

4 July 2023

NAME CEO

BANK

ADDRESS

Sent by email

Subject: Your client Equinor's proposed North Sea oil field Rosebank

Dear [Name CEO],

We are writing to you as CEO of [BANK] to ask you to publicly commit to not fund the controversial Rosebank oil field, which is currently up for approval, and to rule out future financing for Equinor, the field's owner, if it goes ahead with the project. The financing of such a field is incompatible with your commitments as a member of the Net Zero Banking Alliance, and global efforts to limit warming to 1.5°C.

The Rosebank oil field is located in the North Sea, 130 kilometres off the coast of the Shetland Islands. The UK government is considering whether to approve or reject the development. However, the development of the Rosebank oil field is not aligned with pathways required to meet the 1.5C temperature goal under the Paris Agreement.

We are contacting you because your bank (and/or a subsidiary of the bank) has a recent financial relationship with Rosebank's owner, Equinor ASA. Because of Equinor's plans to develop the Rosebank field, this relationship risks being incompatible with your bank's own climate commitments and exposing your bank to significant reputational, legal, financial and other risks. To ensure your bank meets its own committed financed emission reduction targets, it is imperative for your bank to engage with Equinor and push your client to cease developing the project.

We call on your bank to take a number of steps, outlined at the bottom of this letter, and hope to meet with you to discuss this further.

Rosebank oil & gas field

Rosebank is the largest undeveloped oil field in the North Sea, containing an estimated 500 million barrels of oil equivalent (boe)¹. Rosebank's CO₂ emissions would equate to more than the annual CO₂ emissions of all 28 countries categorised as low-income by the World Bank combined². The field would be developed by Equinor, which will hold an 80% stake after acquiring Suncor Energy³, and Ithaca Energy, which holds a 20% stake.

¹ Equinor, [Rosebank Environmental Statement](#), August 2022

² World Bank, [CO₂ emissions \(kt\) | Data](#), updated April 2023.

³ Equinor, [Equinor acquires Suncor Energy UK](#), March 2023.

The approval of Rosebank by the UK regulator does not absolve your bank of its own responsibility to align its financing with the goals of the Paris Climate Agreement and commitments it has made under the Net Zero Banking Alliance, among others.

Risks to the bank

By signing up to the Net Zero Banking Alliance (NZBA), your bank has committed to align its financing with the goals of the Paris Agreement, and more specifically to reach net-zero financed emissions by 2050 or sooner, based on the “best available science”.⁴ It has also committed to engage with its clients on their own transition. In continuing to finance Equinor as it proceeds with developing the Rosebank oil field, your bank risks acting out of step with these commitments.

Specifically, the best available science leads to the conclusion that the proposed field is incompatible with the International Energy Agency (IEA)’s Net Zero by 2050 scenario. The IEA’s Net Zero by 2050 Roadmap⁵, published May 2021, found that in order to reach the Net Zero by 2050 goal, “no new oil and natural gas fields are required beyond those that have already been approved for development”, i.e. with final investment decisions in 2021. With a final investment decision intended for 2023, the development of the Rosebank oil field is clearly not aligned with limiting global warming to 1.5°C. The licence would allow Rosebank to produce fuels until 2051 - a year after the deadline for the UK’s legally binding net zero targets. Combined with already producing fields, emissions from Rosebank would push the UK’s oil and gas industry beyond its emissions reduction targets set out in the North Sea Transition Deal, according to analysis from the nonprofit Uplift.⁶

It is clear that the development of the Rosebank project by Equinor, if approved, is not aligned with the 1.5°C scenario. Rather than align with this scenario, which translates into year-on-year reductions in financed emissions, the new project adds to Equinor’s carbon footprint and therefore to emissions attributable to your bank. Considering the commitments held by your bank as a member of the Net Zero Banking Alliance, the provision of any future financing, including advisory services, to Equinor if the Rosebank field is approved, therefore exposes your bank to significant risks regarding: the fiduciary duties of the directors; the prudential management of risk; client engagement; and investor expectations and engagement.

