InfluenceMap

Finance and Climate Change

A Comprehensive Climate Assessment of the World's Largest Financial Institutions

March 2022

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FinanceMap is a data platform operated by the global climate change think-tank InfluenceMap, which is based in London with offices in New York and Tokyo. Metrics and analysis featured in this report are available in full online at FinanceMap.org. For details on our content and terms of use, please see our terms and conditions. The 30 financial institutions covered in this research were offered the opportunity to review the analysis and provide feedback prior to release.

Executive Summary

- A comprehensive assessment of the world's 30 largest listed financial institutions[1] shows a clear disconnect between the concrete short-term targets and actions needed to address the climate emergency and the limited, long-term targets currently being set by the financial sector. The research indicates a widespread lack of integration of high-level climate commitments into business segment processes. All major financial groups retain core memberships in industry associations opposing evolving climate finance policies in the EU, UK, and US. Their banking and asset management arms remain highly active in fossil fuel production financing, in direct contrast to science-based guidance. The climate plans the sector does have remain focused on 2050 targets with little evidence of short-term action plans.

- This research, conducted by the FinanceMap team within global climate think tank InfluenceMap seeks to compare the financial sector's stated policies and commitments on climate change to its actual financing and policy lobbying activities. The financial institutions' climate-related targets, reporting and policies are examined alongside in-depth analysis of their corporate lending, equity and bond underwriting, and asset management activities. The report also assesses the financial institutions' emerging engagement with sustainable and climate finance policy to present a holistic analysis of the financial sector through a climate lens.

- Despite 29 of the 30 assessed financial groups having set 2050 climate goals as part of the **Glasgow Financial Alliance for Net Zero** (GFANZ) initiative, all 30 financial institutions remain members of financial industry associations which are opposing emerging sustainable finance policy, including finance sector disclosure requirements in the EU and requirements to consider ESG as part of investment duties in the US. Furthermore, 15 of the 30 are members of real-economy industry associations that have lobbied directly in line with fossil fuel interests, including the **US Chamber of Commerce**, and the **American Gas Association.** A small number of financial institutions, most notably **BNP Paribas**, **AXA** and **Allianz**, are bucking industry trends and engaging on sustainable finance policy with mostly ambitious positions.

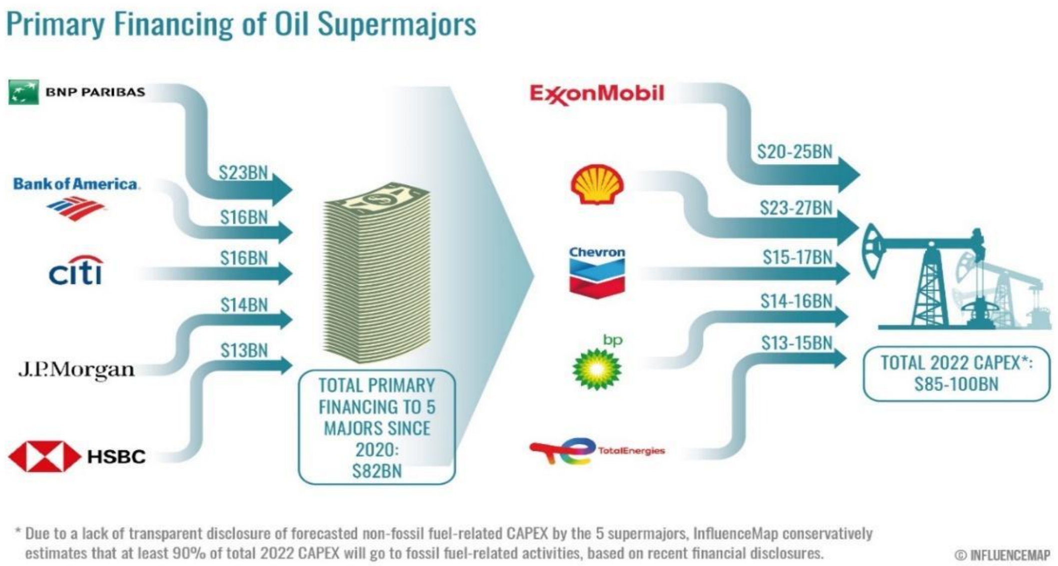
- The 30 assessed financial institutions cumulatively enabled at least $740 billion in primary financing to the fossil fuel production value chain[2] in 2020 and 2021, equivalent to 7% of their total primary financing in this period. This financing stands in direct contrast to science-based guidelines from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) which

[1] *Financial groups (more than 50% of shares listed) ranked by an aggregation of sales, assets, AUM, market capitalization and profits.*

[2] *The fossil fuel production value chain is defined as the universe of companies of which the primary sector of operations is in the up-, mid-, and/or downstream segments of oil, gas, and/or coal production. This includes companies of which the primary operations are services specifically to these sectors (e.g. exploration, surveying, infrastructure, etc.).*

make clear the need for the rapid scale-down of coal, oil and gas exploration and production and the halving of global emissions by 2030. The largest enabler of fossil fuel financing was **J.P. Morgan** with $81 billion in 2020-2021.

- Of the total $740 billion in facilitated fossil fuel primary financing, $145 billion went to the five largest US and European oil and gas companies (ExxonMobil, Chevron, Shell, TotalEnergies, and BP). All five of these companies have stated plans to continue undertaking considerable fossil fuel exploration and development projects in the coming years, in direct misalignment with the IEA Net Zero by 2050 Scenario. Of the $145 billion, $82 billion was facilitated by only five banks: **BNP Paribas**, **Bank of America**, **Citigroup**, **J.P. Morgan**, and **HSBC**.



- It is unclear whether or how the institutions plan to address these disconnects, with only 11 having set targets across multiple sectors[3] and climate-related reporting containing significant gaps across the board. Only seven of the 30 financial institutions have set thermal coal exit plans in line with IPCC 1.5 °C guidelines[4], while only **Barclays**, **BNP Paribas**, **ING** and, **Societe Generale** have committed to reducing oil and gas exposure by 2025.

- The disconnect between commitments and actions is also apparent in the asset management sector. Asset managers commonly publicize their commitments to initiatives like Climate Action 100+ (22 of 25 asset manager subsidiaries assessed) and the Net Zero Asset Managers Initiative (11 of 25). However, several asset managers which are signatories to CA100+ continue to lag in corporate stewardship programs on climate - the worst-scoring CA100+ signatories being **Santander** and **TD Bank Group**, as assessed using FinanceMap's stewardship assessment methodology.

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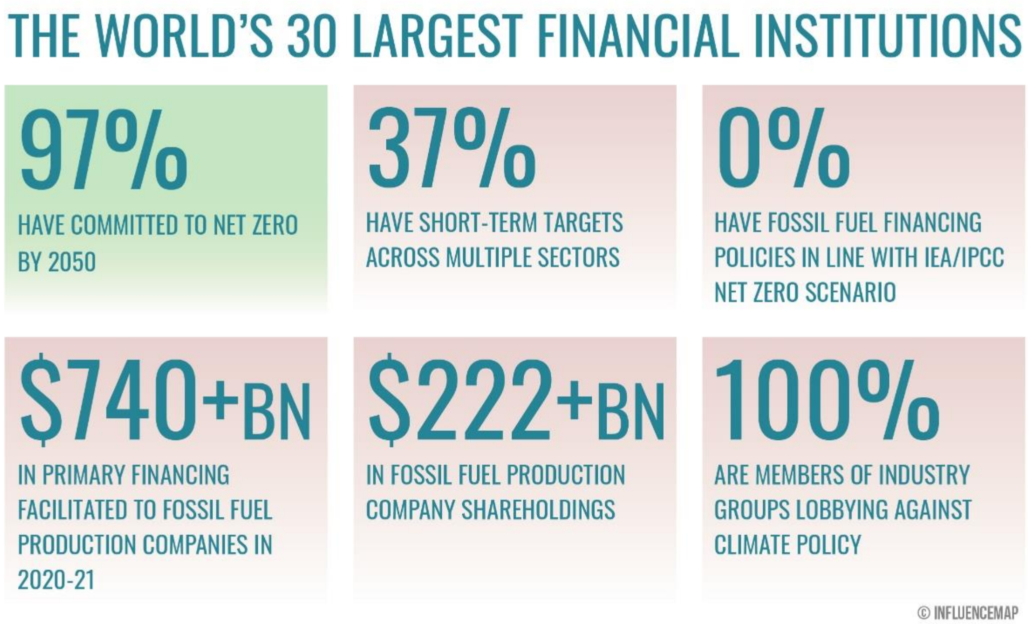
[3] *J.P. Morgan, Goldman Sachs, Morgan Stanley, Citigroup, Barclays, Societe Generale, HSBC, Lloyds Banking Group, TD Bank Group, UBS, Scotiabank.*

[4] *HSBC, BNP Paribas, Societe Generale, Crédit Agricole, Lloyds Banking Group, Credit Suisse, and AXA.*

- Meanwhile, the institutions' asset management arms have shareholdings in fossil fuel production value chain companies in the amount of at least $222 billion, equivalent to 5% of total AUM assessed. Analysis of the Paris Agreement alignment of the asset managers' equity portfolios on the basis of the PACTA[5] tool shows significant misalignment across all portfolios and sectors analyzed[6]. Due to the prevalence of passive, index-linked investment strategies, the asset managers' holdings are often similarly misaligned to the markets in which they are invested, and large portions of climate-relevant portfolios continue to consist of holdings in companies which are not transitioning in alignment with the IEA Net Zero pathway.

- In conclusion, this research's findings indicate that despite an increase in long-term climate targets and voluntary climate-related reporting by the world's 30 largest financial institutions, these companies continue to show a significant lack of meaningful short-term action in the face of the climate crisis. This is evidenced by memberships in industry associations opposing policymakers' attempts to implement sustainable finance policies, continued and considerable financing to fossil fuel value chains, and a lack of short-term roadmaps and milestones to meet their long-term targets.

- It remains likely that the financial sector will continue to enable real-economy activities misaligned with 1.5 °C climate scenarios as long as they remain legally and economically viable in the short term. It is also likely that finance as a whole will continue to lag on concrete climate action while the necessary binding climate policy and regulations remain absent. This is further exacerbated by the finance sector's indirect opposition to climate finance regulations through its industry associations. The GFANZ initiative's statements reflect this finding, noting policy advocacy as one if its priority areas of action.



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[5] *PACTA is an open-source portfolio alignment methodology designed by 2DII and expanded upon by FinanceMap to calculate the climate scenario alignment of corporate lending, capital markets underwriting, and asset management portfolios.*

[6] *The sectors analyzed are automotive, power, oil and gas production, and coal mining.*

Background: Net Zero and the Financial Sector

IPCC

The United Nations (UN) Intergovernmental Panel on Climate Change (IPCC)'s October 2018 *Special Report* on Global Warming of 1.5 °C clearly states the need to radically decrease the role played by fossil fuels in the global energy mix to avoid catastrophic climate change. The report stresses the need for decisive policy interventions by governments around the world to drive this energy transition and lower greenhouse gas emissions. **It finds that to achieve the 1.5 °C target, global CO_2 emissions must decline by 45% by 2030, and reach net zero by 2050.**

IEA

The International Energy Agency (IEA) published its first *Net Zero Emissions by 2050 Scenario* (NZE) in May 2021, reiterating the conclusions of the IPCC 2018 Special Report. This scenario provides a clear roadmap to guide the energy sector, investors, and governments in limiting global warming to 1.5 °C. **Notably, the scenario concludes that there is no need for the development of new oil and gas fields or new coal mines beyond those already committed as of 2021 in order to meet global energy demand while ensuring net zero by 2050.**

GFANZ & NZBA

The *Glasgow Financial Alliance for Net Zero* (GFANZ), launched in April 2021, is a UNFCCC and *Race to Zero*-backed sector-wide coalition of net zero financial initiatives. Members currently include over 450 financial firms across 45 countries responsible for assets of over $130 trillion.

GFANZ net zero commitments must use science-based guidelines to reach net zero emissions by 2050, cover all emission scopes, and include 2030 interim target-setting. *Race to Zero* and *GFANZ* have both stressed that interim targets must strive to achieve 50% global reduction in CO_2 by 2030, as identified in the IPCC 2018 Special report on 1.5 °C.

