

Banking on Climate Change: Fossil Fuel Finance Report Card 2018

Bank Grade Explanations

Rainforest Action Network, BankTrack, Sierra Club, Oil Change International,
Indigenous Environmental Network, and Honor the Earth

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FOSSIL FUEL EXPANSION

"Fossil fuel expansion" refers to construction of new coal, oil or gas extraction, transportation or combustion projects, such as oil or gas wells, oil or gas pipelines, liquefied natural gas terminals, coal mines, or coal-fired power plants.

Assessment Criteria

1. **Full corporate exclusion of companies planning fossil fuel expansion:** Prohibits corporate finance for all companies expanding fossil fuels.
2. **Partial corporate exclusion of companies planning fossil fuel expansion:** Prohibits corporate finance for some companies expanding fossil fuels, with explicit reference to fossil fuel expansion.
3. **Full exclusion of all new fossil fuel projects:** Prohibits project finance for all new fossil fuel projects.
4. **Full exclusion of new coal mines and coal-fired power plants, and some oil or gas projects:** Prohibits project finance for new coal mines and coal-fired power plants, and some oil or gas projects.
5. **Full exclusion of new coal mines and coal-fired power plants:** Prohibits project finance for new coal mines and coal-fired power plants, worldwide.
6. **Partial exclusion of new coal or oil and gas projects:** Prohibits project finance for some coal, oil, and/or gas projects.
7. **Insufficient or no restrictions on financing for expanding fossil fuels:** This category includes banks with financing restrictions that only apply to mountaintop removal coal, or that set efficiency thresholds for the type of coal-fired power plant that the bank will finance.

Bank Policy Assessments

For links to the policies referenced in this section, see the specific sector sections below.

ABN AMRO

- **Tier:** 2
- **Rationale:** ABN AMRO prohibits project financing for new thermal coal mines and new coal plants worldwide, as well as for some tar sands and Arctic oil projects. On top of this, it also prohibits financing for utilities without a "commitment not to increase coal-fired electricity generation capacity," thus excluding most coal plant developers.

Agricultural Bank of China

- **Tier:** 7
- **Rationale:** Agricultural Bank of China does not have any public policies restricting its fossil fuel financing.

Australia and New Zealand Banking Group (ANZ)

- **Tier:** 7
- **Rationale:** ANZ does not have any restrictions on financing the expansion of the fossil fuel sector.

Bank of America

- **Tier:** 7
- **Rationale:** Bank of America does not have any restrictions on financing the expansion of the fossil fuel sector.

Bank of China

- **Tier:** 7
- **Rationale:** Bank of China does not have any public policies restricting its fossil fuel financing.

Bank of Montreal

- **Tier:** 7
- **Rationale:** Bank of Montreal does not have any restrictions on financing the expansion of the fossil fuel sector.

Barclays

- **Tier:** 6
- **Rationale:** Barclays prohibits project finance for new coal plants in developed countries.

BBVA

- **Tier:** 4
- **Rationale:** BBVA prohibits project finance for new coal mines and new coal plants worldwide, as well as for some tar sands and all Arctic oil projects.

BNP Paribas

- **Tier:** 4
- **Rationale:** BNP Paribas prohibits project finance for new coal mines and new coal plants worldwide, as well as for all tar sands and Arctic oil projects. It also prohibits project finance for some LNG export terminals.

BPCE/Natixis

- **Tier:** 4
- **Rationale:** BPCE/Natixis prohibits project finance for new coal mines and new coal plants worldwide, as well as for all tar sands and Arctic oil projects.

Canadian and Imperial Bank of Commerce (CIBC)

- **Tier:** 7
- **Rationale:** CIBC does not have any restrictions on financing the expansion of the fossil fuel sector.

China Construction Bank

- **Tier:** 7
- **Rationale:** China Construction Bank does not have any public policies restricting its fossil fuel financing.

Citigroup

- **Tier:** 7
- **Rationale:** Citi does not exclude finance for any fossil fuel projects in any regions of the world, beyond setting minimum technology and efficiency thresholds for new power plant financing.

Commerzbank

- **Tier:** 4
- **Rationale:** Commerzbank prohibits project finance for new coal mines and new coal plants worldwide, as well as for some tar sands and Arctic oil projects.

Commonwealth Bank of Australia

- **Tier:** 7
- **Rationale:** Commonwealth Bank does not have any restrictions on financing the expansion of the fossil fuel sector.

Crédit Agricole

- **Tier:** 4
- **Rationale:** Crédit Agricole prohibits project finance for new coal mines and new coal plants worldwide, as well as for all tar sands and Arctic oil projects.

Credit Suisse

- **Tier:** 6
- **Rationale:** Credit Suisse prohibits project finance for new coal mines worldwide and new coal plants in high income countries.

Development Bank of Singapore (DBS)

- **Tier:** 6
- **Rationale:** DBS prohibits project finance for new coal mines worldwide and new coal plants in developed countries.

Deutsche Bank

- **Tier:** 5
- **Rationale:** Deutsche Bank prohibits project finance for new coal mines and new coal plants worldwide.

Goldman Sachs

- **Tier:** 6
- **Rationale:** Goldman Sachs prohibits project finance for new coal plants in high income countries.

HSBC

- **Tier:** 6
- **Rationale:** HSBC prohibits project finance for coal mines globally and coal plants in developed countries.

Industrial and Commercial Bank of China (ICBC)

- **Tier:** 7
- **Rationale:** ICBC does not have any public policies restricting its fossil fuel financing.

ING

- **Tier:** 4
- **Rationale:** ING prohibits project finance for coal mines and coal plants worldwide, as well as for all tar sands and Arctic oil projects.

JPMorgan Chase

- **Tier:** 6
- **Rationale:** JPMorgan Chase prohibits project finance for coal plants in high income OECD countries.

Mitsubishi UFJ Financial Group (MUFG)

- **Tier:** 7
- **Rationale:** MUFG does not have any public policies restricting its fossil fuel financing.

Mizuho Financial Group

- **Tier:** 7
- **Rationale:** Mizuho does not have any restrictions on financing the expansion of the fossil fuel sector.

Morgan Stanley

- **Tier:** 6
- **Rationale:** Morgan Stanley prohibits project finance for coal plants in developed economies.

National Australia Bank (NAB)

- **Tier:** 6
- **Rationale:** NAB prohibits lending for new coal mining projects.

Oversea-Chinese Banking Corporation (OCBC)

- **Tier:** 7
- **Rationale:** OCBC does not have any restrictions on financing the expansion of the fossil fuel sector.

PNC Financial

- **Tier:** 6
- **Rationale:** PNC prohibits project finance for coal plants worldwide.

Rabobank

- **Tier:** 4
- **Rationale:** Rabobank prohibits project finance for coal mines, coal-fired power plants, shale gas, tar sands, and other unconventional fossil fuels.

