GENERAL RECOMMENDATIONS FOR BANKS
AUGUST 2023

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INTRODUCTION

Human activity has already warmed the world by about 1.1°C since pre-industrial times.¹

As the IPCC has repeatedly warned, limiting global warming to 1.5°C is essential to avoiding catastrophic changes to the environment and human life. Every additional increment of global warming worsens the impact and even at 1.5°C – and even more so at 2°C – climate change will have major consequences on our societies and ecosystems. Indeed, the consequences of climate change have become painfully obvious in recent years.

However, according to the United Nations,² current policies would lead to a 2.8°C temperature rise by the end of this century and a rise of 2.4 to 2.6°C even if climate pledges are met. According to the IPCC’s Sixth Assessment Report, CO2 emissions must be cut by 50%, and emissions of all major greenhouse gases (GHGs) by 45% by 2030 to stay on track to limit global warming to 1.5°C.³ Only an urgent system-wide transformation can deliver the necessary emission cuts.

Reducing GHG emissions requires a rapid reduction in fossil fuel supply and consumption, and a commitment to this is a key climate policy litmus test. But, achieving cuts at this scale requires breaking with current trends: governments are in aggregate planning to produce around 110% more fossil fuels in 2030 than would be consistent with limiting global warming to 1.5°C, and 190% more by 2040.⁴ Existing and currently planned fossil fuel infrastructure alone would emit about 850 GtCO2, 350 GtCO2⁵ more than the quantity of CO2 that humanity can still emit to keep global warming at 1.5°C.⁶

The last eight years have been the warmest years on record.⁷ Between 1970 and 2019, 4.6 million people died in 22,300 disasters associated with natural hazards, causing US$4.9 trillion in economic losses.⁸ In 2021, natural disasters caused overall losses of US$280 billion.⁹

If urgent action is not taken, climate change could cost the world’s economy US$178 trillion by 2070¹⁰. The cost of adapting to climate impacts is expected to grow to US$160-340 billion per year by 2030, and US$315-565 billion per year by 2050.¹¹ Moreover, the cost of humanitarian assistance due to the climate crisis could double by 2050 (US$20 billion per year),¹² and 216 million people could be forced to migrate within their own countries by 2050.¹³

By contrast, bold climate action could deliver US$26¹⁴ to US$43¹⁵ trillion in economic benefits through to 2030, compared with business-as-usual.

To scale up alternatives to fossil fuels and achieve the necessary emission cuts, financial flows and services must be redirected from high-emitting activities to sustainable ones. Renewable capacity additions must quadruple between 2021 and 2030 (from 290 GW to 1,200 GW).¹⁶ At least US$4.3 trillion in annual finance flows are needed by 2030 to stay on track for 1.5°C, compared to US$480 million per year on average in the last decade.¹⁷ Concretely, for every US$1 spent globally on fossil fuels in 2030, more than US$9 must be spent on “clean energy”.¹⁸
In light of the urgent situation explained above, this document lays out essential demands for banks to align with the international goal of limiting global warming to 1.5°C.
GENERAL RECOMMENDATIONS

ELEMENTS OF A ROBUST BANK NET-ZERO TRANSITION PLAN (NZTP)

A credible and comprehensive NZTP must be made public and contain a range of general and sectoral measures, including commitments, restrictions, and exclusions.

The NZTP shall rely on science-based scenarios and databases.

A comprehensive NZTP shall include the following elements:

- **Decarbonization targets** for financed and invested emissions from portfolios or economic sectors. These allow banks to align their overall activities with the 1.5°C scenarios described above, and with the 50% reduction in CO2 emissions required by the Race to Zero, based on the findings in the IPCC’s Special Report on 1.5°C and Sixth Assessment Report.