The *Net-Zero Banking Alliance*, launched in April 2021, is the banking-focused net zero initiative within GFANZ. **Signatory financial institutions have committed to aligning their lending and investment portfolios with pathways achieving net zero by 2050 or sooner**. Signatories must set 2030 interim targets that align with UNEP Finance Initiative's *Guidelines for Climate Target Setting for Banks* within 18 months of joining the initiative, and must update intermediary targets every 5 years from 2030.

CA100+

Climate Action 100+ is a collaborative investor engagement initiative, formed in December 2017 to **engage systematically important high-emitting companies to support the net zero transition**. It is now the largest-ever global investor engagement initiative on climate change, with over 615 investor signatories, responsible for over $55 trillion in assets - representing over 50% of global assets under management.

Investor signatories select which of the *167 target companies* they wish to engage with and are supported by regional steering committees and working groups. Company progress is tracked in annual *benchmark reports* which track a range of indicators including climate-related targets, capital allocation alignment, climate governance and reporting, and climate policy engagement.

Introduction

Background

This report provides a holistic and evidence-based assessment of how the world's largest financial institutions are incorporating climate issues into their decision-making and operations as well as their climate-relevant financing activities. The twin objectives of the research are (i) to provide key stakeholders with insights into how large financial institutions are performing on climate change and (ii) to drive improvement within the sector by providing benchmarking performance information against recognized standards. The 30 financial institutions included in this analysis are noted below in order of economic size[7]. They represent the largest majority-investor-owned financial institutions worldwide.

J.P. Morgan	Bank of America	Wells Fargo	Ping An Group	Citigroup
HSBC	BNP Paribas	Allianz	BlackRock	Mitsubishi UFJ Financial Group
Santander	AXA	Crédit Agricole	Sumitomo Mitsui Financial	Royal Bank of Canada
Goldman Sachs	TD Bank Group	Mizuho Financial Group	Morgan Stanley	UBS
Societe Generale	Deutsche Bank	Barclays	Itaú Unibanco	ING
Lloyds Banking Group	Commonwealth Bank of Australia	Scotiabank	Banco Bradesco	Credit Suisse

Table 1. Assessment Universe

Methodology

FinanceMap assesses the quality of the financial institutions' group-level climate policies, targets and governance activities as stated by corporate disclosures. It then uses external benchmarks and data to provide verification of the actual implementation of these climate policies in the groups' various activities with real-world climate impacts. This includes any engagement the financial institutions have on pending or existing government policies globally which may intersect with climate change (such as the European Commission's sustainable finance policy ambitions) and stewardship of investee companies on climate. The climate alignment of the financial institutions' asset management, lending, and capital markets underwriting activities are then assessed, where applicable, against industry-recognized, science-based benchmarks. A full breakdown of this assessment's methodology is available *here*.

[7] *Financial groups (with more than 50% of shares listed) ranked by an aggregation of sales, assets, AUM, market cap and profits.*

The various assessment components are outlined in the table below. The rows represent independent areas of analysis which together produce a holistic assessment of the financial institution's approach to managing climate-related risks and subsequent actions taken. The disaggregation of scores allows for disparities in the businesses' various climate-related activities to be highlighted.

FinanceMap deploys two types of assessment as noted below. These are (i) **qualitative** methodologies which involve the allocation of sub-issues to climate-relevant policies and activities, each scored using data sources reflective of corporate activity; and (ii) **portfolio**-based scoring, using financial databases (Refinitiv and Bloomberg) to gather data on the primary financing and equity investment management activities conducted by the financial groups. The latter assessment stream uses the PACTA[8] tool to generate metrics which assess the alignment of the aforementioned financial activities with science-based climate targets, as well as calculating exposure metrics of the activities to fossil fuel production value chains[9].

Assessment type	Activity/Corporate Area	Benchmarks Used	Data Sources	Comments on Method
Qualitative	Climate governance, targets, and policies	TCFD Recommendations and Supplementary Guidance for the Financial Sector, Net-Zero Banking Alliance guidelines or Glasgow Financial Alliance for Net Zero (GFANZ) initiative equivalents, IPCC SBP benchmarks, EU Sustainable Taxonomy TEG guidance	Disclosures from the financial institutions	The TCFD framework (Governance, Strategy, Risk Management, Metrics/Targets) guidance statements are supplemented with target setting guidelines from the Net-Zero Banking Alliance Guidelines or Glasgow Financial Alliance for Net Zero (GFANZ) initiative equivalents. Real-economy application is assessed with IPCC SBP benchmarks (e.g. on coal/oil/gas) and the EU Sustainable Taxonomy TEG guidance to assess the rigor of the financial institution's technology policies.
Qualitative	Stewardship of real-economy companies & shareholder resolution voting on climate	UK FCA 2020 Stewardship Code, Climate Action 100+, IPCC SBP benchmarks	Disclosures from the financial institutions, media, proxy voting databases	FinanceMap has established a methodology for assessment and applied it to the 30 largest asset manager groups in 2021.
Qualitative	Engagement on Sustainable Finance Policy	UN Guide on lobbying, government policy benchmarks	Data sources used by InfluenceMap's policy engagement methodology	InfluenceMap's recognized methodology for assessing corporate lobbying will be used.

[8] *PACTA is an open source portfolio alignment methodology designed by 2DII, and expanded upon by FinanceMap to calculate aggregated portfolio-level alignment results for corporate lending, capital markets underwriting, and asset management portfolios. The sectors analyzed are Automotive, Power, Oil and Gas Production, and Coal Mining.*

[9] *The fossil fuel production value chain is defined as the universe of companies of which the primary sector of operations is in the up-, mid-, and/or downstream segments of oil, gas, and/or coal production. This includes companies of which the primary operations are services specifically to these sectors (e.g. exploration, surveying, infrastructure, etc.).*

Portfolio	Primary Financing Activities: Corporate Lending, Bond Underwriting, and Equity Issuance Underwriting	*PACTA for Banks* (expanded by FinanceMap)	Bloomberg primary financing LEAG table data (2020-2021) Asset Resolution asset-based company data for PACTA	FinanceMap has worked with 2DII to establish a methodology for applying PACTA to generate Paris Alignment scores for corporate lending, capital markets underwriting, and asset management portfolios[10]. Fossil fuel exposure metrics are also calculated.
Portfolio	Secondary Market Portfolios: Equity Asset Management	*PACTA for Investors* (expanded by FinanceMap)	Refinitiv Lipper fund data (Feb 2022) Asset Resolution asset-based company data for PACTA	

Color Key	This content is based on direct disclosures by the financial institutions on climate change.	This content uses a combination of direct disclosures by the financial institutions, and external data sources.	This content is based on external data sources and is intended to provide verification of disclosure-based assessment.

Table 2. The Assessment Framework.

Of these 30 financial institutions, 27 are financial groups that have banking arms which are analyzed within the primary financing portfolio assessment. AXA and Allianz, global insurers, feature in this analysis as investors within the secondary market portfolio assessment. BlackRock also features as an investor in the secondary portfolio assessment. All three are assessed across the three qualitative assessments.

This analysis is available in full on *FinanceMap.org*. The *Finance and Climate Change* platform interface allows users to click through the assessment components illustrated in Table 2 to examine the sub-score level content for each financial institution. Registered users will have open access to the matrix assessments and the underlying evidence pieces as explained in the methodology document. Additionally, for each business unit assessed, users can interrogate the portfolio Paris Alignment analysis and review detailed fossil fuel exposure data.

[10] PACTA is originally designed for application to corporate lending portfolios (PACTA for Banks) and investment management portfolios (PACTA for Portfolios). FinanceMap has expanded the PACTA methodology to assess the Paris alignment of bond and equity issuance underwriting activities.

Results

The financial sector has seen a dramatic increase in support for climate action, as evidenced by a flurry of climate announcements, targets, and reporting released by the world's largest financial institutions. Despite this long-term ambition, it is clear that there is a considerable disconnect between statements and actions across these companies. FinanceMap has examined the disclosures and policies which financial institutions have released on climate change with regard to top-level targets, climate-related reporting, and fossil fuel sector exclusions. These are assessed alongside detailed analyses of the actual business activities of the financial institutions in the form of primary financing and investment management, asset manager stewardship programs, and engagements by the financial institutions on pending or existing government policies which may intersect with climate change.

Net Zero by 2050 Commitments

Almost all of the institutions assessed, 29 out of 30, have committed to net zero by 2050 targets as part of the Glasgow Financial Alliance for Net Zero (GFANZ)[11] initiative. **Ping An Group**, the only financial institution that has not joined the initiative, is aiming for 'near zero by 2060' in line with China's carbon neutrality goal.

Founding signatories to the Net Zero Banking Alliance (NZBA) have until October 2022 to announce their initial sector-level targets, and many of the financial institutions assessed joined the initiative in the run up to COP26, meaning they have until Q2 2023 to announce their targets. However, 11 financial institutions have already set 2030 targets across multiple sectors: **J.P. Morgan**, **Goldman Sachs**, **Lloyds Banking Group**, and **Morgan Stanley** have made targets for automotive manufacturing, oil and gas, and power; **Societe Generale** has targets on oil and gas, power, and shipping; **UBS** has targets on oil and gas, power and real estate; **HSBC** and **Scotiabank** have targets on oil and gas and power; **Citigroup**, and **TD Bank Group** have set targets on their energy and power portfolios; and **Barclays** has targets on energy, power, steel and cement. A further three financial institutions have announced one sector target (**BNP Paribas, Santander**, and **ING**).

Financial institution	Committed to Net Zero by 2050	GFANZ signatory at Financial Group level	financial institution has set Short Term Targets
J.P. Morgan	Y	Y (NZBA)	Multiple sector targets
Bank of America	Y	Y (NZBA)	N
Wells Fargo	Y	Y (NZBA)	N
Ping An Group	N	N	N
Citigroup	Y	Y (NZBA)	Multiple sector targets
HSBC	Y	Y (NZBA)	Multiple sector targets

[11] *The Glasgow Financial Alliance for Net Zero (GFANZ), launched in April 2021, is a UNFCCC and 'Race to Zero' backed sector-wide coalition of net-zero financial initiatives. This report primarily focuses on the following sub-sector initiatives - the Net-Zero Banking Alliance (NZBA), the Net Zero Asset Managers initiative (NZAMI), the Net-Zero Asset Owner Alliance (NZAOA).*

BNP Paribas	Y	Y (NZBA)	Energy (Oil and Gas) sector target
Allianz	Y	Y (NZAOA)[12]	NZAOA investment target
BlackRock	Y	Y (NZAMI)[13]	N
Mitsubishi UFJ Financial Group	Y	Y (NZBA)	N
Santander	Y	Y (NZBA)	Power sector target
AXA	Y	Y (NZAOA)[12]	NZAOA investment target
Crédit Agricole	Y	Y (NZBA)	N
Sumitomo Mitsui Financial	Y	Y (NZBA)	N
Royal Bank of Canada	Y	Y (NZBA)	N
Goldman Sachs	Y	Y (NZBA)	Multiple sector targets
TD Bank Group	Y	Y (NZBA)	Multiple sector targets
Mizuho Financial Group	Y	Y (NZBA)	N
Morgan Stanley	Y	Y (NZBA)	Multiple sector targets
UBS	Y	Y (NZBA)	Multiple sector targets
Societe Generale	Y	Y (NZBA)	Multiple sector targets
Deutsche Bank	Y	Y (NZBA)	N
Barclays	Y	Y (NZBA)	Multiple sector targets
Itaú Unibanco	Y	Y (NZBA)	N
ING	Y	Y (NZBA)	Energy (Oil and Gas) sector target
Lloyds Banking Group	Y	Y (NZBA)	Multiple sector targets
Commonwealth Bank	Y	Y (NZBA)	N
Scotiabank	Y	Y (NZBA)	Multiple sector targets
Banco Bradesco	Y	Y (NZBA)	N
Credit Suisse	Y	Y (NZBA)	N

Table 3. Financial institution net-zero target setting

However, variation in the target parameters makes them difficult to compare[14]. For example, targets vary in terms of the underlying climate scenarios used and their assumptions on the route to net zero emissions by 2050. Other variations include emissions calculation methodologies, business activities in scope, use of carbon credits, the target base year, target year, and target type (e.g. emissions intensity, absolute emissions, financed emissions lending intensity, credit exposure).

