



Artist: Buddhi Gurung

CLIMATE FINANCE AND EMISSION DISCLOSURE REPORT 2024

Together for climate action

Introduction

Nepal Investment Mega Bank (NIMB)'s carbon accounting practices are based on the GHG (Green House Gases) Protocol Initiative which provides globally accepted standards for measuring and reporting GHG emissions. Developed in alignment with the Partnership for Carbon Accounting Financials (PCAF), this Climate Finance and Emission Disclosure Report (FY 2023–2024) represents a key step in embedding climate considerations into our business strategy. The report provides a transparent accounting of:

- Financed emissions linked to high-impact sectors such as cement, steel, telecommunications, and Air transport.
- Avoided emissions through financing renewable energy like solar, hydropower etc.

We recognize that delivering on climate goals requires collaboration with clients, communities, and policymakers and that progress depends on clear data, practical solutions, and sustained engagement.

Our climate strategy is overseen by senior management and reported to the Board, ensuring integration into governance at the highest level. Its insights will align our credit risk assessments, lending policies, and portfolio strategies, embedding climate risks and opportunities into core decision-making.

“Sustainable finance is not just an obligation— it is an opportunity to shape a resilient, low-carbon future for Nepal and to demonstrate how emerging economies can lead in climate-aligned growth. At NIMB, we are committed to embedding climate action at the core of our business, supporting our clients, communities, and the country’s Net Zero ambitions.”

*-Jyoti Prakash Pandey,
CEO*



Approach and Methodology

This report applies the PCAF Global GHG Accounting Standard to estimate emissions associated with NIMB's financing activities for FY 2023–2024. Methodologies were selected based on the nature of each asset class and the availability of borrower- or sector-level data. Emission factors were sourced primarily from the PCAF Exiobase Database (2022–2025), with a focus on proxies for Emerging Economies and the Asia-Pacific region to reflect Nepal's operating context. Where borrower-specific data was unavailable, sector averages were applied with general assumptions*.

Each estimate is assigned a data quality score (1 = highest quality; 5 = lowest quality) in accordance with PCAF guidance:

- 1: Verified, company-specific data
- 2: Unaudited, company-specific data
- 3: Primary data directly with specific activity being measured
- 4: Data relies on broad sector averages, regional proxies
- 5: Based on financial data and estimations

Data quality scores are disclosed alongside each calculation to provide transparency on the reliability of inputs and to highlight priorities for future data improvements.

TABLE 1: METHODOLOGIES USED BY ASSET CLASS

Asset Class	PCAF Methodology	Description
Manufacturing -Cement	Option 3a	Revenue Based Attribution
Manufacturing - Iron & Steels	Option 3a	Revenue Based Attribution
Telecommunications	Option 2/3a	Reported Emission/ Revenue Based Attribution
Air Transport (Absolute)	Option 3a	Revenue Based Attribution
Hydropower (Avoided)		Grid Emission Factor

*General Assumptions

·Currency: Converted using exchange rates as of July 15, 2024

·Attribution Basis: Proportional share of financing in borrower's debt + equity

·Coverage: Based on outstanding exposure over the period of FY 2023–2024

Absolute Financed Emissions (Scope 1 and 2)

Scope 1 and 2 are considered absolute because they are emitted by the institution itself or directly due to its energy use.

- Scope 1 – Direct GHG emissions that originate from sources owned or controlled by an organization.
- Scope 2 – Indirect GHG emissions that result from the generation of purchased electricity, steam, heating, or cooling consumed by an organization.

Sectors



Cement

Cement production is among the most carbon-intensive industrial activities globally, driven by energy consumption in kiln operations and chemical emissions from clinker production. In Nepal, this sector underpins critical infrastructure growth — from roads and bridges to urban development.



Iron and Steel

The iron and steel industry is vital to Nepal's industrialization and construction sectors, supplying key materials for buildings, hydropower, and public works. However, it is also one of the largest sources of industrial emissions.



Telecom

Telecoms are essential for inclusive growth in Nepal, connecting rural and urban areas and enabling digital access. While the sector's emissions are modest compared to heavy industry, electricity use across networks, towers, and data centers contributes to its climate footprint.