- **Sectoral policies presenting expectations and restrictions**, with priority given to the most emitting sectors. Adopting decarbonization targets is by no means sufficient to ensure corporate alignment with a 1.5°C scenario. Indeed, the fight against climate change implies concrete actions with a real impact on the economy and the energy mix. Thus, the objectives of reducing GHG emissions must be associated with measures and indicators that will lead to the decline of the most polluting activities on the one hand, and the development of alternative solutions on the other. Sector policies shall clearly and precisely explain what is expected from companies active in the sector. Policies must also explain the engagement and restriction measures that banks will implement in order to secure the alignment of financed and portfolio companies with these expectations.

- **Governance, executive remuneration and lobbying policies**, which must be made consistent with the overall NZTP.

CLIMATE SCENARIOS TO USE TO LIMIT GLOBAL WARMING TO 1.5°C

Banks shall adopt a NZTP aimed at contributing to the goal of limiting global warming to 1.5°C, which entails reducing CO2 emissions by about 50% by 2030 and reaching net-zero CO2 emissions by 2050 at the latest. This plan must be developed based on credible and robust science-based scenarios.

Alignment and carbon neutrality commitments and pledges mean that banks’ emissions targets are based on **no or low overshoot 1.5°C pathways with limited use of negative emissions**. Relying on large quantities of negative emissions increases the risk of overshooting the temperature target in case carbon capture technologies and solutions are not deployed or effective at scale and/or do not ensure the permanence of the GHG removals.
In the present document, the term “1.5°C scenario” is used as shorthand for low or no overshoot 1.5°C scenarios with limited use of negative emissions.

When banks refer to the Paris Agreement, they shall make it clear that they are aligning with the Agreement’s stronger target of limiting global warming to 1.5°C, not the weaker "well-below 2°C” objective.

It is recommended to use the following scenarios for referring to 1.5°C global scenarios with no or low overshoot and limited use of negative emissions:

- **One Earth Climate Model** (OECM) by the University of Technology Sydney Institute for Sustainable Futures and supported by the UN-Convened Net-Zero Asset Owner Alliance (AOA). The OECM includes the use of nature-based removals increasing over time to 1.4 GtCO2 per year by 2050 to compensate for cement process emissions. It does not use technological carbon capture and storage. It includes regional data, and **sectoral pathways** covering Scope 1, 2 and 3 emissions.

- The **Net Zero Emissions by 2050** Scenario (NZE) by the International Energy Agency (IEA). This was first published in May 2021 and updated in the October 2022 World Energy Outlook. It includes technology-based removals (direct air capture (DAC) and biomass energy with carbon capture and storage (BECCS)) ramping up to 1.5 GtCO2 per year in 2050.

- The twenty-six 1.5°C no or low overshoot scenarios published in the IPCC’s 6th Assessment Report and identified by the International Institution for Sustainable Development (IISD) as not relying on unrealistic amounts of negative emissions.

**DECARBONIZATION TARGETS**

Decarbonization targets adopted by banks shall:

- **Cover all financial activities leading to material levels of emissions** – Targets shall cover all divisions of a bank group, including retail, corporate, investment and private banking, wealth/asset management, and insurance. They should cover lending (retail, SMEs, corporate, structured – including asset and project based, trade finance); underwriting and/or structuring (equity and bonds); capital markets; and owned and managed investments (in banking and asset management divisions) in classes for which financed emissions are material and for which methodologies exist, in particular listed equity and corporate bonds, unlisted equity, projects and infrastructure, private equity and real estate. Banks should work with standard setting bodies such as Partnership for Carbon Accounting Financials (PCAF) to develop methodologies to measure emissions for other classes and activities including cash holdings, sovereign and municipal bonds, derivatives, and advisory and M&A activities. Targets should be set in these classes and activities once agreed methodologies are available.
• **Include interim and long-term targets** – The long-term target of net zero emissions by 2050 at the latest shall be accompanied with a target for 2030 consistent with the UN Race to Zero criterion of a “fair share” of the 50% global cut in CO2 emissions required by 2030. An interim target for 2025 should also be set, as is required by the Net Zero Asset Owner Alliance (NZAOA) and recommended by the UN High-Level Expert Group on net zero (HLEG). In advance of 2030, targets should be set for 2035 and 2040.