Climate-Related Reporting

Financial institutions are responding to stakeholder demands to expand climate-related reporting, predominantly in the form of TCFD reports. Despite this being one of the most widely accepted reporting frameworks globally, backed by policy makers[15], central banks[16], and voluntary initiatives like GFANZ, financial institution reporting remains insufficient. Both the *TCFD* and the *European Central Bank* concluded that financial institution climate related reporting remains inadequate in recent stock take assessments.

[12] *Allianz and AXA are members of the GFANZ Net Zero Asset Owners Alliance (NZAOA), Net Zero Asset Managers Initiative (NZAMI), and the Net Zero Insurance Alliance (NZIA). Both entities have set proprietary investment portfolio 2025 decarbonization targets In line with the NZAOA guidelines.*

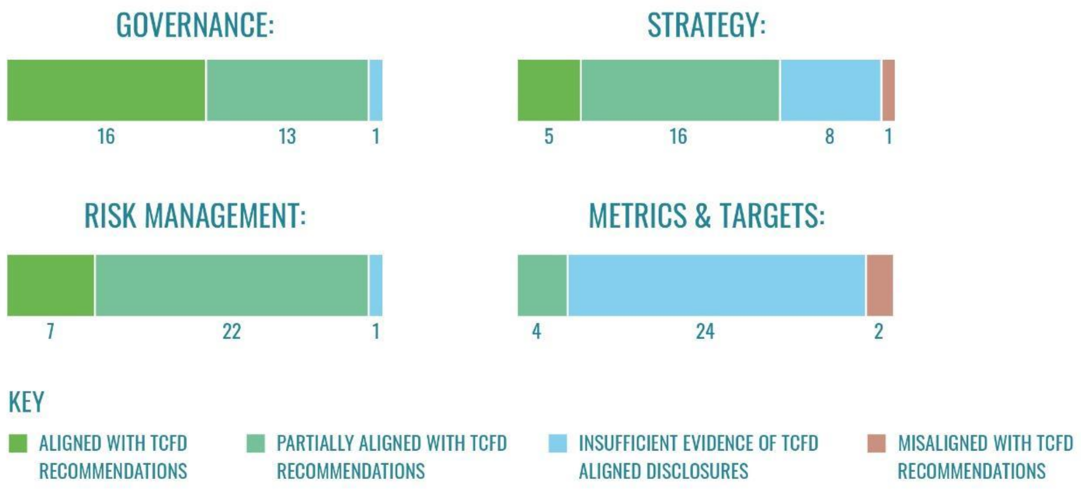
[13] *BlackRock's net zero commitments as an asset manager are via the NZAMI.*

[14] *Difficulties in accurate comparison clearly explained by Louie Woodall, Climate Risk Review Jan 20th 2022.*

[15] *UK Government Press Release, October 2021.*

[16] *Network for Greening the Financial System, Guide on climate-related disclosure for central banks, December 2021, Pg 2.*

FinanceMap has assessed mainstream climate reporting by the 30 financial institutions, released up until 28th February 2022[17], against the TCFD reporting guidelines. Rankings can be found in the appendix, and this analysis is available in full on *FinanceMap.org*. The figure below shows the distribution of the number of financial institutions included in this assessment that are reporting in line with TCFD guidelines for each TCFD pillar - governance, strategy, risk management, and metrics and targets.



Generally financial institutions score higher in the pillars that focus on descriptions of processes and policies (governance and risk management), and the largest improvements within the TCFD framework are required in scenario analysis (strategy pillar), financed emissions disclosure, and GFANZ-aligned target setting[18] (metrics and targets pillar), reflecting the findings of the latest TCFD Progress Report.

The variation in financed emissions disclosures is particularly noteworthy, given its relevance to tracking progress on net-zero targets. To date, 18 of the 30 financial institutions have published portfolio- or sector-level financed emissions data, and the coverage and approaches vary considerably. For example, **Lloyds Banking Group**'s disclosures cover 71% of its balance sheet, while other financial institutions have disclosed financed emissions data for specific portfolios, e.g. energy and power (**Sumitomo Mitsui Financial Group**, **Citigroup**, and **Barclays)**, or real estate (**ING** and **Itaú Unibanco).**

There is also substantial variation in methodological approaches to such disclosures. For example, **Barclays** uses a proprietary 'Blue Track' approach[19], while **Societe Generale** and **Crédit Agricole** use the 'P9XCA'

[17] *Note. Where financial institutions have released significant disclosures in early March 2022 around TCFD and target setting these have been included in the scoring. Full assessments for each company are available on FinanceMap.org.*

[18] *See FinanceMap - Finance & Climate Change Methodology Document, Pg 12.*

[19] *Barclays' in house BlueTrack approach uses a similar approach to PACTA to estimate client emissions, and then calculates an intensity or absolute financed emission value, depending on the sector.*

approach[20]. The *Partnership for Carbon Accounting Financials* (PCAF)[21] is an industry-led standard which 18 of the financial institutions have committed to. **Banco Bradesco, BlackRock, Citigroup**, **Deutsche Bank, HSBC, Itaú Unibanco, Lloyds Banking Group, Royal Bank of Canada, Scotiabank, TD Bank Group** and **Mizuho Financial Group** have published initial disclosures with the initiative.

While the NZBA does not require signatories to publish data using a defined methodology, following *a public consultation* in 2021, the TCFD has updated its guidance[23] to recommend that financial institutions should disclose financed emissions in line with PCAF or a comparable methodology[22]. While this should lead to more standardized and comparable disclosures, significant gaps remain in the utility of industry-standard disclosures for measuring short-term behavior on climate. Specifically, this research indicates that there is a disconnect between (a) financial institutions reporting in line with TCFD guidelines and (b) their fossil fuel financing policies and exposure to the fossil fuel value chain. Additionally, the TCFD framework does not require companies to examine and report on their direct and indirect policy engagement activities. This research demonstrates that both remain significant areas of misalignment within firms' present-day activities and long-term climate commitments.

Fossil Fuel Policies

Despite committing to halving emissions by 2030 as part of GFANZ 2050 commitments, financial institutions remain reluctant to introduce meaningful fossil fuel exclusion policies, and none of the assessed groups have rigorous fossil fuel financing policies in line with IPCC/IEA Net Zero pathways. The 30 assessed financial institutions cumulatively enabled at least $740 billion in primary financing to the fossil fuel production value chain in 2020 and 2021, and the fossil fuel policies in place currently largely allow for continued financing of expansion in the coal, oil and gas sectors, in direct contrast with science-based guidelines from the IPCC and IEA (see explainer on Pg 5).

Coal Policies

Most financial institutions have made positive statements about moving away from coal by restricting investments in new coal mining or coal-fired power capacity[23]. Of the 30 financial institutions assessed,

[20] *P9CXA approach was developed by the Finance and Sustainable Development Chair of Paris-Dauphine and the École Polytechnique, and involves allocating all GHG emissions to sources of finance based on their market share by economic sector and geographies (see Pg 33).*

[21] *PCAF is an industry led initiative that has developed an open-source global GHG accounting standard for financial institutions with the aim of developing and implementing a harmonized approach to assess and disclose the emissions associated loans and investments. The PCAF Standard is built upon the GHG Protocol and provides detailed methodological guidance by asset class, covering listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages and motor vehicle loans.*

[22] *TCFD. Proposed Guidance on Climate-related Metrics, Targets, and Transition Plans, June 2021. Pg 65.*

[23] *Three banks have not. **Mitsubishi UFJ Financial Group, Ping An Group, Sumitomo Mitsui Financial Group**, remain open to new coal mining, but have set partial restrictions on power production financing.*

seven have stated that they will exit thermal coal mining and power generation in line with IPCC recommendations[24] at the group level[25][26]: **BNP Paribas, Crédit Agricole, Credit Suisse, HSBC, Lloyds Banking Group, Societe Generale**, and **AXA.** Despite this commitment, at present, **Credit Suisse, HSBC,** and **Lloyds Banking Group** have all put in place exemption policies allowing them to continue to provide financial services to coal developers under certain circumstances[27].

Despite having stringent phaseout commitments, in the two years following its coal phaseout announcement, **Crédit Agricole** has continued to provide financing for companies that are projected to increase coal production or coal-fired power generation. This includes multiple lending and bond underwriting deals with **Glencore** across 2020-2021 totaling to $872 million and a $400 million loan to **Vale** in November 2021. Deals to companies which are projected to increase coal-fired power generation include bond underwriting deals to the Korean utility **KEPCO** and its subsidiaries[28], totaling to $313 million.

Even financial institutions which have set 2030 climate targets often continue to allow for coal financing in the coming decade. **J.P. Morgan, Goldman Sachs**, **Morgan Stanley, Scotiabank** and **TD Bank Group** have all set 2030 interim targets for the power sector, but have not set a clear a commitment to exit the coal sector in line with IPCC pathways. Despite setting a power sector target in May 2021, **J.P. Morgan** increased its primary financing of coal production value chain companies from $1.28 billion in 2020 to $3.08 billion in 2021; more than double the amount financed to coal by any other financial institution in 2021.

In contrast, **Citigroup**, which has also set a power sector target, is the first US bank to announce a 2030 coal phaseout for power generation, and has set revenue thresholds for coal mining companies of 25% (covering its lending and advisory services). However, since setting these thresholds in March 2021, the bank has enabled primary financing to some of the world's largest coal producers, including deals with **Vale** and **Shanxi Coking Coal Group** in the amounts of $400 million in lending and $150 million in bond underwriting, respectively. Both companies are projected to increase coal production until 2025 at least, in opposition to the IEA's prescribed coal production pathway.

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[24] *Phaseout of coal sector by 2030 for OECD and 2040 for the rest of the world*

[25] *While the parent company has committed to an IPCC aligned coal exit, **BNP Paribas Asset Management, Credit Suisse Asset Management** and **HSBC Asset Management**, and **Scottish Widows (Lloyds Banking Group)** have not. **AXA Investment Management**, and **Amundi (Crédit Agricole)** have IPCC aligned exit commitments.*

[26] *Note. While **Barclays**' March 2022 announcement does commit it to exiting the coal sector by 2035 globally, it has not committed to exiting coal power in the OECD by 2030.*

[27] *HSBC (December 2021) will continue to support clients who belong to corporate groups that are expanding coal assets if due diligence criteria is met. In its February 2022 climate target announcement, it stated targets for the coal mining will be announced in 2023. Credit Suisse (2021) will continue to support clients who are developing greenfield coal mines and coal-fired power plants or capacity expansions if clients are "supporting the energy transition". Lloyds Banking Group (2021) will continue relationships with companies if due diligence processes reveal that the companies have credible transition strategies.*

[28] ***Korea East-West Power, Korea Southern Power.***

Almost two thirds (19/30) of the financial institutions have set exclusion criteria for companies whose thermal coal-related revenues exceed a given proportion of their total mining- or power-related revenues. However, only **HSBC**, **BNP Paribas, Societe Generale, Allianz**, and **AXA**'s[29] policies include absolute coal production (in million tonnes of thermal coal per year) and/or coal-fired power generation (in gigawatts generating capacity) thresholds for clients. Even so, these policies often contain loopholes allowing for continued coal financing[30]. For example, **BNP Paribas** was one of 9 underwriters for a $1.5 billion bond deal with **RWE** in November 2021, despite **RWE** operating proprietary lignite coal mines that produce five times more coal than the 10 Mt per year threshold of **BNP Paribas**'s coal mining sector policy. As **RWE** is first and foremost a power company, it appears to fall under the bank's power sector policy, which only sets relative coal-related revenue thresholds.[31]

In July 2020, **Societe Generale** put in place an exclusion policy for thermal coal mining companies which either continue to develop thermal mining capacity, exceed 20% coal share of revenue, exceed 10 Mt in absolute thermal coal production, or do not have transition plans in alignment with the bank's coal phaseout objectives. In 2021, **Societe Generale** was involved in deals with **Glencore** (103.3 Mt coal production in 2021), **RWE** (51.4Mt coal production in 2020), and **EPH** (at least 20Mt coal production in 2020) totaling to $637 million. By the bank's definitions, these companies are not thermal coal mining companies, and are therefore exempt from its exclusion thresholds.

Overall, the financial institutions' coal policies, or lack thereof, have allowed consistent financing of coal production since the start of 2020, with 23 of 27 banks[32] facilitating primary financing deals to at least one of **China Energy**, **Glencore,** and **Yankuang Group,** three of the world's largest miners expanding coal production over the coming years[33]. Aggregated, lending and bond underwriting to **Glencore** alone sums to $17.5 billion, with **Deutsche Bank**, **Citigroup**, **Bank of America,** and **ING** all facilitating financing of over $1 billion each to the company. **Glencore** is projected to increase its annual coal production by 20% between 2021 and 2026, and is forecasted to produce 67% more coal in 2026 than if it were aligned with the IEA Net Zero by 2050 pathway.