Royal Bank of Canada (RBC)

- **Tier:** 7
- **Rationale:** RBC does not have any restrictions on financing the expansion of the fossil fuel sector.

Royal Bank of Scotland (RBS)

- **Tier:** 6
- **Rationale:** RBS prohibits project finance for Arctic oil.

Santander

- **Tier:** 7
- **Rationale:** Santander does not exclude project finance for any fossil fuel projects in any regions of the world, beyond setting minimum efficiency thresholds for new power plant financing.

Scotiabank

- **Tier:** 7
- **Rationale:** Scotiabank does not have any restrictions on financing the expansion of the fossil fuel sector.

Société Générale

- **Tier:** 4
- **Rationale:** Société Générale prohibits project finance for new coal mines and new coal plants worldwide, as well as for some tar sands and Arctic oil projects.

Standard Chartered

- **Tier:** 6
- **Rationale:** Standard Chartered prohibits project finance for some new coal mines.

Sumitomo Mitsui Financial Group (SMFG)

- **Tier:** 7
- **Rationale:** SMFG does not have any restrictions on financing the expansion of the fossil fuel sector.

Toronto-Dominion Bank (TD)

- **Tier:** 7
- **Rationale:** TD Bank does not exclude project finance for any fossil fuel projects in any regions of the world, beyond transactions related to mountaintop-removal coal mining.

UBS

- **Tier:** 6
- **Rationale:** UBS prohibits project finance for coal plants in high income countries.

UniCredit

- **Tier:** 7
- **Rationale:** UniCredit does not exclude project finance for any fossil fuel projects in any regions of the world.

United Overseas Bank (UOB)

- **Tier:** 7
- **Rationale:** UOB does not have any restrictions on financing the expansion of the fossil fuel sector.

US Bank

- **Tier:** 4
- **Rationale:** US Bank “does not provide project financing for the construction of oil or natural gas pipelines”; prohibits direct project financing of coal-fired power plants and relationships that involve constructing such plants; and "will not participate in any relationship involving or provide project financing or other forms of asset-specific financing for the development of new coal mines."

Wells Fargo

- **Tier:** 7
- **Rationale:** Wells Fargo does not have any restrictions on financing the expansion of the fossil fuel sector.

Westpac

- **Tier:** 6
- **Rationale:** Westpac excludes finance for new coal mines in coal basins that are not yet under production.

TAR SANDS

Grade Criteria

A-range: Excludes companies

- **A: Tar sands exclusion:** Prohibits all financing for all companies with tar sands operations, as well as all finance for tar sands projects, with public reporting on implementation.
- **A-: Significant tar sands exclusion:** Prohibits all finance for tar sands projects, and excludes companies with tar sands expansion plans and companies with significant tar sands activity, with public reporting on implementation.

B-range: Phases out or partially excludes companies

- **B+: Tar sands phase-out and/or partial exclusion with reporting:** Commits to phase out all financing for and/or exclude companies with tar sands expansion plans or significant tar sands activity, with public reporting on implementation, and prohibits all finance for tar sands projects.
- **B: Partial tar sands phase-out and/or exclusion with reporting:** Commits to phase out one or more types of financing for and/or exclude some tar sands companies, with public reporting on implementation, and prohibits all finance for tar sands projects.
- **B-: Partial tar sands phase-out and/or exclusion without reporting:** Commits to phase out one or more types of financing for and/or exclude some tar sands companies, and prohibits all finance for tar sands projects.

C-range: Excludes projects

- **C+: Tar sands project-specific financing exclusion or partial project exclusion with some corporate financing restrictions:** Prohibits all finance for all tar sands projects, or prohibits financing for some projects and some tar sands companies.
- **C-: Partial tar sands project exclusion:** Prohibits some finance for tar sands projects.

D-range: Due diligence

- **D+: Tar sands due diligence:** Has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **D: Enhanced due diligence that applies to tar sands:** Has a general enhanced due diligence process that covers tar sands-related transactions, such as for the oil and gas sector, with publicly disclosed due diligence criteria, or has a tar sands-specific due diligence process without publicly disclosed due diligence criteria.
- **D-: General due diligence:** Has a general environmental and social due diligence process for corporate financing transactions.

F: No policy.

Bank Policy Grades

ABN AMRO

- **Tar sands grade:** C-
- **Rationale:** ABN AMRO prohibits finance for tar sands exploration projects only.
- **Source:** "[Exclusion List](#)," April 2017, p. 2.

Agricultural Bank of China

- **Tar sands grade:** F
- **Rationale:** No public policy

ANZ

- **Tar sands grade:** D
- **Rationale:** ANZ has an Extractives Industry Policy with general enhanced due diligence processes that would cover tar sands-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[Information about ANZ's Extractives Industry Policy](#)," October 2015.

Bank of America

- **Tar sands grade:** D
- **Rationale:** Bank of America has a tar sands-specific due diligence process, but does not have publicly disclosed due diligence criteria.
- "[Bank of America Corporation Environmental and Social Risk Policy Framework](#)," November 2016, p. 10.

Bank of China

- **Tar sands grade:** F
- **Rationale:** No public policy.

Bank of Montreal

- **Tar sands grade:** D-
- **Rationale:** Bank of Montreal has a general climate and biodiversity due diligence process that applies to corporate financing transactions, with some disclosed criteria.
- **Source:** "[Responsible Lending](#)."

Barclays

- **Tar sands grade:** D+
- **Rationale:** Barclays has a risk briefing on oil and gas that includes specific concerns regarding tar sands. This document acts as due diligence criteria for transactions related to tar sands.
- **Source:** "[Environmental and Social Risk Briefing – Oil & Gas](#)," March 2015, p. 7.

BBVA

- **Tar sands grade:** C-
- **Rationale:** BBVA prohibits finance for tar sands exploration and production projects only.
- **Source:** "[Sector Norms for Environmental and Social Due-Diligence](#)," February 2018, p. 16.

BNP Paribas

- **Tar sands grade:** B
- **Rationale:** BNP Paribas has committed to exclude financing for companies with more than 30% of their business in "the exploration, production, distribution, marketing or trading of ... oil from tar sands." As communicated to the authors of this report, this is based on reserves for production companies, and on turnover for diversified or midstream companies. For companies exclusively active in pipelines, BNP Paribas will not finance those that derive the majority of their revenue from these activities. Additionally, BNP Paribas will prohibit all finance for tar sands projects. BNP Paribas has committed to some reporting on its progress.
- **Source:** "[BNP Paribas Takes Further Measures to Accelerate its Support of the Energy Transition](#)," 11 October 2017.

BPCE/Natixis

- **Tar sands grade:** B-
- **Rationale:** Natixis prohibits finance for tar sands extraction and infrastructure projects, and "companies whose business primarily relies on exploiting oil extracted from tar sands" (but not all tar sands companies).
- **Source:** "[Natixis Deepens its Commitment to the Climate and the Environment](#)," 11 December 2017.