• **Include absolute and intensity metrics** – Targets shall be set in absolute GHG emission reductions to ensure they result in real-world reductions aligned with 1.5°C pathways. Absolute targets can be supplemented with both physical- and revenue-based intensity indicators to facilitate comparisons of ambition and progress within sectors, and between portfolios, financial institutions, and regions.

• **Cover all material emission scopes** – Targets shall cover all emission scopes where these are material. Where data quality is low, proxy or estimated data should be used as per the PCAF methodology, and banks should engage with companies and regulators to promote improved disclosures. As is noted by Glasgow Financial Alliance for Net-Zero (GFANZ), “Scope 3 should be included at a minimum for high-emitting sectors, such as the priority sectors identified in the NZAOA target-setting protocol.” Among these sectors are oil and gas, utilities (including coal), transport, steel, cement, agriculture and forestry, and chemicals.

• **Differentiate between GHGs** – Targets should be set in CO2-equivalent to measure overall warming impact with separate targets for CO2 and CH4 in the energy sector, and for other GHGs as relevant for other sectors (e.g., N2O for agriculture, and industrial gases for relevant industrial sectors). Using only CO2e targets makes it impossible to measure progress toward reducing individual gases and to compare targets and progress with scenarios based on specific gases (such as NZE which is mainly CO2 based).

• **Not include offsets** – Serious methodological and conceptual problems with offsetting mean that financial portfolio and sectoral targets must not be wholly or partially met with the use of offsets by companies or banks. This is consistent with the position of the Science Based Targets initiative (SBTi), the Race to Zero, and HLEG.

• **Be transparent and accountable** – banks’ transition plans should clearly specify target timetables, metrics, scopes, gases covered and sectors included. Transition plans should outline what actions will be taken to meet the targets, including engagement strategies with financial sanctions. Reporting on progress toward meeting targets should be done annually and verified by third parties. If any targets are missed, emission reductions will need to be steeper in future to compensate.

• **Measure emissions for the full term of loans** – banks shall take responsibility for financed emission up to the original maturity of loans and not remove loans from financed emissions calculations if these are securitized into bonds and sold.
KEY ALIGNMENT AND COMPANY ASSESSMENT RESOURCES

While assessing the decarbonisation trajectories of finance and portfolio companies is a relevant exercise, it is only complementary to robust sectoral policies.

It is recommended to use the following resources for:

- **Building financial institution transition plans in line with a 1.5 °C Scenario:**
  - The recommendations from the UN [High-Level Expert Group](#) on net zero, published during COP27, that provides key criteria for non-state entity net-zero commitments and plans.
  - The criteria of the UN [Race to Zero Campaign](#). The Net Zero Banking Alliance (NZBA) is a partner of Race to Zero, as are all the sectoral alliances that make up the Glasgow Financial Alliance for Net Zero (GFANZ).

- **Assessing the credibility of the corporate and financial institution transition plans:**
  - The [Science Based Targets initiative (SBTi)](#) and its sectoral target-setting methodologies and validation process. Science-based targets are useful to assess whether companies have set decarbonization targets aligned with the Paris Agreement, but are not in themselves sufficient to do so. They do not ensure that companies are on track to meet these targets, nor that they are implementing the changes in business models and activities that are necessary for 1.5°C scenarios.
  - The [Climate Action 100 + benchmark by five investor networks (PRI, AIGCC, Ceres, IGCC and IIGCC)](#). This benchmark provides some useful indicators to assess the credibility of company transition plans, notably regarding carbon neutrality and intermediate decarbonization targets, climate disclosures, governance and capex allocation.
  - The [Assessing Low Carbon Transition](#) (ACT) by the French Environmental Agency (ADEME) and the CDP. The intent of this methodology is to provide a granular analysis of company transition plans and their implementation. While the overall rating attributed does not provide a clear benchmark for alignment with a 1.5°C trajectory, the methodology contains useful information and data that can be used to assess the credibility of transition plans.
  - The [PACTA](#) scenario analysis program, now hosted by Rocky Mountain Institute (RMI).

