

The Katowice Commitment

Open letter from global banks to world leaders, heads of government and the international community at COP24

Leading banks team up in pledge to align lending portfolios with global climate goals

We, five international banks with a combined loan book of over €2.4 trillion, believe banks have an important role to play in scaling and accelerating the transition toward a climate-resilient world. From Amsterdam to Abu Dhabi we commit to measure the climate alignment of our lending portfolio, and to explore ways to progressively steer financial flows through our core lending towards the goals of the Paris Agreement.

We support the aim of “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”, which is article 2.1c of the Paris Agreement. To show our support we commit to developing open-source methods and tools for measuring the alignment of lending portfolios with the goals of the Paris Agreement. What’s more, we aspire to then lead the implementation of these methodologies and tools to actually align our lending portfolios with these climate goals.

This is about more than de-risking. It’s about making a positive impact. We will use a science-based, forward looking approach to financing sector-specific shifts in technology and production processes. Because it’s not where our clients are today, but where they are heading tomorrow. We will design the financial services needed to support our clients’ transition to the low-carbon economy.

Therefore, we commit to finance change, putting our balance sheets to work to progressively align with the Paris Agreement thereby contributing to the ultimate goal of climate neutrality.

Key characteristics of our pledge

Co-created

We will work together to co-develop the tools and metrics needed to support our contribution, partnering with organisations like the 2° Investing Initiative.

Impact-driven

We will initially focus on the most carbon-intensive sectors which are key to the transition to the low-carbon economy.

Engagement-focused

We believe in an engagement-focused approach, which means not simply excluding clients but work with them on their transition.

Sector-specific

We believe that each sector has its own transition pathway. Therefore we will use a sector-specific approach and apply the key strategies necessary per sector.

Forward-looking

To effectively steer, we believe in using forward-looking data that will give us the insight we need to know where our clients are headed and how we can support the right investments.

Science-based

We will focus on ensuring that we and our clients are supporting a shift from high- to low-carbon assets in line with science-based scenarios.

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Quotes of support from CEOs of signatory banks

“One of the goals of our Pledge 2025 is to progressively align our activity to the Paris Agreement. Participating in this forward looking initiative will be a fundamental step to achieve it.”

Carlos Torres Vila, CEO BBVA

“In order to finance the energy transition, we have to measure and monitor the climate impact of our credit portfolio in line with the Paris Agreement. We are actively engaged and working on this subject and support this initiative which aims at creating common tools and metrics for the financial sector.”

Jean-Laurent Bonnafé, CEO BNP Paribas

“I’m really proud that ING has led the way in starting this movement and that we found these other banks ready and willing to join us. It shows that banks are becoming increasingly ready to take the bold steps needed to play our part in achieving a low-carbon economy. With a coordinated global effort like we’ve announced today, our impact will only become stronger. I hope this is just the beginning.”

Ralph Hamers, CEO ING

“The increasingly urgent challenges of sustainable development, and in particular the fight against global warming are among our top priorities. Société Générale has accordingly committed to aligned its strategy by 2020 for each sector vital to the success of the energy transition. Towards the goals of the Paris Agreement, we are convinced that we need to share the same methods and frameworks to measure our results and our progress. We welcome collective work with peers and different stakeholders, such as the Katowice Commitment, to develop transparent methodologies.”

Frédéric Oudéa, CEO Société Générale

“Achieving the Paris Agreement requires ambitious, collective effort; we are calling on governments to recognise this as they meet in Katowice this week. Standard Chartered is committed to work transparently with our clients, other banks and stakeholders to develop the tools the banking sector needs to assess our own contribution to climate goals.”

Bill Winters, Group Chief Executive Standard Chartered