Canadian Imperial Bank of Commerce

- **Tar sands grade:** D-
- **Rationale:** CIBC has a general environmental and social due diligence process for corporate financing transactions, without public due diligence criteria.
- **Source:** "[Lending and Investment](#)."

China Construction Bank

- **Tar sands grade:** F
- **Rationale:** No public policy.

Citi

- **Tar sands grade:** D+
- **Rationale:** Citi has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," February 2018; "[Environmental and Social Policies and Standards](#)." Per internal communication with the bank, additional documentation is forthcoming.

Commerzbank

- **Tar sands grade:** C-
- **Rationale:** Commerzbank prohibits finance for "projects relating to the exploitation of oil-bearing tar sands," but not for all tar sands projects, and does not prohibit financing for tar sands companies.
- **Source:** "[Positions and Directives](#)."

Commonwealth Bank

- **Tar sands grade:** D-
- **Rationale:** Commonwealth Bank has a general environmental and social due diligence policy that applies to corporate financing transactions, but without detail on criteria considered. In the bank's Climate Policy Position Statement, some climate-related due diligence criteria are disclosed.
- **Source:** "[Commonwealth Bank Climate Policy Position Statement](#)," August 2017; "[Group Environment Policy](#)," 2015; "[Environmental, Social & Governance \(ESG\) Lending Commitments](#)," 2014.

Crédit Agricole

- **Tar sands grade:** C+
- **Rationale:** Crédit Agricole prohibits finance for all tar sands projects.
- **Source:** "[Climate Financing: Crédit Agricole S.A. is Taking its Commitments Further](#)," 7 December 2017.

Credit Suisse

- **Tar sands grade:** D
- **Rationale:** Credit Suisse has an enhanced due diligence process for transactions related to tar sands, but does not have publicly disclosed due diligence criteria that are specific to tar sands.
- **Source:** "[Summary of Credit Suisse's Sector Policies and Guidelines](#)," p. 6.

Deutsche Bank

- **Tar sands grade:** D
- **Rationale:** Deutsche Bank has an enhanced due diligence policy for sectors with high potential for environmental and social impacts, which includes the oil and gas sector. The framework gives some detail on general environmental and social due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," January 2017.

Goldman Sachs

- **Tar sands grade:** D+
- **Rationale:** Goldman Sachs has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** "[Goldman Sachs Environmental Policy Framework](#)," October 2015, p. 11; "[Environmental and Social Risk Management Sector Guidelines](#)."

HSBC

- **Tar sands grade:** D+
- **Rationale:** HSBC has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** "[Energy Sector Policy](#)," January 2011, p. 3.

ICBC

- **Tar sands grade:** F
- **Rationale:** No public policy.

ING

- **Tar sands grade:** B-
- **Rationale:** ING "does not engage in transactions that are directly linked to mining, exploration and upgrading of oil sands." ING has clarified that it will not provide project finance for the Trans Mountain, Keystone XL, Energy East, or Line 3 pipelines. Also, ING will exclude companies where the majority of its business is in an excluded activity, including tar sands.
- **Source:** "[ING Environmental and Social Risk Framework](#)," 2017 pp. 7-8; "[Extractives Industries](#)."

JPMorgan Chase

- **Tar sands grade:** D+
- **Rationale:** JPMorgan Chase has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," March 2016, pp. 7-8.

MUFG

- **Tar sands grade:** F
- **Rationale:** MUFG's environmental and social risk assessment does not apply to corporate financing transactions, but rather solely to project finance under the Equator Principles.
- **Source:** "[Corporate Value Foundation](#)," 2016, p. 85.

Mizuho Financial

- **Tar sands grade:** D-
- **Rationale:** Mizuho has a due diligence policy on human rights that applies to corporate financing transactions. Other than that, Mizuho does not have a policy for environmental risk review of corporate financing transactions.
- **Source:** "[Human Rights Due Diligence](#);" "[Social and Environmental Risk Management](#)."

Morgan Stanley

- **Tar sands grade:** D+
- **Rationale:** Morgan Stanley has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** "[Morgan Stanley Coal and Oil & Gas Policy Statements](#)," 1 March 2018, p. 2.

National Australia Bank

- **Tar sands grade:** D-
- **Rationale:** NAB has a general environmental and social due diligence process for corporate financing transactions.
- **Source:** "[Our ESG Principles](#)," 2017.

Rabobank

- **Tar sands grade:** B-
- **Rationale:** Rabobank will not finance tar sands extraction, transport, production, processing, or refining. Additionally, Rabobank restricts corporate finance to tar sands companies, stating that "Generally, Rabobank will not provide finance to clients involved in exploration, extraction/mining or production of raw materials or fossil natural resources."
- **Source:** "[Extractive Industries Policy](#)," 16 January 2017 p. 3; "[Sustainability Policy Framework](#)," November 2016, p. 20.

Royal Bank of Canada

- **Tar sands grade:** D+
- **Rationale:** RBC has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** Energy: "[The Environmental and Economic Challenge of the 21st Century](#)," p. 1.

RBS

- **Tar sands grade:** D
- **Rationale:** RBS has an enhanced due diligence process for transactions relating to tar sands, but the specific criteria are not disclosed, beyond noting that financing for tar sands exploration and production is restricted “where environmental and social risks are not appropriately managed.”
- **Source:** “[Environmental, Social and Ethical Risk Policy Summary – Oil & Gas Sector](#),” December 2016, p. 2.

Santander

- **Tar sands grade:** D
- **Rationale:** Santander’s energy policy states that the bank “will not be involved in... the development, construction or expansion of oil sands projects in non designated countries.” Given that Canada is a Designated country under the Equator Principles, and is home to the vast majority of the world’s tar sands reserves, this is not considered sufficient to be graded as even a partial exclusion of tar sands projects. Santander does have enhanced due diligence for tar sands projects, but the criteria are not disclosed.
- **Source:** “[Guidelines Energy Sector Policy](#),” p. 2.

Scotiabank

- **Tar sands grade:** D-
- **Rationale:** Scotiabank has a general environmental and social due diligence process for corporate financing transactions: the bank’s CSR report mentions that environmental and social risk management procedures exist separate than project finance reviews required under the Equator Principles, but does not disclose actual policy language or due diligence criteria.
- **Source:** “[2016 Corporate Social Responsibility Report](#),” March 2017, p. 36.

Société Générale

- **Tar sands grade:** C+
- **Rationale:** Société Générale prohibits finance for tar sands oil production projects, and has indicated in a public letter recently that it also excludes financing for companies “primarily involved in the extraction of oil sands.” This grade is contingent on publication of this commitment in a forthcoming policy.
- **Source:** “[Societe Generale strengthens its commitments in the fight against climate change](#),” December 2017; “[Reply Letter to the Les Amis de la Terre Association](#),” February 2018.

