



## Press release

# First in Asia: CTBC reveals financed emissions using PCAF method

TAIPEI, Taiwan, June 28, 2021

CTBC Holding has disclosed its financed emissions after completing an inventory using the industry-leading Partnership for Carbon Accounting Financials (PCAF) methodology, becoming the first company in Asia to do so.

The results, released this week in CTBC Holding's 2020 Sustainability Report, detail the emissions financed through the investment and financing portfolios of the Taipei-headquartered company's banking, insurance and securities subsidiaries.

"Although the financial sector has relatively low energy consumption, GHG emissions and pollution compared to the manufacturing sector, the emissions generated through its investment and financing are significant." CTBC Holding President Daniel I. Wu said.

Addressing climate change directly by assessing the emissions of financial instruments and moving toward a low-carbon economy jointly with customers is critical to achieving the global goal of net zero GHG emissions by 2050, he said.

"Financial institutions like us need to use our influence to make this low-carbon transition happen," Wu added. "Companies can't effectively set action plans and emission reduction targets unless they track their GHG emissions accurately — which is what the PCAF methodology has allowed us to do."

The preliminary inventory results in the report reveal that CTBC Holding's financed emissions in 2020 included 9,916,890 metric tons of carbon dioxide equivalent. The figure is equivalent to 11% of the annual emissions of Taiwan Power Co., the country's largest emitter.

The inventory covers the investment portfolios of CTBC's major subsidiaries, including investment in stocks and bonds of bank, insurance, and securities (excludes subjects relating to sovereign countries, derivatives, and holdings for short-term trading as PCAF has not yet developed methodologies for these), as well as industries of high GHG emissions in CTBC's credit business and large GHG emission accounts defined by the Environmental Protection Administration (accounting for approximately 10% of the total credit balance). In the future, we will continue to track the GHG emissions of each financial business line and further conduct comprehensive assessments and disclosures.

PCAF was established in Europe in 2015 and was launched globally in 2019. In November 2020, PCAF published the first edition of The Global GHG Accounting and Reporting Standard for the Financial Industry (the Standard). CTBC Holding became the first company in Taiwan to commit to PCAF when it joined in October last year.

The methodology has been adopted by the Science Based Targets initiative as a standardized calculation method for financial institutions to disclose their financed GHG emissions and has been endorsed by the Greenhouse Gas Protocol, the world's leading setter of greenhouse gas inventory standards. It is also being considered for adoption by the Task Force on Climate-Related Financial Disclosures (TCFD).

To date, 138 financial institutions worldwide with assets totaling over US\$42 trillion have joined PCAF.



In February this year, CTBC Holding was elected as PCAF's regional chair for Asia Pacific. It was then selected to become a member of the Global Core Team in March, joining 21 other global financial institutions including Bank of America, Morgan Stanley and Barclays in developing the second edition of the PCAF Standard.

As one of Asia's leading financial institutions, CTBC Holding joined PCAF both to kick-start its own financed emission disclosure efforts as well as to gain expertise that could help its clients in their own low-carbon transitions. The company has identified the latter, dubbed "Collaborative Value Chain Engagement" as one of its key sustainability management priorities.

The ultimate goal, according to CTBC Holding, is to take concrete steps to realizing responsible finance and meeting its stakeholders' growing expectations of sustainability.

## **Media inquiries**

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## **About CTBC Holding**

CTBC Holding (TPE: 2891) was established in 2002, having grown out of CTBC Bank, which has been helping build customers' personal wealth and Taiwan's economy since 1966. Headquartered in Taipei, its subsidiaries specialize in diverse services including banking, securities, insurance, venture capital and asset management.

With a global team of over 27,000 people, CTBC Holding operates 268 locations in 14 markets, including the U.S., Canada, Japan, China, Hong Kong, Singapore, India, Indonesia, Malaysia, Vietnam, Thailand, Myanmar, the Philippines and Australia. It is also a Taiwan industry leader in corporate and environmental sustainability, consistently being an early adopter of emerging international standards and best practices.