Air Transport

Air travel is critical to Nepal's connectivity, especially for remote and mountainous regions where alternatives are limited. However, aviation is one of the most emissions-intensive modes of transport globally.

TABLE 2: FINANCED EMISSIONS BY SECTOR

Indicator	Bank's Total Exposure (M. EUR)	Emission Scope 1 (tCO ₂ e)	Emission Scope 2 (tCO ₂ e)	Total Absolute Emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e per Million Euro)	Data Quality Score
Cement	127.02	257,068.51	2,620.50	259,689.01	2,044.50	4
Iron and Steel	108.27	31,828.16	7,936.61	39,764.77	367.3	4
Air Transport	39.77	27,795.30	459.62	28,254.92	710.4	3.3
Telecom	14.69	219.37	137.79	357.16	24.3	2



Pic: NIMB team at "1 account=1 tree" plantation campaign



Pic: Solu Khola (Dudhkoshi) Hydroelectric Project – 86MW | Sahas Urja

Scope 3 Emissions

These are indirect GHG emissions that occur in a company's value chain, both upstream and downstream but are not included in scope 1 or scope 2.

TABLE 3: SCOPE 3 EMISSIONS BY SECTOR

Indicator	Scope 3 Emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e per Million EURO)
Cement	85,909.50	676.4
Iron and Steel	100,285.30	926.3
Air Transport	24,311.90	611.3

Avoided Emissions

Hydropower is central to Nepal's clean energy future, providing renewable electricity that displaces fossil fuel-based generation and strengthens national energy security. As a significant financier of hydropower projects, NIMB contributes directly to the country's low-carbon transition while enabling green jobs, local development, and improved energy access.

TABLE 4: AVOIDED EMISSIONS

Sector	Bank's Total Exposure (Million Euro)	Avoided Emission (tCO ₂ e per Million Euro)
Electricity Generation from Hydropower*	117.23	12,928.80

*NIMB currently has financed 723.32 MW of operational hydropower projects. Emissions and avoided emissions from an additional 1,553.09 MW under construction are excluded in line with GHG Protocol and PCAF guidance. These will be reported once the projects are commissioned. Scope 1 and 2 emissions from hydropower projects are not disclosed, given their relatively low carbon footprint in this context.

Integrity, Ethics & Zero-Tolerance Commitment

At Nepal Investment Mega Bank (NIMB), we uphold the highest standards of integrity, ethics, and accountability across all operations and financing activities. As Nepal's only private sector entity accredited with the Green Climate Fund (GCF), we are committed to ensuring that our climate finance actions reflect not only environmental responsibility but also the strongest governance and ethical practices. NIMB has a "Zero Tolerance policy" towards prohibited practices. This applies to all employees and individuals associated with the bank, and any violations will be met with swift and decisive action in accordance with internal policies and regulations.



FIGURE 1: NIMB'S INTEGRITY AND ZERO-TOLERANCE FRAMEWORK





Pic: NIMB Women Entrepreneurship Loan (Extra Organic Krishi Farm)

Key Priorities for 2025

As part of its evolving climate strategy, NIMB is strengthening its carbon accounting, climate disclosure, and sustainability practices to support a more inclusive and climate-resilient financial system. This commitment underpins our efforts to green the financing system, align with Nepal's Net Zero 2045 target and meet emerging global standards.

To operationalize this vision, NIMB is prioritizing the following actions:

- Broaden Asset Class Coverage
- Support Client Decarbonization
- Enhance Data Quality and emissions tracking
- Build Internal Capacity
- Integrate Climate into Risk Management
- Mobilize Innovative Finance

2024 HIGHLIGHTS



27+

Solar Powered
branches



EV-only staff vehicle
facility



\$ 350 M

Invested in Green
Projects



5000+

Planted through the
initiative
"1 Account = 1 Tree."



