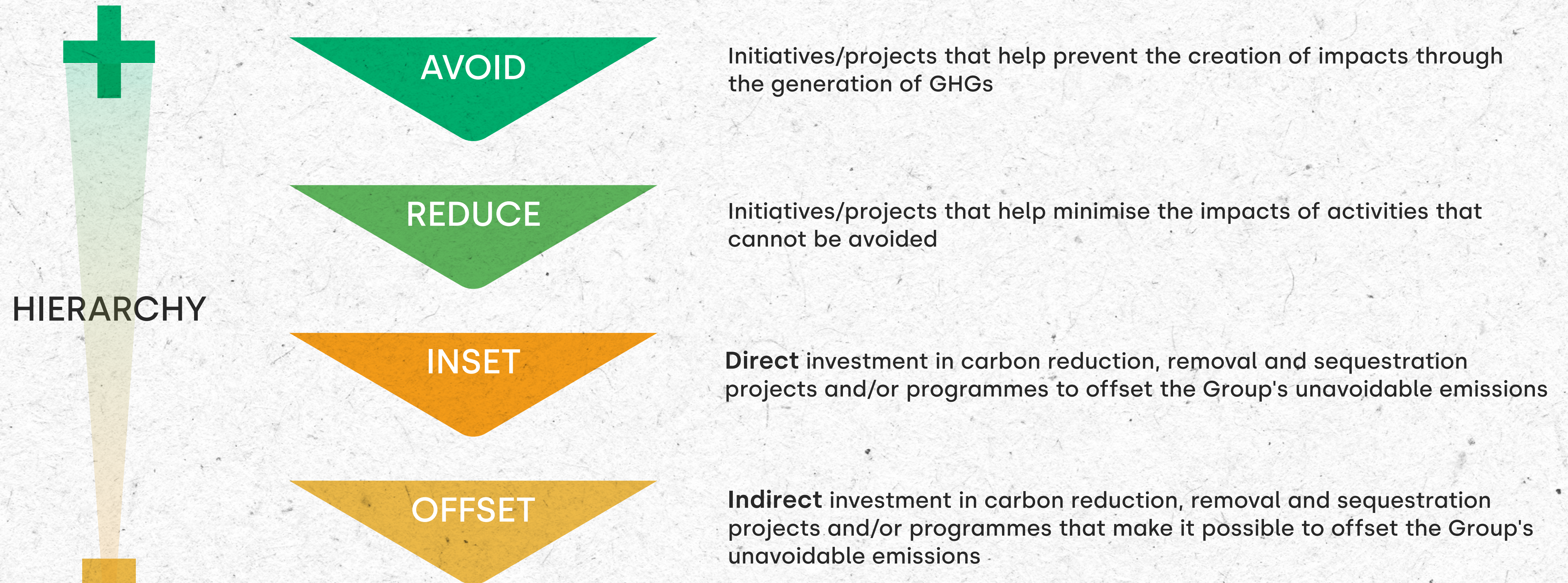


**Implementation Strategies**  
Initiatives focused on the decarbonisation strategy, aligning business activities, products and services with Net-Zero objectives



**Engagement strategies**  
Initiatives focusing on the strategy of engaging with external stakeholders to support them in achieving their Net-Zero objectives.

## 2.2. HIERARCHY OF IMPACT OF DECARBONISATION INITIATIVES





## 2.3. INITIATIVES WITH A HIGH IMPACT ON DECARBONISATION AND THE INVOLVEMENT OF OUR STAKEHOLDERS

- 1** The transformation of the financing offer to include incentive mechanisms for the climate transition of business and private clients.
- 2** Adapting the way banking is done in order to support clients more closely and pedagogically in the transition process.
- 3** Changing policies for granting and accepting credit operations to reflect climate risks.
- 4** The implementation and/or reinforcement of internal decarbonisation initiatives in terms of mobility, energy efficiency, the reduction and reuse of resources and materials and responsible waste management, in order to mobilise and lead by example.
- 5** The creation of a culture of ESG data, essential for measuring impacts and monitoring compliance with this commitment.

The Crédito Agrícola Group is committed to the process of a fair climate transition, making itself available to be the preferred partner of people and companies in this endeavour.

**Crédito Agrícola:**  
we are here for a greener,  
low-carbon country,  
we are and will be here  
for the greater good.