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[29] ***Allianz*** *and* ***AXA*** *are not banks, policies apply to investments as asset owners, investors, and their insurance activities. Coal policies on investments for the rest of the universe are broadly weak. For example,* ***BlackRock****, the other pure play investor assessed has only set minor coal exclusions on its actively managed investments.*

[30] *For example,* ***HSBC's*** *materiality thresholds does not apply to clients in non-OECD countries.*

[31] *BNP Paribas does not provide financial products or services to mining entities that produce more than 10 million tons of thermal coal per year or generate more than 20% of their revenues from thermal coal mining or 25% from coal-fired power generation. However, it has not set a coal-fired power capacity (GW) threshold.*

[32] ***Banco Bradesco, Itaú Unibanco, Lloyds Banking Group*** *and* ***Wells Fargo*** *did not finance the three companies listed within 2020 to 2021.*

[33] *Asset Resolution, 2021.*

Oil and Gas Policies

Comparatively, fewer financial institutions have announced commitments to reduce or restrict financing to the oil and gas sector. 13 of the financial institutions assessed have set oil and gas or energy sector commitments as part of their 2025 or 2030 target setting. However, none of the targets include a commitment to halting new oil and gas development, as prescribed by the IEA Net Zero Emissions by 2050 Scenario[34]. In fact, these targets largely allow for continued financing to the sector, including in companies that are developing new oil and gas assets:

- *BNP Paribas* and *Societe Generale*, have committed to reducing their upstream oil and gas credit exposure by 10% by 2025. *ING* has committed to a 12% reduction in lending by 2025. All three of these targets apply only to the financial institutions' lending activities, ignoring capital markets underwriting, which makes up over one-third of each bank's facilitated primary financing to the sector. Moreover, exposure limits are relative to portfolio size, and therefore allow for increased total flows to the sector.

- Similarly, 2030 intensity targets set by *Goldman Sachs*, *J.P. Morgan*, *Morgan Stanley*, *Scotiabank* and *TD Bank Group* allow for sustained financing to the sector which can result in increases in emissions overall. **Goldman Sachs** and **J.P. Morgan**'s targets include capital markets activities, while **Morgan Stanley**, **Scotiabank** and **TD Bank Group**'s do not.

- Comparatively, *UBS*, *Citigroup*, *HSBC*, *Lloyds Banking Group*, and *Barclays* have set more ambitious targets for reducing their absolute financed emissions of their energy and oil and gas portfolios by 2030, directly corresponding to their real-world impact on climate change. **Barclays'** target applies to both its lending and its capital market activities. However, **UBS**, **Citigroup**, **HSBC**, and **Lloyds Banking Group**'s targets only apply to lending, and not their capital market activities which represents 77%, 61%, 55%, and 39% of each bank's facilitated primary financing to oil and gas in 2020 and 2021 respectively. Moreover, **HSBC**'s target only applies to on-balance sheet financing for which it is the bookrunner, thus excluding syndicated loans where HSBC is not the bookrunner, as well as loan participations sold on the secondary market.

The remaining financial institutions assessed have not announced exclusion criteria for oil and gas clients beyond introducing partial exclusion or due diligence criteria on unconventional oil and gas development and production. Amongst these, only **AXA, BNP Paribas, Lloyds Banking Group, Santander**, and **Societe Generale** have restricted financing activities related to Arctic, oil sands, and fracking. These findings indicate

[34] Note, ING will not provide dedicated upstream project financing (lending or capital markets) for new oil and gas fields approved for development after 31 December 2021, in line with the IEA Net Zero Scenario conclusions. However, it will continue to provide corporate financing to oil and gas companies who are developing oil and gas assets. Lloyds Banking Group will not directly finance (via project finance or reserve based lending) the development of new oil fields beyond those granted approval before the end of 2021. However, it has not committed this for gas, and will similarly continue to provide corporate financing to oil and gas clients.

that if they are to meet their long-term net zero ambitions, financial institutions should look to leverage their ongoing relationships with oil and gas firms to support an accelerated transition in line with short- and long-term requirements for a net zero economy. For example, institutions may push oil and gas clients for commitments for no new oil and gas exploration or development as prescribed by the IEA Net Zero Emissions by 2050 Scenario, and commit to this themselves through their project financing activities.

Primary Financing Activities

The 27 financial institutions with primary financing activities in this analysis facilitated a total of at least $740 billion of new primary financing in 2020 and 2021 to companies in the fossil fuel production value chain, approximately 7% of the value of their total assessed primary financing activities during the same period. This financing primarily occurs in bond underwriting (total fossil fuel financing of $371 billion) and corporate lending ($343 billion). Particularly, in bond underwriting, fossil fuel financing represents more than 10% of the total assessed deal value across the past two years. Equity issuance underwriting forms a smaller source of financing for fossil fuel production, with only 1.7% ($26 billion) of total assessed equity issuance deal value going to companies in the value chain. The full analysis results can be found in the appendix and on *FinanceMap.org*.

The largest fossil fuel financers by absolute value were **J.P. Morgan, Citigroup,** and **Bank of America**, as shown in the table below.

Financial Institution	Primary Financing of Fossil Fuel Production Value Chain ($ mln)		
	Oil & Gas	Coal	Total
J.P. Morgan	76,832	4,363	**81,195**
Citigroup	66,083	2,812	**68,896**
Bank of America	52,961	2,360	**55,321**
BNP Paribas	45,395	2,142	**47,536**
Wells Fargo	41,770	144	**41,914**

Table 4. The largest primary financers of fossil fuel production by absolute value in 2020-2021.

While the above table shows the largest absolute financers of fossil fuels, there is significant variation among the financial institutions in their relative exposure to the fossil fuel value chain. Table 5 shows the financial institutions with the largest and the smallest fossil fuel exposure in their primary financing activities in 2020-2021. Notably, the fossil fuel financing exposure of Canadian banks **Scotiabank** and **TD Bank Group** exceeds 17%.

Financial Institution	Primary Financing Exposure to Fossil Fuel Production		
	Oil & Gas	Coal	Total
TD Bank Group	16.2%	1.0%	**17.1%**
Scotiabank	16.4%	0.6%	**17.0%**
Mitsubishi UFJ Financial Group	12.2%	0.6%	**12.8%**
...			
Credit Suisse	2.8%	0.5%	**3.3%**
Goldman Sachs	2.9%	0.1%	**3.0%**
UBS	1.4%	0.9%	**2.3%**

Table 5. The financial institutions with the highest and lowest exposure to fossil fuels in their primary financing activities in 2020-2021.

Coal Primary Financing

Combined, the assessed financial institutions enabled at least $42 billion in primary financing to companies in the coal mining value chain[35] in 2020-2021. The majority of coal financing, 60% ($25 billion), occurred in corporate lending deals, followed by 39% ($17 billion) in bond underwriting and 1% ($461 million) in equity issuance underwriting. The financing of companies in the coal production value chain represented 0.5% of all corporate lending and bond underwriting assessed.

Despite making up a limited portion of overall financing, the coal financing detailed above includes considerable deals with some of the world's largest coal producers. For example, 21 of the 27 financial institutions with primary financing activities facilitated a cumulative $17.5 billion of financing to **Glencore** through loans and bond underwriting deals in 2020-2021**. Shanxi Coking Coal Group** was issued $448 million in bond deals underwritten by **Ping An Group**, **Deutsche Bank**, and **Citigroup**, with Citigroup underwriting the majority at $296 million. As recently as December 2021, **HSBC** and **Barclays** cumulatively lent $933 million to Australian mining giant **South32**. According to this analysis, **Glencore, Shanxi Coking Coal Group**, and **South32** are all projected to increase their annual coal production in the coming five years, in direct conflict with the IEA Net Zero by 2050 Scenario.

[35] The coal mining value chain is defined as the universe of companies of which the primary sector of operations is in the coal mining or coal mining services sectors. This universe does not include companies whose primary operations take place in the power sector.

Oil & Gas Primary Financing

The 27 financial institutions enabled a total of $697 billion in primary financing to the oil and gas production value chain[36] in 2020-2021, equivalent to 6.6% of total primary financing facilitated in the same period. Cumulatively, 6% of corporate lending and 10% of bond underwriting analyzed was issued to companies in the oil and gas production value chain, amounting to $317 billion and $354 billion respectively. The remaining $25 billion was financed via equity issuance underwriting.

Notably, $145 billion in primary financing went specifically to the five largest American and European oil and gas companies, **ExxonMobil**, **Chevron**, **Shell**, **TotalEnergies**, and **BP.** The following table shows the top five financial institutions financing these companies. **BNP Paribas** leads in absolute amount of primary financing to the five supermajors with $23 billion. The French bank was also the sole bookrunner for the largest deal to a fossil fuel company analyzed in this research, with a $10 billion loan to **BP** in April 2020.

Financial Institution	Primary Financing to 5 Oil Supermajors[37] ($ mln)
BNP Paribas	23,308
Bank of America	15,994
Citigroup	15,701
J. P. Morgan	14,144
HSBC	12,545

Table 6. Top 5 financial institutions financing 5 largest American and European oil and gas companies.

All five of the supermajors have stated plans to continue undertaking considerable fossil fuel exploration and development projects in the coming years, in direct misalignment with IEA Net Zero prescriptions. The companies are forecasted to allocate at least $85 billion to capital expenditure in 2022[38], an increase of $12 billion compared to 2021, of which the majority is forecasted to go to fossil fuel business segments.

Primary Financing Paris Alignment

Applying FinanceMap's Portfolio Paris Alignment methodology, based on the PACTA[39] tool, to the financial institutions' primary financing activities gives an alignment score for each financial institution's portfolios

[36] *The oil and gas production value chain is defined as the universe of companies of which the primary sector of operations is in the up-, mid-, and/or downstream segments of oil and gas production. This includes companies whose primary operations take place in oil and gas services, infrastructure, etc.*

[37] *ExxonMobil, Chevron, Shell, TotalEnergies, BP.*

[38] *Energy Intelligence. 29 October 2021. Majors Poised for 2022 Capex Hike.*

[39] *PACTA is an open source portfolio alignment methodology designed by 2DII, and expanded upon by FinanceMap to calculate aggregated portfolio-level alignment results for corporate lending, capital markets underwriting, and asset management portfolios.*

with the IEA Net Zero Emissions by 2050 (NZE) scenario. The portfolio Paris Alignment (PA) score indicates to which extent the companies in the portfolio have operations which are aligned with the IEA Net Zero pathway over the coming five years. The PA score ranges from -100% (highly misaligned) to +100% (positively aligned). A PA score of 0% implies that the companies in the portfolio will operate in alignment with the IEA Net Zero by 2050 pathway over the coming five years. Negative scores indicate that portfolio companies will continue to produce too much in polluting technologies and too little in green compared to IEA NZE, while positive scores imply more green and less polluting production than the IEA NZE prescribes.

The 27 financial institutions assessed in primary financing receive an average Paris Alignment (PA) score of -49% in both corporate lending and bond underwriting independently. The equity issuance underwriting assessment resulted in an average PA score of -40%. PA scores within corporate lending range from -38% (**Morgan Stanley**) to -65% (**Credit Suisse**), while bond underwriting PA scores range from -37% (**Itaú Unibanco**) to -58% (**UBS**) respectively. No financial institution achieved a zero or positive portfolio PA score in any primary financing activity.

The following figure shows the spread of portfolio PA scores for the various activity streams, with each dot representing a financial institution's score for the corresponding portfolio.

The NZE pathway sets out a significant shift in the power sector over the coming decade, from coal-fired power generation towards renewable energy sources. Because this sector will need to see the largest change in emissions between now and 2030, out of all sectors analyzed under FinanceMap's portfolio Paris Alignment methodology, there is a strong correlation between a portfolio's PA score in this sector and its overall portfolio PA score. This is clearly demonstrated in corporate lending, where the best- and worst-performing financial institutions in the power sector, **Morgan Stanley** at -39% and **Credit Suisse** at -65%, also respectively receive the best and worst PA scores at portfolio level. While **Morgan Stanley's** score of -39% remains significantly misaligned with the NZE due to its financing of conventional power companies, the bank also lends to companies which are expanding renewables production (e.g. **Ørsted, EnBW**). **Credit Suisse**, meanwhile, has lent to more companies which are projected to continue operating significant coal-fired power capacity over the coming years (e.g. **Duke Energy, EPH**). Across all financial institutions, shifting financing away from fossil fuel-dependent power companies and towards renewables will be a key driver in aligning primary financing with the goals of the Paris Agreement.