- **Assessing the quality of fossil fuel policies adopted by financial institutions:**
  - Reclaim Finance has developed the [Coal Policy Tool](#) and the [Oil & Gas Policy Tracker](#). These tools analyse the quality of the policies adopted by banks, insurers, asset owners and banks.
Transition Pathway Initiative (TPI) assessments should be used with caution as these consider that a company has a credible NZTP only by considering the date at which the level of GHG emissions reaches that of a 1.5°C scenario, whereas for a trajectory to be truly aligned, the entire projected carbon budget must be considered.

**SCOPE OF APPLICATION OF THE NZTP**

The NZTP shall apply to all banking activities, in all business lines, branches, subsidiaries and joint ventures of banking groups worldwide. This shall include:

- **Lending activities**, including retail, SMEs, term loans (dedicated or corporate, bilateral or syndicated); project finance via special purpose vehicles/companies; revolving credit facilities; bridge loans; reserve-based lending; borrowing base facilities; export finance and all trade finance facilities; acquisition finance.
- **Underwriting and structuring activities**, including share issuances as well as bond issuances, both dedicated such as project bonds and for general-purpose corporate financing, as well as securitization.
- **Advisory services** such as mandated lead arranger activities (or “lead arranger”, or “structurer”) for bond issues or syndicated loans, Mergers and Acquisitions (M&A) advisory activities, or index funds’ management activities.
- **Activities** in debt and equity capital markets.

In this document, the term "financial services" refers to all the activities listed above.

Dedicated loans must be allocated to an escrow account that the company uses to finance the intended activity or project, in order to ensure that the funding provided by the bank is allocated to the activities initially planned.

The NZTP shall apply to new financing as well as refinancing, and to both existing clients as well as new clients.

For subsidiaries of banks with insurance and asset management activities, the level of ambition of the NZTP that applies to them shall be at least equivalent to that of the group. For more information, see Reclaim Finance’s recommendations for asset managers, asset owners and insurers.

The NZTP applies from the date of publication of the policy. Existing loans can be excluded, but the policy applies if the loans are renewed over time.

Any update of the NZTP shall be accompanied by a communication on its impact on the bank’s corporate and project finance activities.

Any exceptions to the policy should be limited in time, publicly disclosed, justified, and detailed. They should be accompanied with a time-bound engagement period to quickly bring the financed and portfolio companies in line with the NZTP. A list of companies benefiting from any NZTP exceptions should be published annually.
Banks must indicate the level of implementation of their NZTP to know if the policy covers both subsidiaries and groups, including financing subsidiaries.
ENERGY SECTOR IN GENERAL

COMPANY DATABASES TO BE USED

Banks must indicate in their NZTP which database(s) they use to apply their restriction rules in managing their financing activities.

For their sectoral coal policies, banks shall use the **Global Coal Exit list (GCEL)**, updated annually by Urgewald. This list gives access to information about 2,800 companies playing a significant role in the thermal coal value chain (coal miners, coal power producers, companies involved in coal exploration, processing, trading, transport, logistics, engineering, transmission, equipment manufacturing, coal to gas/liquids production, coal-related services in operation & maintenance/mining/procurement and construction/advisory, underground coal gasification, and other coal-related activities), which meet at least one of the following criteria:

- Companies with coal power, coal mining or coal infrastructure expansion plans.
- A coal share of revenue or power production of at least 20%.
- An annual thermal coal production of at least 10 Mt.
- An installed coal-fired power capacity of at least 5 GW.

These thresholds will be lowered to 10% at the end of 2023 for the next update of the GCEL.