⁴ UN Environment Programme - Finance Initiative, “[Net-Zero Banking Alliance Commitment Statement](#)”, April 2021.

⁵ IEA, “[Net Zero by 2050: a Roadmap for the Global Energy Sector](#)”, May 2021.

⁶ Fiona Harvey, “[New oilfield in the North Sea would blow the UK’s carbon budget](#)”, The Guardian, April 2023

Fiduciary duties

[BANK]'s directors are bound by their fiduciary duties to act with care, skill and diligence, and to promote the success of the bank. By joining the NZBA, [BANK] has recognised the material risk of climate change and publicly committed to align its financing to mitigate this risk. It is clear that, should the Rosebank field be approved, the provision of future financial services would be in conflict with these public commitments. Should the Bank's directors inadequately consider, consciously disregard or wilfully ignore foreseeable climate-related financial risks in this manner, they may breach their fiduciary obligations.

These risks include stranded assets, as changing regulatory frameworks and the falling demand for oil may render the Rosebank development financially unsustainable. In particular, the United Kingdom's international commitments may jeopardise the long-term feasibility of the Rosebank project. As the UK government strives to achieve its pledge to reduce emissions by 68% before 2030 compared to 1990 levels - or pursue even more robust and ambitious emissions reductions - the Bank risks becoming locked into an unprofitable resource.

Through the provision of future financing, including advisory services, to Equinor should the Rosebank field be approved, directors may expose the Bank unnecessarily and unreasonably to the risks outlined above, and have failed to act with the necessary care, skill and diligence.

Prudential management of risk

The provision of services to a company developing a new field in the North Sea is also relevant to the regulatory duties of the bank and its directors regarding the prudential management of risk. Considering your bank's commitment to align its financing with Net Zero by 2050, climate risk must be integrated into its strategy.

If your bank continues to provide financial and/or advisory services to Equinor in the wake of an approval of the Rosebank field, it may imply inadequate risk management, and expose your bank to significant risk of litigation. [BANK] should note that several companies and banks have faced legal challenges concerning the climate risks of their financing activities. Shell was subject to litigation in the Netherlands concerning the inadequacies of its climate plan and was ordered to reduce its global emissions by 45% by 2030 compared to 2019 levels⁷. BNP Paribas currently faces a lawsuit in French courts over its fossil fuel financing.⁸

The Rosebank development would expose [BANK] to similar enforcement and litigation risks on numerous fronts. Possible subjects of litigation and enforcement could be Equinor as the owner of the field; your bank as a financier of Equinor; or related parties such as the UK government.

⁷ Ron Bousso, Bart H. Meijer and Shadia Nasralla, "[Shell ordered to deepen carbon cuts in landmark Dutch climate case](#)", Reuters, May 2021.

⁸ Isabella Kaminski, "[Climate campaigners sue BNP Paribas over fossil fuel finance](#)", The Guardian, February 2023.

Possible areas of such litigation and enforcement could be action regarding due diligence, inadequate management of risk, and greenwashing⁹.

Through the provision of future financing, including advisory services, to Equinor should the Rosebank field be approved, your bank would therefore be exposed to significant legal and regulatory risk.

Client engagement

As a member of the NZBA, your bank has committed to engage its clients and support their transition¹⁰. Given the inconsistency of the Rosebank field with Net Zero by 2050, your bank must therefore engage Equinor on its plans to develop the oil field. If Equinor continues to pursue development of the Rosebank field, [BANK] must commit to terminating its relationship with Equinor and to not give future financial or advisory services to Equinor.

If the Rosebank field is approved, any future provision of financing to Equinor could call into question your bank's due diligence and client engagement processes, and as a result its adherence to international standards and its commitments under the NZBA.