Corporate lending and bond underwriting portfolios also show significant misalignment in their financing of the automotive sector, with average automotive sector PA scores of -62% and -64% respectively. This is primarily driven by the financial institutions' financing of the world's largest automotive producers, which are largely failing to align their operations with the NZE by decreasing their production of internal combustion engine vehicles and increasing that of electric vehicles. A majority of all financing to the automotive sector, $279 billion of the $409 billion total, goes to only seven companies: **Toyota, Daimler, Ford, General Motors, Honda, Volkswagen,** and **Nissan**.

Asset Management Activities

Similarly to the financial group level, asset manager subsidiaries of these financial institutions continue to make positive top-line statements and set long term climate goals that are largely not being reflected in their concrete short-term targets and actions.

Asset Management Stewardship and Targets

Concretely, 22 out of 25[40] of the asset managers assessed are involved in the CA100+ collaborative engagement initiative (only **Morgan Stanley Investment Management, Itaú Asset Management,** and **Bradesco Asset Management** are not signatories). Some of these signatories are delivering effective and ambitious stewardship programs on climate[41], e.g. **BNP Paribas Asset Management** and **UBS Asset Management**[42]. Generally, however, for asset managers belonging to large diversified financial institutions, membership to CA100+ is not an indicator of stewardship quality, and several asset managers that are signatories to CA100+ remain low engagers on climate-related issues. **TD Asset Management, Credit Suisse Asset Management, Santander Asset Management, Goldman Sachs Asset Management, Ping An Asset Management, J.P. Morgan Asset Management,** and **Scotiabank's Jarislowsky Fraser** subsidiary do not appear to be actively engaging companies to transition business models in line with the goals of the Paris Agreement based on their available reporting.

[40] ***Barclays, Bank of America, Citigroup, Commonwealth Bank of Australia****, and* ***ING*** *do not have asset manager subsidiaries and therefore have not been included in the stewardship assessments.*

[41] *As assessed using FinanceMap's established stewardship assessment methodology. This includes assessing engagement policies and frameworks, escalation strategies, resolution filing and voting, participation in collaborative initiatives, reporting transparency etc. The full methodology is available here.*

[42] *Both BNP Paribas Asset Management and UBS Asset Management receive A+ scores for their climate stewardship activities in FinanceMap's scoring system. Full scoring profiles can be accessed via the hyperlinks provided.*

With regard to short-term targets, 11 out of 25 of the asset managers are signatories to the GFANZ Net Zero Asset Managers Initiative (NZAMI), and, to date, four (**UBS Asset Management, Deutsche Bank's DWS, AXA Investment Managers,** and **Mizuho's Asset Management One)** have released their initial targets[43]. As with the NZBA targets, variations in the target parameters make them difficult to directly compare[44]. These four investors have committed between 20% and 53% of in-scope assets under management to net zero, valuing between $159 billion and $344 billion.

Despite nine of the financial institutions having signed up to GFANZ as a bank, these financial institutions have not committed to NZAMI at the asset manager level[45], highlighting possible internal disconnects on the climate strategies within financial groups. This is also evidenced by dissonant fossil fuel policies between banking group and asset management subsidiaries[46].

Asset Management Portfolios

Applying FinanceMap's Portfolio Paris Alignment methodology, based on the PACTA[47] tool, to the asset managers' equity portfolios gives an alignment score for each portfolio with the IEA Net Zero Emissions by 2050 (NZE) scenario[48]. The asset managers' portfolios are all found to be considerably out of alignment with the IEA NZE pathway, receiving Paris Alignment (PA) scores between -26% (**Scotiabank**[49]) and -52% (**Mitsubishi UFJ Financial Group**). The average PA score is -37%. These scores indicate that all 25 financial institutions' asset management portfolios are heavily overweight in companies which are not transitioning away from polluting technologies and towards green in alignment with the NZE over the coming five years.

[43] *Signatories have one year from joining the initiative to publish targets, therefore the remaining Asset Managers are due to publish their targets in 2022. These four asset manager's targets were included in the initiatives 2021 Progress Report.*

[44] *For example, of the four targets set, methodologies used include the NZAOA Target Setting Protocol, the Paris Aligned Investment Initiative's Net Zero Investment Framework, Science Based Targets initiative's Sector Decarbonization Approach. Climate Scenarios referenced are the IPCC special report on global warming of 1.5 °C P2 pathway, IEA ZNE and IEA SDS pathways.*

[45] ***Royal Bank of Canada, Goldman Sachs, TD Bank Group, Morgan Stanley, Banco Bradesco, Credit Suisse, Sumitomo Mitsui Financial Group (Sumitomo Mitsui DS Asset Management), Allianz (PIMCO), and Scotiabank (Jarislowsky Fraser and 1832 Asset Management).***

[46] *For example, while the parent company has committed to a IPCC aligned coal exit,* ***BNP Paribas Asset Management, Credit Suisse Asset Management*** *and* ***HSBC Asset Management*** *have not.*

[47] *PACTA is an open source portfolio alignment methodology designed by 2DII, and expanded upon by FinanceMap to calculate aggregated portfolio-level alignment results for corporate lending, capital markets underwriting, and asset management portfolios.*

[48] *The portfolio Paris Alignment (PA) score indicates to which extent the companies in the portfolio have operations which are aligned with the IEA Net Zero pathway over the coming 5 years. The PA score ranges from -100% (highly misaligned) to +100% (positively aligned). A PA score of 0% implies that the companies in the portfolio will operate in alignment with the IEA Net Zero pathway over the coming 5 years. Negative scores indicate that portfolio companies will continue to produce too much in polluting technologies and too little in green compared to IEA NZE, while positive scores imply more green and less polluting production than the IEA NZE prescribes.*

[49] *Through its asset management subsidiaries,* ***1832 Asset Management*** *and* ***Jarislowsky Fraser.***

The following figure shows the spread of portfolio PA scores for equity asset management portfolios, with each dot representing an asset manager's PA score.

The prevalence of passive, index-linked strategies in large asset managers means that portfolios are generally similarly misaligned to the markets that they seek to track. As a result, on average, European and North American asset managers are similarly misaligned at averages of -35% and -36% respectively, while Asian, and particularly Japanese, asset managers perform considerably worse at -47%. This is largely explained by Japanese markets' very high misalignment in the power sector, continuing to rely heavily on coal-fired power generation to a greater extent than American and European markets.

The asset managers' investments in the **automotive** and **power** sectors remain highly misaligned across the board, as these sectors as a whole are not transitioning in alignment with the IEA NZE in any market. The asset managers' portfolio companies will, in aggregate, have the following activities in 2026 compared to the prescriptions of the IEA NZE:

- 60% too little renewables power capacity and 18% too much coal-fired power capacity;
- 25% of the required production of electric vehicles and 55% too much production of internal combustion engine vehicles.

Equity investments in the **coal mining** value chain companies by the asset managers add up to a total of $43 billion, approximately 1% of the total investment value analyzed. These investments are largely in companies which are either expanding production or not scaling down in alignment with the NZE. In aggregate, the coal portfolio companies owned by the 25 asset managers are forecasted to produce 50% too much coal in 2026 compared to the NZE pathway.

Shareholdings in **oil and gas production** value chain companies add up to $179 billion across the 25 asset managers, equivalent to 4% of total investment value analyzed. In particular, investments in oil-producing companies are misaligned with the NZE pathway, with asset managers' aggregate portfolio-owned oil production forecasted to exceed the scenario prescription by 12% by 2026.

Engagement with Government Policy and Regulation

Despite significant positive top-line messaging on climate action, InfluenceMap's analysis indicates that the financial institutions are pushing back against policymakers' attempts to align financial regulation with climate goals. Whilst advocacy from the financial institutions themselves varies, all are members of financial industry associations that have lobbied to weaken key sustainable finance policies, and half are members of 'real economy' industry associations that have lobbied directly in favor of fossil fuel interests.

This analysis covers:

- Direct engagement on sustainable finance policy by the financial institutions themselves.
- Indirect engagement on sustainable finance policy via industry associations.
- Indirect engagement on climate policy via 'real-economy' industry associations.

Full results can be found in the appendix and on *FinanceMap.org*.

Direct engagement from financial institutions on sustainable finance policy

The focus of this assessment is engagement on sustainable finance policy. Starting with the *EU's Action Plan on Sustainable Finance* in 2018, the last few years have seen a significant increase in interest by policymakers to implement policies that aim to reorient capital flows towards a more sustainable economy and mainstream sustainability issues into financial decision-making. The *UN PRI's regulation database* has tracked more than 750 relevant policy interventions globally, with notable recent policy developments including the *EU's Renewed Sustainable Finance Strategy* (2021) and the *Biden Administration's Executive Order on Climate-Related Financial Risk* (2021).

Many of the 30 financial institutions do not appear to be strategically engaged on sustainable finance policy, keeping largely to high-level statements in their own communications with limited examples of direct engagement on government policy streams.

- **9 of the 10** most engaged financial institutions are headquartered in the EU or UK. This is likely a reflection of the more established policy action in this region.
- Mirroring the nascent sustainable finance policy agenda in the US, most US-headquartered financial institutions appear to be only moderately engaged. Negligible policy advocacy was found for the six financial institutions headquartered in Brazil, Japan, and Australia, likely reflecting the limited policy interventions in these regions to date.
- Only a small number have significant positive engagement across a range of sustainable finance policy. This includes *BNP Paribas*, *AXA*, and *Allianz*, which all appear to be highly engaged on the

EU's sustainable finance agenda with predominately (but not exclusively) ambitious policy positions.

- The lowest ranking financial institutions are *Goldman Sachs* and *J.P. Morgan*. However, both have limited direct engagement and their low scores are reflections of a small number of negative lobbying positions rather than sustained negative advocacy.

Some financial institutions appear internally divided, often with more supportive positions from the asset management arm of the business

InfluenceMap's analysis of engagement on sustainable finance policy tracks advocacy across the full financial group, including any key asset management (or other) subsidiaries. The findings demonstrate that, in numerous cases, the level of support for sustainable finance regulation varies across the group. Often, the asset management arm of the group is more positive in advocating for ambitious policy.

Examples of this include:

Policy engagement from **BNP Paribas Asset Management** appears generally more supportive than BNP Paribas' group level advocacy. BNP Paribas Asset Management has strongly supported the EU's agenda on sustainable finance since 2018, including for the *green taxonomy*, *climate benchmarks* and the integration of ESG considerations into *investor duties*. However, in 2020, **BNP Paribas** advocated against the extension of the EU's taxonomy to *environmentally harmful activities* and lobbied the Bank of England to take a less granular approach to *stress testing* .

In 2021, a representative for **J.P. Morgan Asset Management** stated support for *regulated climate disclosure* whilst **J.P. Morgan** CEO Jamie Dimon reportedly *opposed* such disclosure, stating *"If we just impose rule after rule, we're going to not accomplish anything (and it will come) at a huge cost".*

Indirect engagement on sustainable finance policy

InfluenceMap also tracks the advocacy of 20 key industry associations that represent the 30 financial institutions on sustainable finance policy. Previous *research* by InfluenceMap has demonstrated the critical contribution of advocacy via third-party groups in policy engagement strategies, notably in allowing companies to pool resources and take advantage of well-resourced lobbying operations as well as providing public distance between companies and their most regressive policy positions.

In general, the financial industry associations analyzed have engaged more intensely and negatively than the financial institutions themselves; often stating broad support for sustainable finance policies whilst lobbying to weaken the detail of key regulatory strands.

All 30 of the financial institutions analyzed in this research have links to industry associations that have consistently lobbied to weaken sustainable finance regulation, with an average of five memberships to such associations[50]. All links between financial institutions and industry associations can be seen in the appendix.

Recent examples of such engagement include[51]:

- In responses to a December 2021 consultation on the US Department of Labor rule *Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights*, industry associations representing **24 of the 30** financial institutions (the *Alternative Investment Management Association*, the *American Bankers Association*, the *American Retirement Association*, the *Investment Company Institute*, the *Managed Funds Association*, the *Securities Industry and Financial Markets Association*, and the *US Chamber of Commerce*) advocated for the removal of explicit references to "ESG factors" in the policy and opposed mandatory ESG considerations in the investment process.