The GCEL includes information on companies planning the addition of an annual production of 2,500 Mt of coal, and 476 GW of new coal power capacity. It also covers companies with plans to build new coal infrastructure such as ports or railways which can be instrumental in the opening of new coal basins. Companies with expansion plans shall be the first ones to be excluded since any new coal project is incompatible with a 1.5°C scenario. This allows financial players not only to take measures aimed at protecting themselves against financial risks, but also allowing them to be more efficient at tackling the climate crisis.

The GCEL also covers companies above a specific relative threshold, referring to the share of their activity in the coal sector, regardless of their size. The metrics used for power companies are the share of coal power generation for power companies first, the closest to the real climate impact of a company, and then the share of power capacity in the absence of the first metric. The last metric used is the share of revenues of the company, if the two first metrics are not available, because it is less relevant to the real climate impact of the company and can vary considerably from one year to another. The share of revenues is the only metric used for other coal-related companies such as coal mining or coal infrastructure companies. These different metrics are important because the use of different metrics can have an important impact on the number of companies covered by a specific threshold.
To be able to cover companies whose share of activity in the coal sector is low, but which produce large quantities of coal or coal-fired electricity in absolute terms, the GCEL also uses absolute thresholds for the coal mining and coal power sectors. The metric used for coal mining is the annual amount of coal produced in million tonnes per year (Mtpa). The metric used for coal power is the coal power capacity.

For their sectoral policies in oil and gas upstream and midstream sectors, banks shall use the Global Oil & Gas Exit list (GOGEL), updated annually by Urgewald. This database gives data on the activities of oil and gas companies according to the following criteria:

- Total oil and gas production.
- Unconventional oil and gas share of production.
- Total short-term expansion plans.
- Share of unconventional oil and gas short-term expansion plans.
- IEA NZE expansion overshoot.
- Capital expenditures on oil and gas exploration.
- Fossil fuel share of revenue.
- Reputational risk projects.

Other databases provided by private market players could be used in addition to the GCEL and GOGEL, in particular to cover the downstream of the oil and gas sector. However, we recommend banks to use them with caution: forward-looking data about the expansion plans of companies and their activities in some unconventional oil and gas sectors might be missing, as well as granular information necessary to identify the relevant corporate level (group and subsidiaries) exposed to a specific activity. Banks should also make sure that the definitions used match their own policies.

**POINTS OF ATTENTION FOR THE OIL AND GAS SECTOR**

In order to evaluate a company’s exposure to a specific sector, its impact on that sector and its decarbonization pathways within that sector, it is recommended to use a metric based on absolute values (mmboe in production or in reserve, tCO2e in scope 1, 2 and 3, etc.). Relative values (% of revenue, % of number of companies, % of GHG emissions, % of power assets fired by coal or with more than X gCO2e/kWh in average, etc.) can be used as additional indicators applicable to the whole value chain or for specialized companies (joint ventures dedicated to a specific project, oil and gas service companies, mining or coal power companies, etc.).

When banks have adopted measures related to unconventional oil and gas, it is recommended to use a definition matching the one used by the GOGEL, which includes the following sectors:

- Extra heavy oil (API gravity index < 15)
- Tar sands
- Coal bed methane
- Fracking
- Ultra-deep offshore oil and gas (depth > 1,500 meters)
• Oil and gas resources located in Arctic area as defined by the Arctic Council’s Assessment and Monitoring Programme (AMAP)\textsuperscript{31}

Banks could also rely on the definition recommended by the Scientific and Expert Committee of Paris’ Observatory of Sustainable Finance\textsuperscript{32}, which also includes tight oil and gas,\textsuperscript{33} gas hydrates,\textsuperscript{34} and oil shale.