Standard Chartered

- **Tar sands grade:** D-
- **Rationale:** Standard Chartered has a general environmental and social due diligence process for oil and gas clients, without publicly disclosed due diligence criteria.
- **Source:** "[Oil and Gas Position Statement](#)," 2013, p. 2.

SMFG

- **Tar sands grade:** D-
- **Rationale:** SMFG has a general – but extremely vague – environmental and social due diligence process for corporate financing transactions. SMFG's credit policy "declares that the bank will not execute loans to companies and businesses with the potential to negatively impact the environment to a significant degree," without further detail on due diligence criteria or processes.
- **Source:** "[CSR Report 2017](#)," p. 88.

TD

- **Tar sands grade:** D
- **Rationale:** According to its 2013 Corporate Responsibility Report, TD has a tar sands-specific due diligence process, without publicly disclosed due diligence criteria.
- "[2013 Corporate Social Responsibility Report](#)," p. 64.

UBS

- **Tar sands grade:** D+
- **Rationale:** UBS has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Risk Policy Framework](#)," March 2018, p. 4.

UniCredit

- **Tar sands grade:** D-
- **Rationale:** Unicredit has a general due diligence process for corporate financing transactions, without publicly disclosed criteria.
- **Source:** "[Environmental Commitment](#)," June 2015.

US Bank

- **Tar sands grade:** C-
- **Rationale:** US Bank prohibits some finance for tar sands projects: the bank "does not provide project financing for the construction of oil or natural gas pipelines," which includes tar sands pipelines. With regards to tar sands extraction, the bank applies enhanced due diligence.
- **Source:** "[2017 Environmental Responsibility Policy](#)," 2017, p. 6.

Wells Fargo

- **Tar sands grade:** D+
- **Rationale:** Wells Fargo has an enhanced due diligence process for transactions related to tar sands, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Risk Management: 2015 Statement and Report](#)," 2016, p. 6.

Westpac

- **Tar sands grade:** D-
- **Rationale:** Westpac has a general environmental and social due diligence process for corporate financing transactions, but without disclosure of any due diligence criteria, as the bank's ESG Credit Risk Policy is not publicly available.
- **Source:** "[Westpac's Approach to Sustainable Finance](#)," May 2016; "[Westpac Group Environment Policy](#)."

ARCTIC OIL

Grade Criteria

A-range: Excludes companies

- **A: Arctic oil exclusion:** Prohibits all financing for all companies with Arctic oil operations, as well as all finance for Arctic oil projects, with public reporting on implementation.
- **A-: Significant Arctic oil exclusion:** Prohibits all finance for Arctic oil projects, and excludes companies with Arctic oil expansion plans and companies with significant Arctic oil activity, with public reporting on implementation.

B-range: Phases out or partially excludes companies

- **B+: Arctic oil phase-out and/or partial exclusion with reporting:** Commits to phase out all financing for and/or exclude companies with Arctic oil expansion plans or significant Arctic oil activity, with public reporting on implementation, and prohibits all finance for Arctic oil projects.
- **B: Partial Arctic oil phase-out and/or exclusion with reporting:** Commits to phase out one or more types of financing for and/or exclude some Arctic oil companies, with public reporting on implementation, and prohibits all finance for Arctic oil projects.
- **B-: Partial Arctic oil phase-out and/or exclusion without reporting:** Commits to phase out one or more types of financing for and/or exclude some Arctic oil companies, and prohibits all finance for Arctic oil projects.

C-range: Excludes projects

- **C+: Arctic oil project-specific financing exclusion or partial project exclusion with some corporate financing restrictions:** Prohibits all finance for all Arctic oil projects, or prohibits financing for some projects and some Arctic oil companies.
- **C-: Partial Arctic oil project exclusion:** Prohibits some finance for Arctic oil projects.

D-range: Due diligence

- **D+: Arctic oil due diligence:** Has an enhanced due diligence process for transactions related to Arctic oil, with publicly disclosed due diligence criteria.
- **D: Enhanced due diligence that applies to Arctic oil:** Has a general enhanced due diligence process that covers Arctic oil-related transactions, such as for the oil and gas sector, with publicly disclosed due diligence criteria, or has an Arctic oil-specific due diligence commitment without publicly disclosed due diligence criteria.
- **D-: General due diligence:** Has a general environmental and social due diligence process for corporate financing transactions.

F: No policy.

Bank Policy Grades

ABN AMRO

- **Arctic oil grade:** C-
- **Rationale:** ABN AMRO prohibits financing for oil and gas exploration and production projects in some regions of the Arctic.
- **Source:** "[Exclusion List](#)," April 2017, p. 2.

Agricultural Bank of China

- **Arctic oil grade:** F
- **Rationale:** No public policy

ANZ

- **Arctic oil grade:** D
- **Rationale:** ANZ has an Extractives Industry Policy with general enhanced due diligence processes that would cover Arctic oil-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[Information about ANZ's Extractives Industry Policy](#)," October 2015.

Bank of America

- **Arctic oil grade:** D

- **Rationale:** Bank of America has an Arctic oil-specific due diligence process, but does not have publicly disclosed due diligence criteria.
- **Source:** [“Bank of America Corporation Environmental and Social Risk Policy Framework,”](#) November 2016, p. 9.

Bank of China

- **Arctic oil grade:** F
- **Rationale:** No public policy.

Bank of Montreal

- **Arctic oil grade:** D-
- **Rationale:** Bank of Montreal has a general climate and biodiversity due diligence process that applies to corporate financing transactions, with some disclosed criteria.
- **Source:** [“Responsible Lending.”](#)

Barclays

- **Arctic oil grade:** D
- **Rationale:** Barclays has a general enhanced due diligence process for the oil and gas sector that would cover Arctic oil-related transactions, with publicly disclosed due diligence criteria.
- **Source:** [“Environmental and Social Risk Briefing – Oil & Gas,”](#) March 2015.

BBVA

- **Arctic oil grade:** C+
- **Rationale:** BBVA prohibits financing for Arctic oil projects.
- **Source:** [“Sector Norms for Environmental and Social Due-Diligence,”](#) February 2018, p. 16.

BNP Paribas

- **Arctic oil grade:** C+
- BNP Paribas prohibits financing for Arctic oil projects.
- **Source:** [“BNP Paribas Takes Further Measures to Accelerate its Support of the Energy Transition,”](#) 11 October 2017.

BPCE/Natixis

- **Arctic oil grade:** C+
- **Rationale:** Natixis prohibits financing for Arctic oil projects.
- **Source:** [“Natixis Deepens its Commitment to the Climate and the Environment,”](#) 11 December 2017.

Canadian Imperial Bank of Commerce

- **Arctic oil grade:** D-
- **Rationale:** CIBC has a general environmental and social due diligence process for corporate financing transactions, without public due diligence criteria.
- **Source:** "[Lending and Investment](#)."