- In 2020, industry associations representing **27 of the 30** financial institutions (the *Alternative Investment Management Association*, the *European Fund and Asset Management Association*, the *European Banking Federation*, the *Investment Company Institute*, the *Managed Funds Association*, the *Securities Industry and Financial Markets Association*, *UK Finance*, and the *US Chamber of Commerce*) advocated for the European Commission to reduce the number of proposed "adverse impact" indicators under the Sustainable Finance Disclosure Regulation, which would require financial institutions to disclose the impact of their investments on climate and other sustainability issues. The Commission subsequently significantly reduced the number of mandatory indicators.

- In response to the US Securities and Exchange Commission's request for public input on climate change disclosures in 2021, the *Bank Policy Institute* and the *Japanese Bankers' Association* both advocated for a gradual and flexible approach to disclosure, whist the *Alternative Investment Management Association* warned against mandating disclosure for the fund managers. InfluenceMap's previous research has demonstrated the *US Chamber of Commerce's sustained opposition* to regulated corporate climate disclosure.

- Negative advocacy has also stretched to voluntary reporting standards which are likely to inform government policy, in particular, the TCFD process. In response to a January 2021 consultation, the *Japanese Bankers Association* pushed back against proposals for Scope 3 emissions disclosure for the financial sector and the *Securities Industry and Financial Markets Association* and *UK Finance*) proposed a delay to introducing forward looking climate-related financial metrics.

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*[50] Here, industry associations that have "**consistently lobbied to weaken sustainable finance regulation**" are defined as having an InfluenceMap Performance Band at D and below and an Engagement Intensity above 10. Some industry associations in the examples below have a score above Band D and exhibit more mixed engagement overall, despite taking oppositional positions on particular policy streams. These groups are not included in this statistic. All Performance Bands can be viewed in the appendix.*

[51] Links here go to evidence pieces captured in InfluenceMap's database.

The financial institutions and their industry associations appear supportive of green finance incentives but skeptical of any regulation of financing environmentally harmful activities

In line with reluctance to develop meaningful internal policies to phase out investments and lending to fossil fuel companies, financial institutions and their industry associations have pushed back against policies that would require transparency around the financing of environmentally harmful activities, including fossil fuels. This can be seen particularly clearly when comparing positions on the EU's green taxonomy with positions on the proposal to extend the taxonomy to environmentally harmful activities.

- **17 of the 30** financial institutions have stated at least top-line support for the EU's green taxonomy, with **none** stating outright opposition.
- In contrast, only **three** have stated support for the proposal to extend the taxonomy to environmentally harmful activities, with **five** openly opposing the proposal. **All 30 are members of industry associations that have opposed the proposal.**

Other examples of finance sector lobbying for weakening policies related to fossil fuel financing include:

- In 2019, the *European Banking Federation* and the *Association for Financial Markets in Europe* advocated for the weakening of the EU's green taxonomy to include electricity generated from natural gas.
- In 2020, the *European Fund and Asset Management Association* advocated for a more lenient approach to fossil fuels in the EU's Ecolabel for financial products, suggesting that the 5% exclusion threshold for "environmental exclusions" should be increased to 10%.
- In 2021, the *Bank Policy Institute* raised concerns about the possibility of disclosing financed (Scope 3) emissions in feedback to the SEC, while the *Japanese Bankers Association* raised similar concerns with the TCFD reporting process.

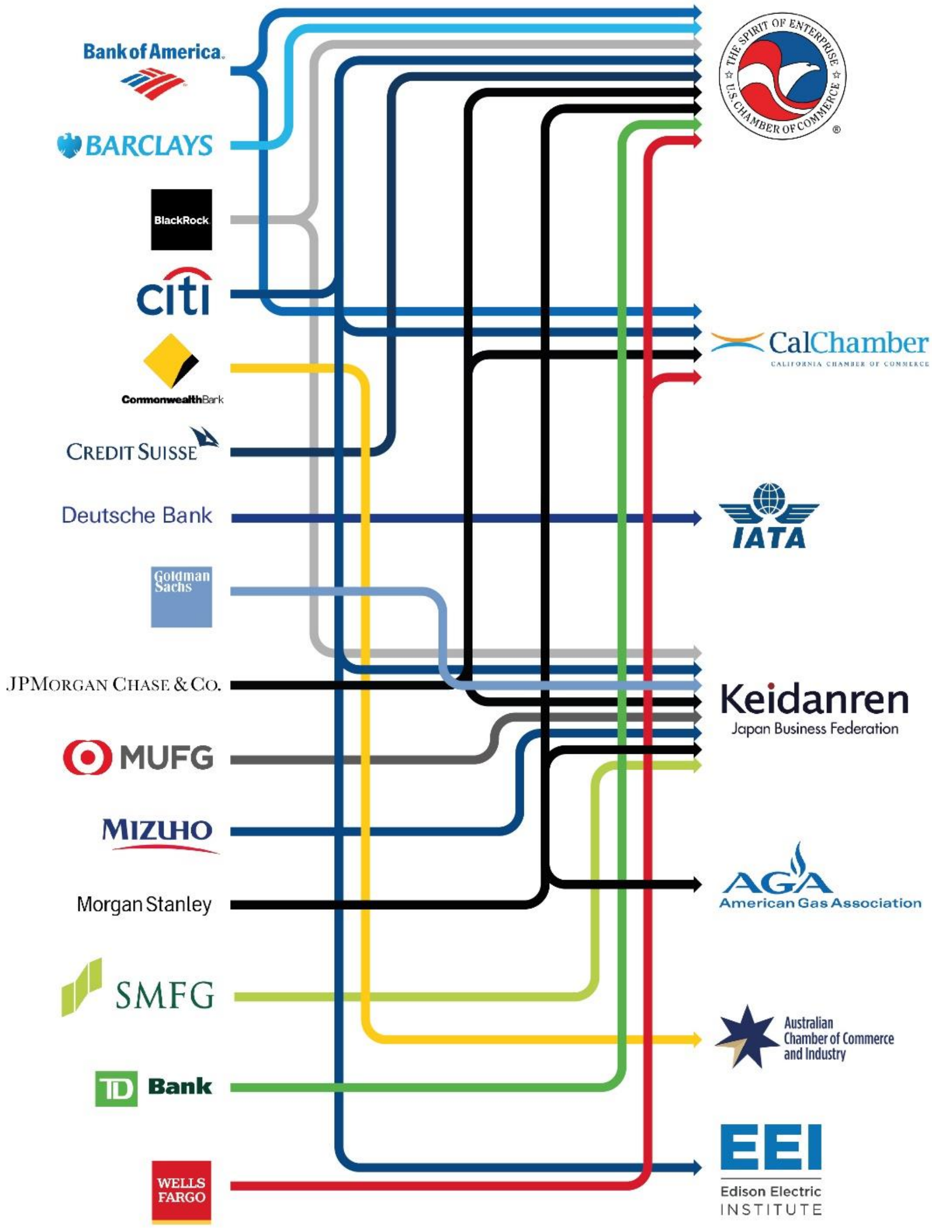
In response to emerging state-level legislation in the US that threatens to cut state contracts with financial institutions that “boycott” fossil fuel companies, **five of the 30** financial institutions (Barclays, **Citigroup**, **Royal Bank of Canada**, **UBS** and **Wells Fargo**) *signed declarations* to Texas regulators stating that they will not take *“any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy.”* **TD Bank Group** additionally signed a declaration but this was withdrawn in March 2022. This pledge to continue financing fossil fuels appears at odds with commitments made under GFANZ to *“accelerate the transition to a net-zero economy”.* *Correspondence* between BlackRock and Texas regulators obtained via Freedom of Information requests further demonstrated **BlackRock** advocating support for continued investment in oil and gas.

Indirect engagement on climate policy

Separately to the database on sustainable finance policy engagement, InfluenceMap maintains a database of corporate climate lobbying, which tracks more than 150 industry associations.

15 of the 30 financial institutions are members of industry associations which InfluenceMap's research demonstrates are lobbying on 'real economy' climate policy with positions that directly support fossil fuel interests.

Citigroup has the most links to such associations, with four memberships, followed by **J.P. Morgan**, and **Morgan Stanley**, with three each. Six of the eight associations[52] in the graphic below were identified as amongst the 25 most obstructive industry associations to climate policy in InfluenceMap's 2021 *Climate Policy Footprint report*.



[52] *The US Chamber of Commerce, the California Chamber of Commerce, the International Air Transport Association, the Japanese Business Federation (Keidanren), the American Gas Association.*

These memberships broadly fall into two categories:

- **General memberships to large cross-sector industry associations (e.g. the US Chamber of Commerce, Keidanren).** InfluenceMap's *previous research* has demonstrated the ongoing power of cross-sector industry associations in blocking climate policy. Despite claiming to represent the whole economy, the positions of these groups tend to mirror the positioning of their most negative members and advocate on behalf of fossil fuel interests at the expense of Paris-aligned climate policy. While the financial institutions themselves are unlikely to retain membership to these associations in order to oppose climate policy, they are nonetheless granting their funding and reputations to these key blockers of action on climate change.

- **"Associate" or "Strategic" memberships to industry specific groups (e.g. the American Gas Association, the International Air Transport Association).** In this case, financial institutions are stated to hold memberships as "service providers" to the industry. These industry groups advocate in favor of the interests of the specific industries they represent, with all associations detailed above lobbying in favor of fossil fuel interests. While financial institutions may not hold significant power in directly dictating the policy positions of these groups, membership could be seen to indicate a vested interest in the continuation of fossil fuel-related opportunities.

The US Chamber of Commerce lobbied against Build Back Better and its climate provisions, while its financial sector members did not take a public stance on the bill

In 2021, the Biden Administration proposed a bold climate policy and fiscal spending agenda, which ultimately failed following extensive lobbying. The $3.5 trillion Reconciliation Bill (or 'Build Back Better') was described as a *"once in lifetime"* opportunity to pass meaningful climate policy in the United States.

US industry associations, including the US Chamber of Commerce, strategically deployed their policy influence *against* the bill. Ultimately several critical climate elements including Clean Energy and Clean Transport Incentives, A Clean Energy Performance Program and a Methane Fee were scaled back or scrapped, while the fate of the rest of the bill remains uncertain.

- In an August 2021 press release, US Chamber of Commerce President and CEO Suzanne Clark *stated* that "The Chamber will do everything we can to prevent this tax raising, job killing reconciliation bill from becoming law".

- In September 2021, the US Chamber of Commerce *strongly critiqued* the climate provisions in the Build Back Better bill, arguing these measures didn't represent "durable climate policy".

- In December 2021, the Chamber *launched* an ad campaign to maintain pressure on Senator Joe Manchin to block Build Back Better. In February 2022, Manchin *pronounced* the bill "dead".

At least nine of the 30 financial institutions (**Bank of America, Barclays, BlackRock, Citigroup, Credit Suisse, J.P. Morgan, Morgan Stanley, TD Bank Group** and **Wells Fargo**) are members of the US Chamber of Commerce. Since the Chamber does not disclose its membership, these financial institutions are identified as members via their own corporate disclosures.

Links between financial institutions and industry groups lobbying against climate policy are coming under increasing scrutiny from investors, with related shareholder resolutions filed at *Citigroup*[53] in 2021 and *Scotiabank*[54] and *J.P. Morgan*[55] in 2022.

All three focus on reputational risks associated with potential misalignment between public net-zero commitments and direct and indirect lobbying activities, with the **J.P. Morgan** and **Citigroup** resolutions specifically citing their membership of the **US Chamber of Commerce**, while the **Scotiabank** resolution cites membership to the **Canadian Association of Petroleum Producers**. While the **J.P. Morgan** and **Citigroup** resolutions ask the financial institutions to prepare a report on direct and indirect lobbying activities, the **Scotiabank** proposal calls on them to adopt public policy advocacy aligned with their net-zero commitments.

To date, none of the financial institutions have lobbying disclosures equivalent to investor expectations formalized by investor-representatives such as the PRI, IIGCC, and Ceres (members of the CA100+ secretariat). Five of the 30 financial institutions appear to have no disclosure at all on industry association memberships and a further 18 have listed industry associations they are a member of with no further detail on the activities of the association or alignment with the financial institutions' positions on sustainable finance. The remaining seven have provided some further detail of engagement, for example whether or not they hold board memberships, but still lack critical information including the positions of industry associations on key policies and alignment between the financial institution and industry associations.