Where the oil and gas sector policy refers to the upstream, midstream and downstream sectors, particularly in the expectations for financed and portfolio companies’ climate transition plans, the breakdown of associated activities to which it applies shall be read as follows:\textsuperscript{35}

<table>
<thead>
<tr>
<th>Upstream</th>
<th>Midstream</th>
<th>Downstream</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
<td>Transportation by rail, road, pipeline, and shipping</td>
<td>Oil Refining</td>
</tr>
<tr>
<td>Drilling</td>
<td>Pure trading</td>
<td>Distribution</td>
</tr>
<tr>
<td>Production</td>
<td>Storage</td>
<td>Retail</td>
</tr>
<tr>
<td>Processing</td>
<td>Gas Liquefaction</td>
<td>Use (power, heating, etc.)</td>
</tr>
<tr>
<td></td>
<td>LNG regasification</td>
<td>Energy efficiency services</td>
</tr>
</tbody>
</table>

Where the oil and gas sector policy refers to Scope 1, 2 and 3 GHG emissions, particularly in the expectations for financed and portfolio companies’ climate transition plans, the breakdown of the different associated emissions sources to which it applies is as follows:

Source: ACT Methodology for the Oil and Gas sector (ADEME, CDP)
Definitions

This section provides definitions of some important terms used in this document.

**Company in transition** – A company with a credible decarbonization plan aligned with a 1.5°C scenario with low or no overshoot and a limited volume of negative GHG emissions, including at least a comprehensive and public climate transition plan, and respecting key milestones such as the end of fossil fuel expansion.

**Climate transition plan (for companies)** – A set of commitments, implementation and monitoring measures undertaken by a company to contribute to the fight against global warming. Such a policy must be comprehensive and credible and shall aim at contributing to limiting global warming to 1.5°C with low or no overshoot and a limited volume of negative GHG emissions. The plan should be sufficiently legible to be easily assessed by Banks.

**Net zero transition plan (NZPT)** – A set of general and sectoral policies adopted by banks to publicly detail how they intend to decarbonise their financing, investment, and advisory activities along a 1.5°C scenario with low or no overshoot and a limited volume of negative GHG emissions.

**Coal developer** – Companies are identified as coal developers if they meet at least one of the following criteria:

- **Mining**: companies engaged in coal exploration activities, planning to develop new coal mines, extend their coal mines by applying for new permits or that are involved in coal exploration activities.
- **Power**: companies planning to develop new coal-fired power capacity of at least 100 MW prorated (based on a company’s ownership of a project, or on the number of companies involved in a project).
- **Services**: companies involved in the development or expansion of coal transportation assets or infrastructure assets dedicated to support coal mines, coal transportation and coal-to-gas facilities.

Such companies are listed in the “Expansion” criteria of the [Global Coal Exit List](#).

- Companies extending the lifetime of existing coal mines and/or coal plants.
- Companies purchasing existing coal assets.
- Companies selling services or equipment supporting coal expansion.

**Oil & gas developers** - Companies intending to add oil and/or gas resources to their production capacities in the short term (at least 20 mmboe of resources to their production portfolio in the near future), i.e. resources associated with assets under development and field evaluation (the two stages preceding production), or in the long term by their involvement in exploration activities; or companies with oil and/or gas pipelines or LNG terminals proposed or under construction.
Exclusion – A measure consisting of the total exclusion of a type of activity, company, or project from a financial service. The date and modalities of entry into force of such a measure must be precisely defined.

Infrastructure coal project – Transportation assets or infrastructure assets dedicated to support coal mines, coal transportation and coal-to-gas facilities.

New upstream oil and gas projects – Exploration or development of new oil and gas fields (i.e. fields that are not yet in production), or the redevelopment or expansion of existing fields already in production.

New midstream oil and gas projects – Development of new oil and gas transportation and storage infrastructure, including pipelines and LNG export or import terminals.

Power producer – Company involved in the production of electricity, either as a utility or an operator of power generation facilities.

Restriction – A measure consisting of the partial exclusion of a type of activity, business or project from financial services (e.g. ending some but not all financial services to these activities, increasing the interest rate on a loan (or green weighting factor\textsuperscript{36}), etc.). The restriction may be related to being temporary, being subject to a threshold or having specific exemptions.

