



Novobanco achieves SBTi validation for emission reduction targets

Portugal - July 31, 2024 – Novo Banco S.A. (“novobanco”) is the first Portuguese bank with SBTi-validated emissions reduction targets. The Science Based Targets initiative (SBTi) - a Corporate Climate Action Organization that develops standards, tools, and guidance which allow companies to set greenhouse gas emissions reductions targets - has validated the Bank’s near-term emissions reduction targets for 2030.

“This milestone highlights novobanco's commitment to sustainable finance and aligning with the latest climate science. Our ambitious emissions reduction targets, validated by the SBTi, propel us further on our journey to rapidly reduce greenhouse gas emissions. We are dedicated to reducing our carbon footprint and inspiring others to follow.” - said Mark Bourke, Chief Executive Officer at novobanco.

The initiative is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to reduce emissions significantly before 2030 and consequently move to net-zero emissions by 2050.

The Bank commits to reducing absolute Scope 1 and 2 GHG emissions by 54.2% by 2030, using 2021 as the base year. Additionally, novobanco’s Scope 3 portfolio targets cover 15% of its total investment and lending, by total balance sheet assets as of 2021. Novobanco has sectoral commitments, applicable to large corporates and to medium and long-term financing or investments, detailed in novobanco commitment, highlighting:

- **Electricity generation sector:** commitment to reduce CO₂ emissions from the electricity generation sector within its project finance, corporate bond and loan portfolio by 74% per MWh by 2030 from a 2021 base year;
- **Cement Manufacturing:** commitment to reduce CO₂ emissions from the cement sector within its corporate loan and bond portfolio by 23% per ton of cementitious product by 2030 from a 2021 base year;
- **Commercial Real Estate:** commitment to reduce its real estate loan CO₂ emissions by 68% per square meter by 2030 from a 2021 base year.



“The financial sector is key to reducing emissions globally. We congratulate novobanco on setting science-based targets that cover not only their operational emissions, but also their portfolio.” said Luiz Amaral, Chief Executive Officer of the Science Based Targets initiative. *“Novobanco’s targets come at a pivotal moment for the sector, and demonstrate the urgent action necessary to prevent the most damaging effects of climate change.”*

About novobanco:

Novo Banco S.A. is a leading Portuguese universal bank, providing a wide range of financial services to both corporate and retail segments. Established in 2014, novobanco has successfully transitioned from a restructuring phase to become a stable and growing financial institution. The bank serves 1.6 million customers and manages assets totaling €43.5 billion. As the fourth-largest bank in Portugal, novobanco holds a significant overall market share of 10%. With a commitment to innovation and customer-centric services, novobanco continues to play a crucial role in the Portuguese banking sector, contributing to the country's economic stability and growth.

More info here: <https://www.novobanco.pt/english>

Commitment: https://sciencebasedtargets.org/resources/files/Target-language-and-summary_Novo-Banco-S.A.pdf

SBTi – more info here: <https://sciencebasedtargets.org/>