[53] *Received 23% votes in favor.*

[54] *Withdrawn, and as of 21st March 2022, **Scotiabank** appears to no longer be a member of the **Canadian Association of Petroleum Producers**.*

[55] *Withdrawn following a commitment from **J.P. Morgan.***

Conclusions

- **The world's 30 largest financial institutions have set 2050 climate targets without having so far provided evidence of meaningful short-term actions.** This disconnect is highly inconsistent with finance's critical role in the urgent net zero transition, as well as with the institutions' own commitments to halve financed emissions by 2030 via GFANZ and the Race to Zero campaign. This research indicates that internal disconnects between long-term targets and current business activities within large diversified financials must be addressed if the financial sector is to achieve its net zero ambitions.

- **Despite significant positive top-line messaging on climate action, currently, all 30 financial institutions remain members of financial industry associations which are opposing policymakers' attempts to implement sustainable finance policies**. Financial institutions can take immediate action towards Paris alignment by aligning their direct and indirect policy engagements with net zero commitments. In line with investor expectations on climate policy engagement, financial institutions could audit their association memberships to ensure alignment with their top-level climate commitments.

- **Financial institutions' continued and considerable financing of the fossil fuel value chain in the amount of at least $740 billion in facilitated primary financing in 2020 and 2021 is another indication of the disconnect between 2050 targets and short-term action**. The groups' current policies largely fall short of what is required, with only four of 30 institutions planning to reduce oil and gas exposure by 2025 and no financial institution's policies being aligned with IPCC or IEA recommendations.

- **If they are to be considered attainable, net zero by 2050 financing targets must be accompanied by concrete fossil fuel exclusion policies in the immediate term, and consistently applied across all relevant businesses (banking, insurance & asset management).** Current policies should be updated and strengthened in line with IEA guidance, making clear the need for the rapid scale-down of coal, oil and gas exploration and production. Best-in-class fossil fuel exclusion policies will include both revenue and capacity thresholds, cover the full fossil fuel value chain, and apply to all financial services offered by a financial group.

- **The financial institutions' asset manager subsidiaries are also largely misaligned from Paris Agreement goals in both their portfolio shareholdings and stewardship processes.** Aligning these activities with their own and their parent group's positive top-line statements on climate will require concrete and actionable processes throughout their businesses. Net zero investing commitments and transparency around target reporting (e.g. as required by NZAMI) are steps in the right direction.

However, in their portfolio management, financial institutions will need to not only align their active portfolios with Paris, but also the passive investments which often make up the majority of their assets, through robust portfolio construction processes complementing their stewardship strategies.

- **Effective stewardship requires robust systems and procedures, and organizations cannot rely exclusively on wider progress made through collaborative engagement initiatives like the CA100+.** The large financial institutions reviewed in this report have considerable power to influence company operations and should occupy lead engager roles. Asset managers should establish clear expectations for investee companies, backed up by impactful voting and escalation strategies.

- **Only 11 of 30 assessed financial institutions have set short-term targets across multiple sectors and climate-related reporting contains significant gaps across the board as measured against TCFD guidelines.** As GFANZ signatories continue to roll out short-term sector-level targets in the near future, gaps in the utility of financial institutions' disclosures should be addressed. For example, standardizing financed emissions disclosures (e.g. in alignment with PCAF) would allow stakeholders to better track and compare progress made on short-term targets between financial institutions.

- **Given the critical influence which the financial sector has on the real economy, the world's largest financial institutions need to considerably reshape their activities in the immediate term if the net zero transition is to be realized.** Despite an increase in long-term climate targets and voluntary reporting by the financial sector, this report highlights the significant lack of meaningful short-term action by the world's 30 largest financial institutions in the face of the climate crisis. The long-term net zero ambitions currently being stated by these groups are not likely to be achieved unless they are accompanied by concrete and actionable short-term targets and roadmaps.

- **The financial sector remains likely to lag in concrete action on climate change given the structure of financial markets and the lack of both strong financial and real-economy climate regulation.** This is exacerbated by the sector's indirect influence against climate policy through its memberships in industry associations opposing such regulation. This pivotal area of disconnect is an emerging focus of sector initiatives like GFANZ, and should be a priority area of action.

Appendix

Appendix A: Portfolio Value Assessed per Financial Institution

Financial Institution	Financial Value Assessed ($ mln)			
	Corporate Lending	Bond Underwriting	Equity Underwriting	Equity Asset Management (AUM)
J.P. Morgan	771,574	399,226	186,387	472,902
Bank of America	727,950	354,193	173,204	N/A
Wells Fargo	391,685	161,566	27,070	56,103
Ping An Group	1,701	42,025	6,516	1,837
Citigroup	456,372	326,806	157,952	N/A
HSBC	197,908	152,856	34,416	38,547
BNP Paribas	293,508	178,908	27,123	70,428
Allianz	N/A	N/A	N/A	108,827
BlackRock	N/A	N/A	N/A	2,552,319
Mitsubishi UFJ Financial Group	167,745	117,293	1,460	99,032
Santander	82,506	72,695	5,904	4,467
AXA	N/A	N/A	N/A	35,419
Crédit Agricole	159,825	75,986	6,367	270,978
Sumitomo Mitsui Financial Group	162,019	117,818	13,509	22,803
Royal Bank of Canada	195,664	120,897	27,587	1,730
Goldman Sachs	256,127	250,191	244,202	124,191
TD Bank Group	116,176	66,372	6,638	10,011
Mizuho Financial Group	159,755	182,146	25,897	46,229
Morgan Stanley	193,554	249,364	219,818	156,285
UBS	64,023	34,379	69,775	96,101
Societe Generale	120,581	78,998	7,217	7,295
Deutsche Bank	227,583	189,158	37,235	254,438

Barclays	239,895	216,433	75,267	1,317
Itaú Unibanco	N/A	19,989	7,705	6,215
ING	92,627	43,632	2,111	N/A
Lloyds Banking Group	15,327	15,154	N/A	622
Commonwealth Bank of Australia	22,964	3,963	N/A	N/A
Scotiabank	129,208	56,094	7,238	3,028
Banco Bradesco	N/A	11,582	5,088	8,813
Credit Suisse	165,795	114,194	96,833	95,735

Appendix B: Portfolio Paris Alignment Scores[56]

Financial Institution	Corporate Lending		Bond Underwriting		Equity Underwriting		Equity Asset Management	
	Portfolio PA	PACTA Exposure[57]	Portfolio PA	PACTA Exposure	Portfolio PA	Exposure to PACTA Sectors	Portfolio PA	PACTA Exposure
J.P. Morgan	-49%	8%	-50%	18%	-43%	6%	-38%	7%
Bank of America	-54%	6%	-48%	17%	-42%	8%	N/A	N/A
Wells Fargo	-50%	9%	-55%	15%	-23%	15%	-35%	4%
Ping An Group	N/S	-	-37%	19%	N/S	-	-40%	10%
Citigroup	-58%	10%	-53%	21%	-40%	6%	N/A	N/A
HSBC	-40%	10%	-46%	20%	N/S	-	-35%	8%
BNP Paribas	-51%	17%	-46%	22%	-56%	12%	-38%	8%
Allianz	N/A	-	N/A	-	N/A	-	-36%	6%
BlackRock	N/A	-	N/A	-	N/A	-	-39%	8%
Mitsubishi UFJ Financial Group	-54%	18%	-48%	32%	N/S	-	-52%	6%
Santander	-42%	20%	-44%	27%	N/S	-	-33%	13%
AXA	N/A	-	N/A	-	N/A	-	-27%	5%
Crédit Agricole	-42%	15%	-43%	36%	N/S	-	-36%	9%
Sumitomo Mitsui Financial Group	-50%	10%	-49%	29%	N/S	-	-47%	9%
Royal Bank of Canada	-57%	14%	-58%	24%	-29%	5%	-34%	5%
Goldman Sachs	-51%	8%	-52%	14%	-49%	5%	-39%	7%
TD Bank Group	-52%	11%	-58%	26%	N/S	-	-41%	11%
Mizuho Financial Group	-52%	18%	-52%	24%	N/S	-	-49%	4%
Morgan Stanley	-38%	7%	-55%	18%	-40%	5%	-38%	3%
UBS	N/S	-	-58%	13%	-56%	6%	-41%	7%
Societe Generale	-47%	15%	-48%	31%	N/S	-	-35%	7%

[56] "N/A" (not applicable) indicates that a financial institution is not active in the relevant activity stream. "N/S" (not scored) indicates that the portfolio's exposure to relevant PACTA sector companies is too low to score, or that FinanceMap does not have representative data to score this portfolio.

[57] Portion of portfolio value in companies with primary sector of operations in one of the assessed PACTA sectors: automotive, power, upstream oil and gas production, and coal mining.

Financial Institution (continued)	Corporate Lending		Bond Underwriting		Equity Underwriting		Equity Asset Management	
	Portfolio PA	PACTA Exposure [58]	Portfolio PA	PACTA Exposure	Portfolio PA	Exposure to PACTA Sectors	Portfolio PA	PACTA Exposure
Deutsche Bank	-42%	9%	-44%	14%	N/S	-	-39%	10%
Barclays	-50%	11%	-47%	22%	-39%	10%	N/A	N/A
Itaú Unibanco	N/S	-	-37%	14%	N/S	-	-31%	15%
ING	-48%	6%	-46%	25%	N/S	-	N/A	N/A
Lloyds Banking Group	-46%	22%	-46%	46%	N/S	-	-30%	15%
Commonwealth Bank of Australia	-46%	6%	N/S	-	N/S	-	N/A	N/A
Scotiabank	-51%	20%	-47%	34%	N/S	-	-26%	3%
Banco Bradesco	N/S	-	-47%	8%	N/S	-	-30%	15%
Credit Suisse	-65%	3%	-48%	13%	-26%	4%	-41%	5%

[58] *Portion of portfolio value in companies with primary sector of operations in automotive, power, upstream oil and gas production, or coal mining.*

Appendix C: Fossil Fuel Financing by Portfolio Area

Financial Institution	Corporate Lending		Bond Underwriting		Equity Underwriting		Equity Asset Management	
	Total Fossil Fuel Financing ($ mln)	% Fossil Fuel Exposure	Total Fossil Fuel Financing ($ mln)	% Fossil Fuel Exposure	Total Fossil Fuel Financing ($ mln)	% Fossil Fuel Exposure	Total Fossil Fuel Value ($ mln)	% Fossil Fuel Exposure
J.P. Morgan	36,276	5%	40,537	10%	4,381	2%	20,889	5%
Bank of America	19,166	3%	33,088	9%	3,067	2%	N/A	N/A
Wells Fargo	26,006	7%	14,499	9%	1,409	5%	1,882	4%
Ping An Group	100	6%	2,975	7%	0	0%	49	3%
Citigroup	26,691	6%	38,023	12%	4,182	3%	N/A	N/A
HSBC	15,113	8%	16,811	11%	43	0%	2,517	7%
BNP Paribas	31,845	11%	15,691	9%	0	0%	3,084	5%
Allianz	N/A	N/A	N/A	N/A	N/A	N/A	4,004	4%
BlackRock	N/A	N/A	N/A	N/A	N/A	N/A	136,416	6%
Mitsubishi UFJ Financial Group	17,324	10%	19,328	16%	33	2%	2,142	2%
Santander	8,641	10%	6,818	9%	63	1%	419	11%
AXA	N/A	N/A	N/A	N/A	N/A	N/A	1,136	4%
Crédit Agricole	16,753	10%	11,017	14%	0	0%	13,300	5%
Sumitomo Mitsui Financial Group	13,860	9%	14,161	12%	36	0%	371	2%
Royal Bank of Canada	23,632	12%	15,759	13%	598	2%	119	9%
Goldman Sachs	2,083	1%	17,314	7%	3,225	1%	6,629	6%
TD Bank Group	20,981	18%	11,273	17%	177	3%	622	7%
Mizuho Financial Group	19,564	12%	16,530	9%	41	0%	737	2%
Morgan Stanley	5,186	3%	21,342	9%	3,384	2%	2,833	2%
UBS	998	2%	1,876	5%	732	1%	3,806	4%
Societe Generale	13,564	11%	11,074	14%	274	4%	382	8%
Deutsche Bank	4,610	2%	11,499	6%	30	0%	16,226	7%
Barclays	8,094	3%	24,781	11%	745	1%	N/A	N/A

Financial Institution (continued)	Corporate Lending		Bond Underwriting		Equity Underwriting		Equity Asset Management	
	Total Fossil Fuel Financing ($ mln)	% Fossil Fuel Exposure	Total Fossil Fuel Financing ($ mln)	% Fossil Fuel Exposure	Total Fossil Fuel Financing ($ mln)	% Fossil Fuel Exposure	Total Fossil Fuel Value ($ mln)	% Fossil Fuel Exposure
Itaú Unibanco	0	0%	1,840	9%	531	7%	696	12%
ING	6,287	7%	3,242	7%	0	0%	N/A	N/A
Lloyds Banking Group	1,345	9%	867	6%	0	0%	93	17%
Commonwealth Bank of Australia	1,991	9%	200	5%	0	0%	N/A	N/A
Scotiabank	20,294	16%	12,422	22%	100	1%	160	5%
Banco Bradesco	0	0%	136	1%	641	13%	817	13%
Credit Suisse	2,424	1%	7,908	7%	2,069	2%	2,793	3%

Appendix D: Qualitative Assessment Areas Results Table

For the Climate Governance and Stewardship assessments, performance band letter grades are shown on an A through to F scale.