China Construction Bank

- **Arctic oil grade:** F
- **Rationale:** No public policy.

Citi

- **Arctic oil grade:** D+
- **Rationale:** Citi has an enhanced due diligence process for transactions related to Arctic oil, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," February 2018; "[Environmental and Social Policies and Standards](#)." Per internal communication with the bank, additional documentation is forthcoming.

Commerzbank

- **Arctic oil grade:** C+
- **Rationale:** Commerzbank prohibits financing for Arctic oil projects.
- **Source:** "[Positions and Directives](#)."

Commonwealth Bank

- **Arctic oil grade:** D-
- **Rationale:** Commonwealth Bank has a general environmental and social due diligence policy that applies to corporate financing transactions, but without detail on criteria considered. In the bank's Climate Policy Position Statement, some climate-related due diligence criteria are disclosed.
- **Source:** "[Commonwealth Bank Climate Policy Position Statement](#)," August 2017; "[Group Environment Policy](#)," 2015; "[Environmental, Social & Governance \(ESG\) Lending Commitments](#)," 2014.

Crédit Agricole

- **Arctic oil grade:** C+
- **Rationale:** Crédit Agricole prohibits financing for Arctic oil projects.
- **Source:** "[Climate Financing: Crédit Agricole S.A. is Taking its Commitments Further](#)," 7 December 2017.

Credit Suisse

- **Arctic oil grade:** D
- **Rationale:** Credit Suisse has an Arctic oil-specific due diligence commitment without publicly disclosed due diligence criteria.
- **Source:** "[Summary of Credit Suisse's Sector Policies and Guidelines](#)," p. 6.

Deutsche Bank

- **Arctic oil grade:** D
- **Rationale:** Deutsche Bank has an enhanced due diligence policy for sectors with high potential for environmental and social impacts, which includes the oil and gas sector. The framework gives some detail on general environmental and social due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," January 2017.

Goldman Sachs

- **Arctic oil grade:** D+
- **Rationale:** Goldman Sachs has an enhanced due diligence process for transactions related to unconventional oil and gas — which the bank has indicated to the authors of this report includes Arctic oil — with publicly disclosed due diligence criteria.
- **Source:** "[Goldman Sachs Environmental Policy Framework](#)," October 2015, p. 11; "[Environmental and Social Risk Management Sector Guidelines](#)."

HSBC

- **Arctic oil grade:** D-
- **Rationale:** HSBC has a general due diligence procedure for corporate lending, but no more specific due diligence procedures that cover Arctic oil.
- **Source:** "[Energy Sector Policy](#)," January 2011.

ICBC

- **Arctic oil grade:** F
- **Rationale:** No public policy.

ING

- **Arctic oil grade:** C+
- **Rationale:** ING prohibits finance for Arctic oil exploration projects, but not all Arctic oil projects. The bank prohibits financing for companies with a majority of their business in Arctic oil exploration, but not all Arctic oil companies.
- **Source:** "[ING Environmental and Social Risk Framework](#)," 2017 p. 8; "[Extractives Industries](#)."

JPMorgan Chase

- **Arctic oil grade:** D+
- **Rationale:** JPMorgan Chase has an enhanced due diligence process for transactions related to Arctic oil, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," March 2016, pp. 7-8.

MUFG

- **Arctic oil grade:** F
- **Rationale:** MUFG's environmental and social risk assessment does not apply to corporate financing transactions, but rather solely to project finance under the Equator Principles.
- **Source:** "[Corporate Value Foundation](#)," 2016, p. 85.

Mizuho Financial

- **Arctic oil grade:** D-
- **Rationale:** Mizuho has a due diligence policy on human rights that applies to corporate financing transactions. Other than that, Mizuho does not have a policy for environmental risk review of corporate financing transactions.
- **Source:** "[Human Rights Due Diligence](#);" "[Social and Environmental Risk Management](#)."

Morgan Stanley

- **Arctic oil grade:** D+
- **Rationale:** Morgan Stanley has an enhanced due diligence process for transactions related to Arctic oil, with publicly disclosed due diligence criteria.
- **Source:** "[Morgan Stanley Coal and Oil & Gas Policy Statements](#)," 1 March 2018, p. 2.

National Australia Bank

- **Arctic oil grade:** D-
- **Rationale:** NAB has a general environmental and social due diligence process for corporate financing transactions.
- **Source:** "[Our ESG Principles](#)," 2017.

Royal Bank of Canada

- **Arctic oil grade:** D
- **Rationale:** RBC has an enhanced due diligence process for corporate financing transactions for clients in high risk sectors, with publicly disclosed due diligence criteria. In internal engagement, RBC has communicated to the authors of this report that Arctic oil-related transactions are categorized in the bank's highest environmental risk category, and an Environmental and Social Risk Review is mandatory for clients in this sector.
- **Source:** "[Corporate Citizenship Report 2016](#);" "[Responsible Financing](#)."

RBS

- **Arctic oil grade:** C+
- **Rationale:** RBS prohibits financing for Arctic oil projects.
- **Source:** "[Environmental, Social and Ethical Risk Policy Summary – Oil & Gas Sector](#)," December 2016, p. 2.

Santander

- **Arctic oil grade:** D
- **Rationale:** Santander has enhanced due diligence for oil production in "sensitive regions," which includes the Arctic, without publicly disclosed due diligence criteria.
- **Source:** "[Guidelines Energy Sector Policy](#)," p. 2.

Scotiabank

- **Arctic oil grade:** D-
- **Rationale:** Scotiabank has a general environmental and social due diligence process for corporate financing transactions. The bank's CSR report mentions that environmental and social risk management procedures exist separate than project finance reviews required under the Equator Principles, but does not disclose actual policy language or due diligence criteria.
- **Source:** "[2016 Corporate Social Responsibility Report](#)," March 2017, p. 36.

Société Générale

- **Arctic oil grade:** B-
- **Rationale:** Société Générale prohibits finance for Arctic oil projects, and has indicated in a public letter recently that it also excludes financing for companies "primarily involved in the extraction of Arctic oil." This grade is contingent on publication of this commitment in a forthcoming policy.
- **Source:** "[Societe Generale Strengthens its Commitments in the Fight Against Climate Change](#)," December 2017; "[Reply Letter to the Les Amis de la Terre Association](#)," February 2018.

Standard Chartered

- **Arctic oil grade:** D
- **Rationale:** Standard Chartered has a general environmental and social due diligence process for oil and gas clients, including Arctic oil clients.
- **Source:** "[Oil and Gas Position Statement](#)," 2013, p. 2.

SMFG

- **Arctic oil grade:** D-
- **Rationale:** SMFG has a general – but extremely vague – environmental and social due diligence process for corporate financing transactions. SMFG's credit policy "declares

that the bank will not execute loans to companies and businesses with the potential to negatively impact the environment to a significant degree,” without further detail on due diligence criteria or processes.