8500+

Women entrepreneurs
financed



Integrated
ESS, Gender
and Social
Inclusion
safeguards

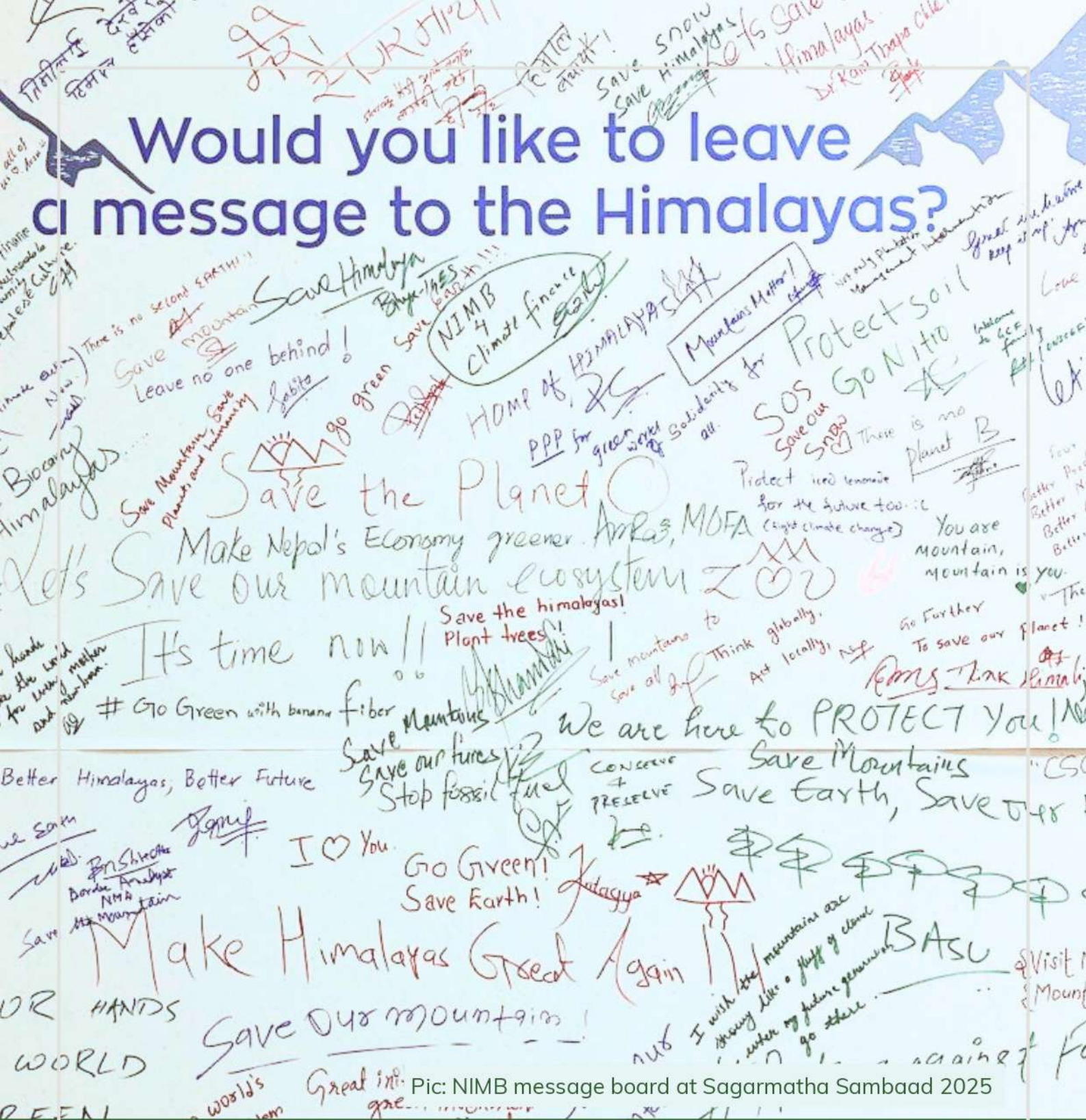


Only private sector entity and bank in
Nepal accredited by the Green Climate
Fund (March 2024) for medium-sized
projects (USD 50–250 million)

Represented NIMB at UN
Climate Conference COP
29 At Baku, Azerbaijan



Would you like to leave a message to the Himalayas?



Pic: NIMB message board at Sagarmatha Sambaad 2025

Conclusion

This report provides a credible baseline to track progress, guide strategic decisions, and contribute to Nepal's green finance transition. Looking ahead, NIMB will enhance its disclosure practices, deepen stakeholder engagement, and pursue innovative financial solutions by advancing inclusive and sustainable economic growth.

Feel free to reach out with any questions or inquiries.

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