



# Power Sector Target

## Context

In 2020 and 2021, Republic Financial Holdings Limited (“RFHL”, “Group”, “we”, “our”) signed on to the United Nations Environment Programme (UNEP FI) Principles for Responsible Banking (PRB) and the UN-convened Net Zero Banking Alliance (NZBA) respectively.

## Our Commitment

As part of our NZBA commitment, RFHL set a target in 2022 to reduce emissions intensity in the Commercial Real Estate portfolio. The Power Sector was identified next for decarbonization due to available data in the Caribbean and alignment with Nationally Determined Contributions (NDCs).

For the 2023 fiscal year, RFHL calculated financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology, with the power sector contributing 2.8% of total portfolio emissions. The baseline emission intensity for the power sector for the fiscal year 2023 was estimated at 0.227 tCO<sub>2</sub>e/MWh.

RFHL is committed to the 1.5°C carbon reduction trajectory but has chosen the Science-Based Targets initiative (SBTi) WB2D pathway for its 2030 power sector targets. This decision reflects the Caribbean's limited renewable energy options. Nonetheless, we aim to reduce our power sector emissions ahead of Caribbean nations' current climate commitments.

## For the Power Sector Target, RFHL is committed to:

**Reduce the current estimated emission intensity from 0.227 tCO<sub>2</sub>e/MWh to 0.170 tCO<sub>2</sub>e/MWh i.e., a reduction of 25.1% from the baseline by 2030.**

## Planning Ahead

RFHL is dedicated to its commitment by actively collaborating with its power sector portfolio companies to lower their emissions intensity in line with the set target. This will be achieved through supporting investments in cutting-edge low-carbon technologies throughout the diverse geographies of the Caribbean region.