- **Source:** “[CSR Report 2016](#),” p. 83.

TD

- **Arctic oil grade:** D
- **Rationale:** TD has a general enhanced due diligence process for the oil and gas sector that would cover Arctic oil-related transactions, with publicly disclosed due diligence criteria.
- “[TD Bank Financial Group Environmental Management Framework](#),” 2009; “[2016 Corporate Responsibility Report](#),” May 2017, p. 38.

UBS

- **Arctic oil grade:** D+
- **Rationale:** UBS has an enhanced due diligence process for transactions related to the Arctic, with publicly disclosed due diligence criteria.
- **Source:** “[Environmental and Social Risk Policy Framework](#),” March 2018, p. 4.

UniCredit

- **Arctic oil grade:** D-
- **Rationale:** Unicredit has a general due diligence process for corporate financing transactions, without publicly disclosed criteria.
- **Source:** “[Environmental Commitment](#),” June 2015.

Wells Fargo

- **Arctic oil grade:** D+
- **Rationale:** Wells Fargo has an enhanced due diligence process for transactions related to Arctic oil, with publicly disclosed due diligence criteria.
- **Source:** “[Environmental and Social Risk Management: 2015 Statement and Report](#),” 2016, p. 6.

Westpac

- **Arctic oil grade:** D-
- **Rationale:** Westpac has a general environmental and social due diligence process for corporate financing transactions, but without disclosure of any due diligence criteria, as the bank's ESG Credit Risk Policy is not publicly available.
- **Source:** “[Westpac's Approach to Sustainable Finance](#),” May 2016; “[Westpac Group Environment Policy](#).”

ULTRA-DEEPWATER OIL

Grade Criteria

A-range: Excludes companies

- **A: Ultra-deepwater oil exclusion:** Prohibits all financing for all companies with ultra-deepwater oil operations, as well as all finance for ultra-deepwater oil projects, with public reporting on implementation.
- **A-: Significant ultra-deepwater oil exclusion:** Prohibits all finance for ultra-deepwater oil projects, and excludes companies with ultra-deepwater oil expansion plans and companies with significant ultra-deepwater oil activity, with public reporting on implementation.

B-range: Phases out companies

- **B+: Ultra-deepwater oil phase-out and/or partial exclusion with reporting:** Commits to phase out all financing for and/or exclude companies with ultra-deepwater oil expansion plans or significant ultra-deepwater oil activity, with public reporting on implementation, and prohibits all finance for ultra-deepwater oil projects.
- **B: Partial ultra-deepwater oil phase-out and/or exclusion with reporting:** Commits to phase out one or more types of financing for and/or exclude some ultra-deepwater oil companies, with public reporting on implementation, and prohibits all finance for ultra-deepwater oil projects.
- **B-: Partial ultra-deepwater oil phase-out and/or exclusion without reporting:** Commits to phase out one or more types of financing for and/or exclude some ultra-deepwater oil companies, and prohibits all finance for ultra-deepwater oil projects.

C-range: Excludes projects

- **C+: Ultra-deepwater oil project-specific financing exclusion or partial project exclusion with some corporate financing restrictions:** Prohibits all finance for all ultra-deepwater oil projects, or prohibits financing for some projects and some ultra-deepwater oil companies.
- **C-: Partial ultra-deepwater oil project exclusion:** Prohibits some finance for ultra-deepwater oil projects.

D-range: Due diligence

- **D+: Ultra-deepwater oil due diligence:** Has an enhanced due diligence process for transactions related to ultra-deepwater oil, with publicly disclosed due diligence criteria.
- **D: Enhanced due diligence that applies to ultra-deepwater oil:** Has a general enhanced due diligence process that covers ultra-deepwater oil-related transactions, such as for the oil and gas sector, with publicly disclosed due diligence criteria, or has an ultra-

deepwater oil-specific due diligence commitment without publicly disclosed due diligence criteria.

- **D-: General due diligence:** Has a general environmental and social due diligence process for corporate financing transactions.

F: No policy.

Bank Policy Grades

Agricultural Bank of China

- **Ultra-deepwater oil grade:** F
- **Rationale:** No public policy

ANZ

- **Ultra-deepwater oil grade:** D
- **Rationale:** ANZ has an Extractives Industry Policy with general enhanced due diligence processes that would cover ultra-deepwater oil-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[Information about ANZ's Extractives Industry Policy](#)," October 2015.

Bank of America

- **Ultra-deepwater oil grade:** D-
- **Rationale:** Bank of America has a general enhanced due diligence process for the "energy and extractives" industry for corporate financing transactions, without publicly disclosed due diligence criteria.
- **Source:** "[Bank of America Corporation Environmental and Social Risk Policy Framework](#)," November 2016, p. 9.

Bank of China

- **Ultra-deepwater oil grade:** F
- **Rationale:** No public policy.

Bank of Montreal

- **Ultra-deepwater oil grade:** D-
- **Rationale:** Bank of Montreal has a general climate and biodiversity due diligence process that applies to corporate financing transactions, with some disclosed criteria.
- **Source:** "[Responsible Lending](#)."

Barclays

- **Ultra-deepwater oil grade:** D
- **Rationale:** Barclays has a general enhanced due diligence process for the oil and gas sector that would cover ultra-deepwater oil-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Risk Briefing – Oil & Gas](#)," March 2015.

BNP Paribas

- **Ultra-deepwater oil grade:** D-
- **Rationale:** BNP Paribas has a human rights policy that applies to corporate financing transactions. The rest of its policies are sector-specific.
- **Source:** "[Statement of BNP Paribas on Human Rights](#);" "[Financing and Investment Policies](#)."

BPCE/Natixis

- **Ultra-deepwater oil grade:** F
- **Rationale:** At this point, Natixis does not have a public environmental and social risk management policy that applies to corporate finance.

Canadian Imperial Bank of Commerce

- **Ultra-deepwater oil grade:** D-
- **Rationale:** CIBC has a general environmental and social due diligence process for corporate financing transactions, without public due diligence criteria.
- **Source:** "[Lending and Investment](#)."

China Construction Bank

- **Ultra-deepwater oil grade:** F
- **Rationale:** No public policy.

Citi

- **Ultra-deepwater oil grade:** D+
- **Rationale:** Citi has an enhanced due diligence process for transactions related to ultra-deepwater oil, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," February 2018; "[Environmental and Social Policies and Standards](#)." Per internal communication with the bank, additional documentation is forthcoming.

Commonwealth Bank

- **Ultra-deepwater oil grade:** D-
- **Rationale:** Commonwealth Bank has a general environmental and social due diligence policy that applies to corporate financing transactions, but without detail on criteria

considered. In the bank's Climate Policy Position Statement, some climate-related due diligence criteria are disclosed.