For the Policy Engagement results:

- **Performance Band:** A full measure of a financial institution's sustainable finance policy engagement accounting for both its and its own industry associations' activity on an A through to F scale. For industry associations, see appendix E, the performance band is based on the organization score only.
- **Organization Score:** A measure of an organization's engagement with policy. Above 75 indicates support, below 50 indicates increasing opposition towards 0.
- **Relationship Score:** A measure of a financial institution's industry association's sustainable finance policy engagement. Above 75 indicates broad support, below 50 indicates increasing opposition towards 0.
- **Engagement Intensity:** Describes the level of engagement on sustainable finance policy, whether positive or negative. Above 12 indicates active engagement, above 25 indicates highly active or strategic engagement. Financial institutions with an engagement intensity below 5 are not given an Organization Score.

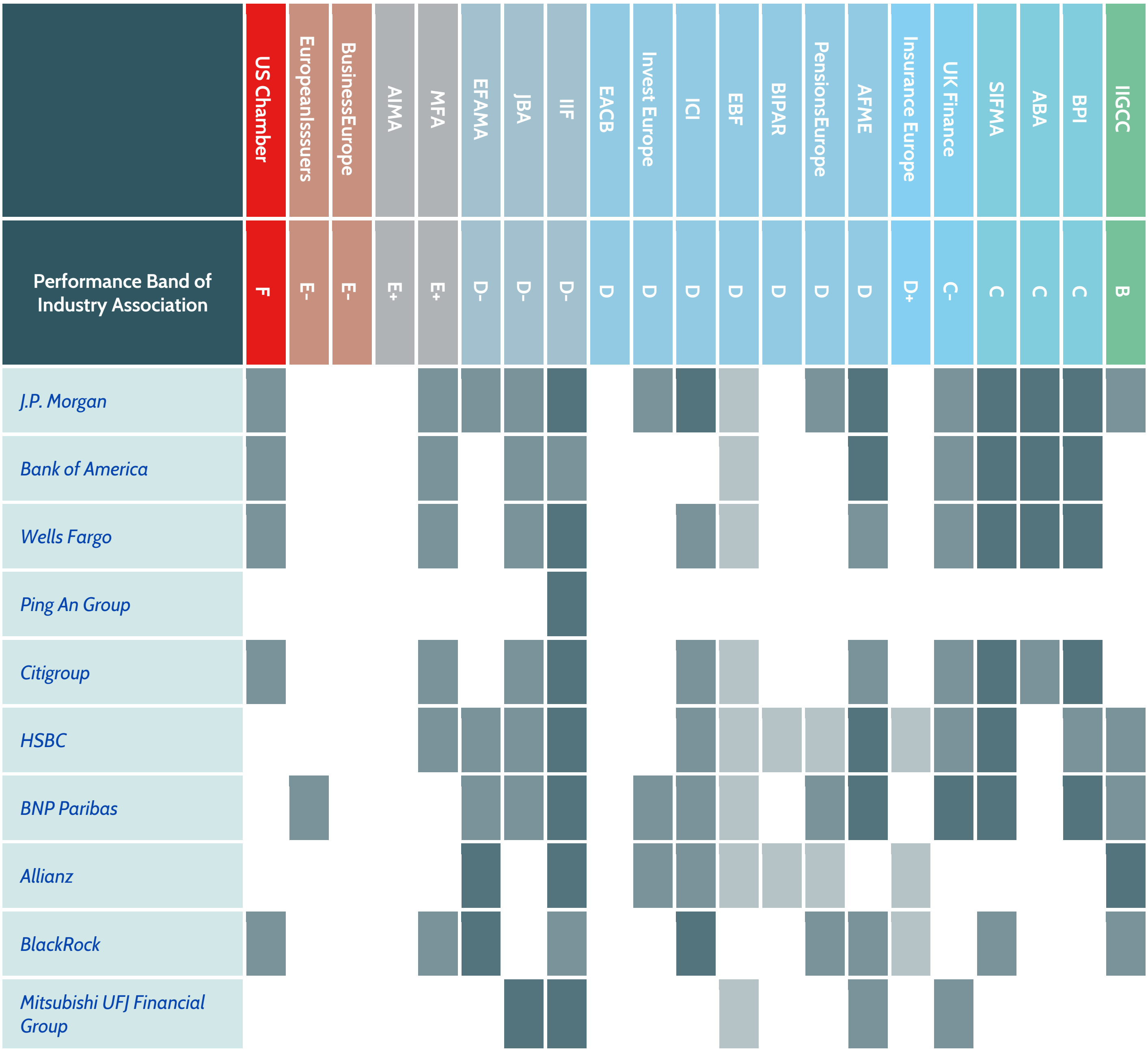
Scores are up to date as of 16/03/2022 and will be continually updated. The most recent scores can be viewed on the Finance & Climate platform on *FinanceMap.org*.

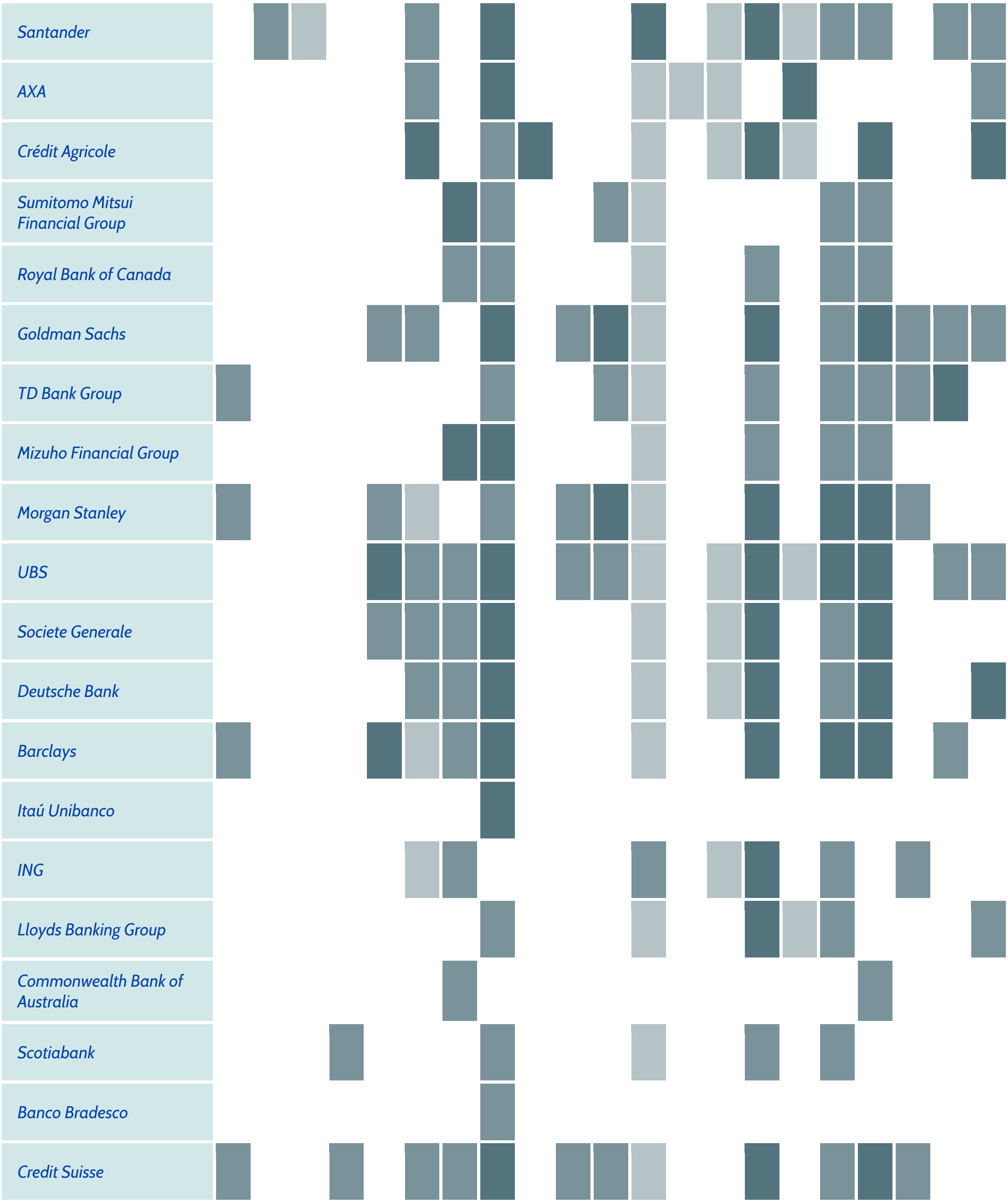
Name	Climate Governance	Stewardship	Policy Engagement			
			Performance Band	Organization Score	Relationship Score	Engagement Intensity
J.P. Morgan	D+	C	D	49	49	10
Bank of America	C-	NA	C	NA	53	4
Wells Fargo	D	C+	C	70	49	7
Ping An Group	D	C	C	66	41	5
Citigroup	C+	NA	C-	65	49	14
HSBC	C	A-	C-	64	51	29
BNP Paribas	B	A+	C	71	50	43
Allianz	B-	B+	C	72	50	38
BlackRock	C-	B-	D+	57	45	34
Mitsubishi UFJ Financial Group	C-	B-	C	NA	47	4
Santander	C+	C-	C-	62	48	13
AXA	B-	A	C	75	51	28
Crédit Agricole	C	D+	D+	54	51	25
Sumitomo Mitsui Financial Group	C-	B	C	NA	49	2
Royal Bank of Canada	D+	C+	D+	55	52	8
Goldman Sachs	D+	C	D	49	51	8

TD Bank Group	C	C-	D+	58	50	6
Mizuho Financial Group	C-	B-	C	NA	49	2
Morgan Stanley	D+	C	C	73	50	10
UBS	C	A+	D+	55	50	14
Societe Generale	B	B-	D+	57	47	23
Deutsche Bank	C-	A-	C-	66	52	26
Barclays	B-	NA	C-	65	47	17
Itaú Unibanco	C-	C-	D	NA	44	1
ING	C+	NA	C-	61	50	19
Lloyds Banking Group	B-	B+	D+	54	53	7
Commonwealth Bank of Australia	C	NA	C-	NA	61	3
Scotiabank	C-	C	C-	61	46	9
Banco Bradesco	C-	D+	D+	NA	44	1
Credit Suisse	C+	C	D+	59	46	11

Appendix E: Links between financial institutions and industry associations assessed on sustainable finance policy engagement

Key	
Shading	**Position/Relationship**
	Head of association
	Executive position or board member in association
	Standard member of association
	Member of association through national association
	No relationship between association and financial group

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AXA
Crédit Agricole
Sumitomo Mitsui Financial Group
Royal Bank of Canada
Goldman Sachs
TD Bank Group
Mizuho Financial Group
Morgan Stanley
UBS
Societe Generale
Deutsche Bank
Barclays
Itaú Unibanco
ING
Lloyds Banking Group
Commonwealth Bank of Australia
Scotiabank
Banco Bradesco
Credit Suisse