Sustainable power – Electricity from renewable energy sources by installations with limited impact on climate, ecosystems and that meet human rights standard such as Free, prior and informed consent of Indigenous Peoples (FPIC) throughout the value chain, including in the future. This includes solar (photovoltaic and thermal), wind (on and offshore), mini-hydro, wave and tidal, geothermal.

Energy efficiency – equipment and technologies that improve stability of the energy system and maximise sustainable energies integration, such as mini-grids or off-grid renewable systems, energy storage, demand reduction and management and grid modernisation.

Unabated power plant – Power plant with no facilities to capture GHG emissions during operation.

Unsustainable power – Electricity production that has a significant impact on the climate, ecosystems and human rights throughout the value chain in which it operates, including in the future. This includes nuclear, industrial-scale biogas and biomass-fired power plants, hydropower plants that do not comply with the recommendations of the World Commission on Dams\textsuperscript{37}, waste-to-energy and any form of hydrogen that is not produced directly from sustainable energy sources.
1 World Meteorological Organization, *Provisional State of the Global Climate in 2022*, 2022


3 The numbers in this table are rounded to the nearest 5. The Summary for Policymakers cites the necessary reductions as 43% GHGs and 48% CO2. IPCC, *Sixth Assessment report. Climate Change 2022: Mitigation of Climate Change*, Technical Summary Table TS-2, p.71, April 2022.

4 UNEP, *Production gap report 2021*, October 2021

5 IPCC, *Sixth Assessment report. Climate Change 2022: Mitigation of Climate Change*, B.7.1, p. 20, April 2022


7 World Meteorological Organization, *Eight warmest years on record witness upsurge in climate change impacts*, November 2022


9 Munich Re, *Hurricanes, cold waves, tornadoes: Weather disasters in USA dominate natural disaster losses in 2021*, January 2022

10 Ibid.

11 UNEP, *Adaptation finance gap report*, November 2022

12 ICFR, *The cost of doing nothing*, December 2019


14 Global Commission on the economy and climate, *Unlocking the Inclusive Growth Story of the 21st Century*, 2018


16 Reclaim Finance, *From the fossil fuel age to the clean energy era*, October 2022

17 Climate policy institute, *Global Landscape of Climate Finance: A Decade of Data*, October 2022

18 Reclaim Finance, *From the fossil fuel age to the clean energy era*, October 2022

19 “Financed emissions” include emissions related to lending and underwriting activities.

20 Reclaim Finance, *The IEA’s net-zero 2050: The new normal and what’s left to be done*, December 2021

21 For more information: IISD, *Lighting the Path: What IPCC energy pathways tell us about Paris-aligned policies and investments*, June 2022


28 For more information: Reclaim Finance, The TPI benchmark: misleading approach, dangerous conclusion, December 2021

29 The halt to expansion stipulated by the IEA in its NZE relates to the opening of new production fields. Furthermore, the research of the analysts who built the GOGEL shows that the data on company revenues is unfortunately very approximate. Indeed, private data providers, in the absence of accurate reporting from companies, are often forced to estimate the share of revenues derived from unconventional hydrocarbons from a production amount and a proxy on revenues.

Not only is the data unreliable, but this results in an underestimate of the share of unconventional in companies' activities - for example, a 20% revenue criterion in shale gas covers a much smaller number of companies than a 20% production criterion. Finally, a growing number of companies are diversifying, increasing their activities in midstream and power generation, without decreasing their hydrocarbon production, including in unconventional. As a result, the share of unconventional oil in their revenues is decreasing without a decrease in production in absolute value.

There is therefore no decrease in the climate impact of these companies. The revenue metric can be justified when the assessment is carried out on all or a significant part of the value chain, beyond production, even though it would be possible to have an assessment based on volumes transported for what comes under the midstream.


31 For more information: Reclaim Finance, Drill, baby, drill. How banks, investors and insurers are driving oil and gas expansion in the Arctic, September 2021


34 Ibid.

35 ADEME, Methodology of ACT in Oil & gas sector, p. 10, February 2021

36 For more information, see Natixis, Green Weighting Factor, 2020.