- **Source:** "[Commonwealth Bank Climate Policy Position Statement](#)," August 2017; "[Group Environment Policy](#)," 2015; "[Environmental, Social & Governance \(ESG\) Lending Commitments](#)," 2014.

Crédit Agricole

- **Ultra-deepwater oil grade:** D
- **Rationale:** Crédit Agricole has a general enhanced due diligence process for the oil and gas sector that would cover ultra-deepwater oil-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[CSR Sector Policy – Oil and Gas Sector](#)," December 2017.

Credit Suisse

- **Ultra-deepwater oil grade:** D
- **Rationale:** Credit Suisse has a general enhanced due diligence process for the oil and gas sector, with publicly disclosed due diligence criteria.
- **Source:** "[Summary of Credit Suisse's Sector Policies and Guidelines](#)."

Deutsche Bank

- **Ultra-deepwater oil grade:** D
- **Rationale:** Deutsche Bank has an enhanced due diligence policy for sectors with high potential for environmental and social impacts, which includes the oil and gas sector. The framework gives some detail on general environmental and social due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," January 2017.

Goldman Sachs

- **Ultra-deepwater oil grade:** D+
- **Rationale:** Goldman Sachs has an enhanced due diligence process for transactions related to unconventional oil and gas — which includes ultra-deepwater oil — with publicly disclosed due diligence criteria.
- **Source:** "[Goldman Sachs Environmental Policy Framework](#)," October 2015, pp. 11; "[Environmental and Social Risk Management Sector Guidelines](#)."

HSBC

- **Ultra-deepwater oil grade:** D-
- **Rationale:** HSBC has a general due diligence procedure for corporate lending, but no more specific due diligence procedures that cover ultra-deepwater oil.
- **Source:** "[Energy Sector Policy](#)," January 2011.

ICBC

- **Ultra-deepwater oil grade:** F
- **Rationale:** No public policy.

ING

- **Ultra-deepwater oil grade:** D
- **Rationale:** ING has an oil and gas policy that covers ultra-deepwater oil, with publicly disclosed criteria.
- **Source:** "[ING Environmental and Social Risk Framework](#)," 2017 p. 19.

JPMorgan Chase

- **Ultra-deepwater oil grade:** D
- **Rationale:** JPMorgan Chase has a general enhanced due diligence process that covers ultra-deepwater oil-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," March 2016.

MUFG

- **Ultra-deepwater oil grade:** F
- **Rationale:** MUFG's environmental and social risk assessment does not apply to corporate financing transactions, but rather solely to project finance under the Equator Principles.
- **Source:** "[Corporate Value Foundation](#)," 2016, p. 85.

Mizuho Financial

- **Ultra-deepwater oil grade:** D-
- **Rationale:** Mizuho has a due diligence policy on human rights that applies to corporate financing transactions. Other than that, Mizuho does not have a policy for environmental risk review of corporate financing transactions.
- **Source:** "[Human Rights Due Diligence](#);" "[Social and Environmental Risk Management](#)."

Morgan Stanley

- **Ultra-deepwater oil grade:** D+
- **Rationale:** Morgan Stanley has an enhanced due diligence process for transactions related to ultra-deepwater oil, with publicly disclosed due diligence criteria.
- **Source:** "[Morgan Stanley Coal and Oil & Gas Policy Statements](#)," 1 March 2018, p. 2.

National Australia Bank

- **Ultra-deepwater oil grade:** D-
- **Rationale:** NAB has a general environmental and social due diligence process for corporate financing transactions.
- **Source:** "[Our ESG Principles](#)," 2017.

Royal Bank of Canada

- **Ultra-deepwater oil grade:** D
- **Rationale:** RBC has an enhanced due diligence process for corporate financing transactions for clients in high risk sectors, with publicly disclosed due diligence criteria. In internal engagement, RBC has communicated to the authors of this report that ultra-deepwater oil-related transactions are categorized in the bank's highest environmental risk category, and an Environmental and Social Risk Review is mandatory for clients in this sector.
- **Source:** "[Corporate Citizenship Report 2016](#);" "[Responsible Financing](#)."

RBS

- **Ultra-deepwater oil grade:** D
- **Rationale:** RBS has an enhanced due diligence process for the oil and gas sector, with publicly disclosed due diligence criteria, which covers ultra-deepwater oil transactions.
- **Source:** "[Environmental, Social and Ethical Risk Policy Summary - Oil & Gas Sector](#)," December 2016.

Santander

- **Ultra-deepwater oil grade:** D
- **Rationale:** Santander has enhanced due diligence for oil production in "sensitive regions," which includes ultra-deepwater oil, without publicly disclosed due diligence criteria.
- **Source:** "[Guidelines Energy Sector Policy](#)," p. 2.

Scotiabank

- **Ultra-deepwater oil grade:** D-
- **Rationale:** Scotiabank has a general environmental and social due diligence process for corporate financing transactions: the bank's CSR report mentions that environmental and social risk management procedures exist separate than project finance reviews required under the Equator Principles, but does not disclose actual policy language or due diligence criteria.
- **Source:** "[2016 Corporate Social Responsibility Report](#)," March 2017, p. 36.

Société Générale

- **Ultra-deepwater oil grade:** D
- **Rationale:** Société Générale has a general environmental and social due diligence process for oil and gas clients, which would cover ultra-deepwater oil clients.
- **Source:** "[Sector Policy - Oil and Gas](#)," September 2014.

Standard Chartered

- **Ultra-deepwater oil grade:** D
- **Rationale:** Standard Chartered has a general environmental and social due diligence process for oil and gas clients, which would cover ultra-deepwater oil clients.
- **Source:** "[Oil and Gas Position Statement](#)," 2013, p. 2.

SMFG

- **Ultra-deepwater oil grade:** D-
- **Rationale:** SMFG has a general – but extremely vague – environmental and social due diligence process for corporate financing transactions. SMFG's credit policy "declares that the bank will not execute loans to companies and businesses with the potential to negatively impact the environment to a significant degree," without further detail on due diligence criteria or processes.
- **Source:** "[CSR Report 2017](#)," p. 88.

TD

- **Ultra-deepwater oil grade:** D
- **Rationale:** TD has a general enhanced due diligence process for the oil and gas sector that would cover ultra-deepwater oil-related transactions, with publicly disclosed due diligence criteria.
- "[TD Bank Financial Group Environmental Management Framework](#)," 2009; "[2016 Corporate Responsibility Report](#)," May 2017, p. 38.

UBS

- **Ultra-deepwater oil grade:** D-
- **Rationale:** UBS has a general due diligence process for corporate financing transactions, but does not have enhanced due diligence that applies to ultra-deepwater oil.
- **Source:** "[Environmental and Social Risk Policy Framework](#)," March 2018.

UniCredit

- **Ultra-deepwater oil grade:** D-
- **Rationale:** Unicredit has a general due diligence process for corporate financing transactions, without publicly disclosed criteria.
- **Source:** "[Environmental Commitment](#)," June 2015.