Investor expectations

[BANK] is accountable to its shareholders and is likely to face increased shareholder pressure if it continues to finance Equinor after an approval of the Rosebank oil field. As seen in the case of the Cambo oil field, also in the North Sea, new fossil fuel developments raise significant public concern, media attention and even legal action.¹¹

Investors expect your bank to fulfil its climate commitments and not carry activities that are not aligned with limiting global warming to 1.5°C. Recent years have seen increasing numbers of shareholder climate resolutions¹², as well as public pressure from investors¹³. Through continuing to provide services to a client developing a project that is clearly in conflict with Net Zero scenarios, your bank would open itself up to increasing shareholder pressure linked to public concern around North Sea expansion.

Through the provision of future financing to Equinor, should the Rosebank field be approved, your bank would therefore be exposed to significant investor pressure, shareholder engagement, public pressure and votes against the bank's directors¹⁴.

⁹ SP Global, [Banks face mounting risk of fines, regulatory probes over sustainability claims](#), Feb 2023.

¹⁰ [Net-Zero Banking Alliance](#).

¹¹ See for example: Matthew Taylor and Jillian Ambrose, "[Work on Cambo oilfield paused after Shell withdrawal](#)", The Guardian, December 2021; and Jillian Ambrose, "[UK faces legal action over North Sea oilfield exploration plans](#)", The Guardian, July 2021.

¹² ESG Investor, [Investors to Hold US Banks and Insurers to Account on Climate](#), April 2023.

¹³ NPR, [Businesses face more and more pressure from investors to act on climate change](#), April 2023.

¹⁴ For a more detailed briefing on the risks to your bank outlined above, please refer to [this letter](#) to financiers of the owners of the Cambo oil field.

Equinor's alignment with 1.5C Paris climate goal

More generally, Equinor's climate commitments and expansion plans do not align with the 1.5°C goal. According to the Global Oil and Gas Exit List (GOGEL) by Urgewald, Equinor is expanding fossil fuel production in 25 countries. The company spent more than USD 1 billion on exploration between 2020 and 2022¹⁵ and expects to increase oil and gas production through 2026¹⁶. More than 85% of Equinor's production occurs in wealthy countries with low oil and gas dependence.¹⁷ In 2022, only 0,13% of Equinor's energy production was renewable, 99,87% was from fossil fuels.¹⁸

The research group Oil Change International recently assessed Equinor's climate plans against a benchmark of 11 criteria and found them 'grossly insufficient' or 'insufficient' on 10 out of 11 criteria, and only 'partially aligned' on 1.¹⁹ Equinor has no plans to stop exploration or the approval of new fossil fuel extraction projects and has no long term plan to phase out such production according to a timeline aligned with 1.5°C. Equinor's transition strategy relies heavily on unproven carbon capture and storage (CCS) technologies, and the company has only a single CCS project in operation. Equinor's planned activities internationally - for example in Canada's Bay du Nord, in the Argentine Sea and off the coast of Brazil - will result in disastrous emissions and threaten unique marine habitats²⁰.

Although Equinor has publicly discussed its commitment to reach "net zero", it does not disclose short, medium, and long term greenhouse gas reduction targets that cover its emissions. The company's 2050 "net zero" target covers a subset of scope 3 emissions, but does not extend to non-energy products like petrochemicals²¹, even though Equinor expects that "an increasing share of oil and gas will be used for petrochemicals towards 2050."²²

In October 2022, the Norwegian government published a white paper stating that all state-owned companies are expected to set science-based targets and implement measures to reduce greenhouse gas emissions in the short and long term in line with the Paris Agreement²³. This means that Equinor is under pressure - which will only increase - from the Norwegian state to ensure its plans are inline with the government's climate expectations. This pressure is of increasing importance to financiers of Equinor, considering how far short the company currently falls of Paris alignment.

¹⁵ Urgewald, "[Global Oil and Gas Exit List](#)", 2022.

¹⁶ Equinor, [2021 Annual Report](#), March 2022, p.19.

