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**World’s largest financial institutions undermine own net zero targets**

*Companies provide $740bn for fossil fuel production and lobby to weaken sustainable finance policy*

The world's 30 biggest listed financial institutions are undermining their net zero goals by continuing to fund fossil fuel expansion and lobbying to weaken emerging sustainable finance policy, according to [new analysis](#) released today by climate think tank InfluenceMap.

The report shows that despite a significant increase in its public support for climate action, the finance sector is reluctant to introduce meaningful fossil fuel exclusion policies and has enabled at least $740 billion of financing for the fossil fuel production sector during the past two years.

InfluenceMap Senior Analyst and report author Eden Coates said: “These global financial institutions have significant economic and political influence, and they are delaying action that is essential to respond to the climate crisis. “There is a stark disconnect between what they say about climate change and what they're actually doing - particularly when it comes to pushing back on policymakers’ attempts to align financial regulation with climate goals. “If they are serious about achieving their net zero targets, they should set concrete and actionable short-term targets across all aspects of their operations.”

The 30 financial institutions include 27 with banking arms, 25 with asset management businesses and two global insurers. The report examines their corporate lending, equity and bond underwriting and asset management activities in 2020 and 2021 and how these activities align with their climate reporting, policies and commitments. It also examines their lobbying on climate and sustainable finance policy both directly and indirectly via industry associations.

**Net zero pledges not matched by action**

All except China’s [Ping An Group](#) have signed up to the [Glasgow Financial Alliance for Net Zero](#) (GFANZ), which commits them to set substantial 2030 decarbonization targets and achieve net zero by 2050. This is in line with science-based guidance from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) which have both stated that a rapid phase-out of fossil fuel exploration and production is essential to limiting global warming.

However, **only 11 financial institutions have set concrete 2030 climate targets** across multiple sectors.

By contrast, the report reveals that all 30 remain members of industry associations that have consistently lobbied to weaken key sustainable finance policies in the EU, UK and US that would require transparency around the financing of environmentally harmful activities, including fossil fuels. Only a few, notably [BNP Paribas](#), [AXA](#) and [Allianz](#), are engaging positively on sustainable finance.
Additionally, half (15) are members of real-economy industry associations which are “key blockers of action on climate change”, lobbying directly in line with fossil fuel interests, including the US Chamber of Commerce and the American Gas Association. Banking arms provide hundreds of billions to finance fossil fuel production

The report finds that the financial institutions “remain reluctant to introduce meaningful fossil fuel exclusion policies” and their banking and asset management arms remain highly active in the financing of coal, oil and gas.

Their banking arms cumulatively facilitated at least $740bn in primary financing to the fossil fuel value chain in 2020 and 2021 - 7% of their total primary financing in this period - largely through corporate lending and bond underwriting. This was made up of:

- At least $697bn for oil and gas production (which includes $145bn to five of the largest listed oil and gas companies, ExxonMobil, Chevron, Shell, TotalEnergies and BP, all of which plan to continue exploration and development).
- $42bn for coal production, including $17.5bn cumulatively provided to Glencore by 21 of the 27 institutions with banking activities.

J.P. Morgan was the biggest enabler of fossil fuel financing with $81bn in 2020-21, followed by Citigroup with $69bn and Bank of America with $55bn. Despite setting a 2030 target to reduce power sector emissions, J.P. Morgan increased its financing of coal production from $1.28bn in 2020 to $3.08bn in 2021.

Only seven financial institutions have set thermal coal exit plans in line with IPCC 1.5 ℃ guidelines, and only four (Barclays, BNP Paribas, ING and Societe Generale) have committed to reducing their oil and gas exposure by 2025. However, some of these policies contain loopholes allowing for continued fossil fuel financing under certain circumstances.

Asset management businesses underinvest in low-carbon technologies

Although 22 of 25 financial institutions’ asset management businesses are involved with the Climate Action 100+ (CA100+) initiative, many do not appear to be actively engaging companies to align their business models with the goals of the Paris Agreement. CA100+ signatories Santander and TD Bank Group, in particular, score low on stewardship.

Across the institutions with asset management arms, the report finds that their equity portfolios are heavily overweight in companies that are not transitioning from brown to green technologies fast enough to be aligned with a 1.5 ℃ target. Five years from now the companies they invest in will on average:

- produce 50% too much coal and 12% too much oil;
- hold 18% too much coal power capacity and 60% too little renewables capacity;
- produce 55% too many internal combustion engine vehicles and only 25% of the electric vehicles needed.

Cumulatively their asset management arms hold at least $222 billion of investments in the fossil fuel value chain, including $179 billion in oil and gas production and $43 billion in coal mining. This accounts for 5% of their total equity holdings.

Lloyd’s Banking Group has the largest equity exposure to fossil fuel production at 17%, followed by Banco Bradesco (13%) and Itaú Unibanco (12%).

See report page 34 for a table setting out how each financial institution finances the fossil fuel sector.

InfluenceMap examined the statements, policies and reporting which the 30 financial institutions have released on climate change and assessed them against their actual business activities: primary and secondary financing;
asset manager stewardship programs; and their engagement on planned or current government policies on climate change.

The 30 financial institutions covered in this research were offered the opportunity to review the analysis and provide feedback prior to release. Further data is available on InfluenceMap’s FinanceMap platform.

Full report, graphics, and quotes at this landing page.

For further information:
Simon Cullen, Communications Manager
E: simon.cullen@influencemap.org

The 30 financial institutions covered by this report, ranked by size (with headquarter country):

1. J.P. Morgan (United States)
2. Bank of America (United States)
3. Wells Fargo (United States)
4. Ping An Group (China)
5. Citigroup (United States)
6. HSBC (United Kingdom)
7. BNP Paribas (France)
8. Allianz (Germany)
9. BlackRock (United States)
10. Mitsubishi UFJ Financial (Japan)
11. Santander (Spain)
12. AXA (France)
13. Crédit Agricole (France)
14. Sumitomo Mitsui Financial Group (Japan)
15. Royal Bank of Canada (Canada)
16. Goldman Sachs (United States)
17. TD Bank (Canada)
18. Mizuho Financial Group (Japan)
19. Morgan Stanley (United States)
20. UBS (Switzerland)
21. Societe Generale (France)
22. Deutsche Bank (Germany)
23. Barclays (United Kingdom)
24. Itaú Unibanco (Brazil)
25. ING (Netherlands)
26. Lloyds Banking Group (United Kingdom)
27. Commonwealth Bank of Australia (Australia)
28. Scotiabank (Canada)
29. Banco Bradesco (Brazil)
30. Credit Suisse (Switzerland)

About InfluenceMap
InfluenceMap is a London-based think tank providing data driven analysis to investors, corporations and the media on issues related to energy and climate change. It operates the FinanceMap platform which tracks and assesses how the finance sector is engaging on climate policy.