¹⁷ Oil Change International, "[Big Oil Reality Check: updated assessment of oil and gas company climate plans](#)", May 2022.

¹⁸ Greenpeace Norway calculations based on figures presented in Equinor's Q4 results, "[Det brede energiselskapet Equinor er fortsatt 99 prosent fossilt](#)", February 2023.

¹⁹ Oil Change International, "[Big Oil Reality Check: updated assessment of oil and gas company climate plans](#)", May 2022.

²⁰ See, for example, estimated downstream emissions from Bay Du Nord. Sierra Club Canada & Equiterre, [Fighting to assess downstream emissions from Bay du Nord](#), May 2022.

²¹ Equinor, [Net-GHG emissions and net carbon intensity methodology](#), Nov 2020.

²² Equinor, [Equinor sets ambition to reach net-zero emissions by 2050](#), Nov 2020.

²³ Norwegian Government, [New report to the Storting on state ownership - regjeringen.no](#), Oct 2022.

We therefore call on your bank to:

- Publicly rule out direct financing for the Rosebank oil field.
- Engage Equinor to end its planned development of the Rosebank oil field, and develop a transition plan compatible with limiting global warming to 1.5°C.
- In the event that Equinor proceeds with the Rosebank field and other projects that are incompatible with meeting the 1.5C climate goal, refrain from providing any future financing, including facilitating capital market activities and providing advisory services, to the company.
- Adopt a formal policy requiring all of the bank's existing and new clients to have in place a Paris-aligned transition plan, and excluding financing, including the facilitation of capital market activities and the provision of advisory services, for companies that develop or expand fossil fuel production.

We would appreciate a response and would be pleased to discuss this issue further with you.

With kind regards, on behalf of the undersigned organisations,

BankTrack

Uplift

Reclaim Finance

Bank Green

Bank on our Future

Oil Change International

350.org

Stand.earth

Urgewald

Indigenous Environmental Network

Profundo

ActionAid Denmark

Women's Earth and Climate Action Network (WECAN)

Tipping Point UK

Greenpeace UK

Positive Money UK

Friends of the Earth Scotland

Friends of the Earth Norway

Make My Money Matter

Rainforest Action Network

Global Witness

Culture Unstained

Les Amis de la Terre

Fossil Free South Africa

Toxic Bonds Network

People & Planet
Students Organising for Sustainability UK
Defund Climate Chaos
Friends of the Earth England
Centre for Citizens Conserving Environment & Management (CECIC)
Climate Emergency Institute
Wall of Women
EKOenergy
Eco Action Families
Music Declares Emergency
Transformative Adaptation
Unite North Metro Denver
Stowarzyszenie Ekologiczne EKO-UNIA, Poland
Biodiversity Conservation Center
Brighton & Hove Friends of the Earth
Interfaith EarthKeepers
Green Alliance
Quantum Leap
Stamp Out Poverty
Fossilvrij NL
Ecologistas en Accion
Friends of the Earth Cyprus
WeSmellGas
Fossil Free London
Upper Valley Affinity Group
Friends of the Earth Malta
New Weather Institute
350 Ottawa
CLEAN (Coastal Livelihood and Environmental Action Network))
Pacific Islands Climate Action Network
Ecologistas en Acción - La Rioja
Natur og Ungdom
Extinction Rebellion San Francisco Bay Area
Oil and Gas Action Network
Fundacja "Rozwój TAK - Odkrywki NIE"
Association Klimastadt Zürich
Fossil Free Schweiz
Mothers Rise Up
Transport & Environment
Hanover Action: towards a sustainable community

[ANNEX]

List of recipient banks:

Bank of America

Barclays

BNP Paribas

CIBC

Citibank

Credit Agricole

Credit Suisse

Deutsche Bank

DNB

Goldman Sachs

JP Morgan

Jyske Bank

Mizuho

Morgan Stanley

MUFG

Nordea

Santander

Skandinaviska Enskilda Banken

Société Générale

Standard Chartered