Wells Fargo

- **Ultra-deepwater oil grade:** D+
- **Rationale:** Wells Fargo has an enhanced due diligence process for transactions related to offshore oil – which includes ultra-deepwater oil – with publicly disclosed due diligence criteria.
- **Source:** “[Environmental and Social Risk Management: 2015 Statement and Report](#),” 2016, p. 6.

Westpac

- **Ultra-deepwater oil grade:** D-
- **Rationale:** Westpac has a general environmental and social due diligence process for corporate financing transactions, but without disclosure of any due diligence criteria, as the bank's ESG Credit Risk Policy is not publicly available.
- **Source:** “[Westpac's Approach to Sustainable Finance](#),” May 2016; “[Westpac Group Environment Policy](#).”

LIQUEFIED NATURAL GAS EXPORT

Grade Criteria

A-range: Excludes companies

- **A: LNG export infrastructure exclusion:** Prohibits financing for LNG export terminal construction and owners of current or planned LNG export terminals, with public reporting on implementation.
- **A-: Significant LNG export infrastructure exclusion:** Prohibits financing for LNG export terminal construction and companies with significant LNG export activity, with public reporting on implementation.

B-range: Phases out or partially excludes companies

- **B+: LNG export infrastructure phase-out and/or partial exclusion with reporting:** Commits to phase out all financing for and/or exclude companies with LNG export expansion plans or significant LNG export activity, with public reporting on implementation, and prohibits all finance for LNG export terminals.
- **B: Partial LNG export infrastructure phase-out and/or exclusion with reporting:** Commits to phase out one or more types of financing for and/or exclude some LNG export companies, with public reporting on implementation, and prohibits all finance for LNG export terminals.
- **B-: Partial LNG export infrastructure phase-out and/or exclusion without reporting:** Commits to phase out one or more types of financing for and/or exclude some LNG export companies, and prohibits all finance for LNG export terminals.

C-range: Excludes projects

- **C+: LNG export infrastructure project-specific financing exclusion or partial project exclusion with some corporate financing restrictions:** Prohibits all financing for the construction or expansion of all LNG export terminals, or prohibits financing for some projects and some LNG export companies.
- **C-: Partial LNG export infrastructure project-specific financing exclusion:** Prohibits one or more types of financing for the construction or expansion of some LNG export terminals.

D-range: Due diligence

- **D+: LNG export due diligence:** Has an enhanced due diligence process for transactions related to LNG export, with publicly disclosed due diligence criteria.
- **D: Enhanced due diligence that applies to LNG export:** Has a general enhanced due diligence process that covers LNG export-related transactions, such as for the oil and gas sector, with publicly disclosed due diligence criteria, or has an LNG export-specific due diligence commitment
- **D-: General due diligence:** Has a general environmental and social due diligence process for corporate financing transactions.

F: No policy.

Bank Policy Grades

Agricultural Bank of China

- **LNG export grade:** F
- **Rationale:** No public policy

ANZ

- **LNG export grade:** D-
- **Rationale:** ANZ's Extractives Industry Policy narrowly applies to natural resource extraction, but the bank has a general due diligence process that applies to corporate financing transactions through its human rights policy.
- **Source:** "[Information about ANZ's Extractives Industry Policy](#)," October 2015; "[Respecting People and Communities: ANZ's Approach to Human Rights](#)," 1 October 2016. .

Bank of America

- **LNG export grade:** D-
- **Rationale:** Bank of America has a general environmental and social due diligence process for corporate financing transactions.
- **Source:** "[Bank of America Corporation Environmental and Social Risk Policy Framework](#)," November 2016.

Bank of China

- **LNG export grade:** F
- **Rationale:** No public policy.

Bank of Montreal

- **LNG export grade:** D-
- **Rationale:** Bank of Montreal has a general climate and biodiversity due diligence process that applies to corporate financing transactions, with some disclosed criteria.
- **Source:** "[Responsible Lending](#)."

Barclays

- **LNG export grade:** D
- **Rationale:** Barclays has a general enhanced due diligence process for the oil and gas sector that would cover LNG-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[Environmental and Social Risk Briefing – Oil & Gas](#)," March 2015.

BNP Paribas

- **LNG export grade:** C+
- **Rationale:** BNP Paribas prohibits financing for some LNG terminals – those that "predominantly liquefy and export gas from shale" – as well as for some LNG export companies.
- **Source:** "[BNP Paribas Takes Further Measures to Accelerate its Support of the Energy Transition](#)," 11 October 2017.

BPCE/Natixis

- **LNG export grade:** F
- **Rationale:** At this point, Natixis does not have a public environmental and social risk management policy that applies to corporate finance.

Canadian Imperial Bank of Commerce

- **LNG export grade:** D-
- **Rationale:** CIBC has a general environmental and social due diligence process for corporate financing transactions, without public due diligence criteria.
- **Source:** "[Lending and Investment](#)."

China Construction Bank

- **LNG export grade:** F
- **Rationale:** No public policy.

Citi

- **LNG export grade:** D
- **Rationale:** Citi has an enhanced due diligence process for LNG plants and terminals, without publicly disclosed criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," February 2018; "[Environmental and Social Policies and Standards](#)." Per internal communication with the bank, additional documentation is forthcoming.

Commonwealth Bank of Australia

- **LNG export grade:** D-
- **Rationale:** Commonwealth Bank has a general environmental and social due diligence policy that applies to corporate financing transactions, but without detail on criteria considered. In the bank's Climate Policy Position Statement, some climate-related due diligence criteria are disclosed.
- **Source:** "[Commonwealth Bank Climate Policy Position Statement](#)," August 2017; "[Group Environment Policy](#)," 2015; "[Environmental, Social & Governance \(ESG\) Lending Commitments](#)," 2014.

Crédit Agricole

- **LNG export grade:** D
- **Rationale:** Crédit Agricole has a general enhanced due diligence process for the oil and gas sector that would cover LNG export transactions, with publicly disclosed due diligence criteria.
- **Source:** "[CSR Sector Policy - Oil and Gas Sector](#)," December 2017.

Credit Suisse

- **LNG export grade:** D
- **Rationale:** Credit Suisse has a general enhanced due diligence process for the oil and gas sector, with publicly disclosed due diligence criteria.
- **Source:** "[Summary of Credit Suisse's Sector Policies and Guidelines](#)," March 2017.

Deutsche Bank

- **LNG export grade:** D
- **Rationale:** Deutsche Bank has an enhanced due diligence policy for sectors with high potential for environmental and social impacts, which includes the oil and gas sector. The framework gives some detail on general environmental and social due diligence criteria.
- **Source:** "[Environmental and Social Policy Framework](#)," January 2017.

Goldman Sachs

- **LNG export grade:** D
- **Rationale:** Goldman Sachs has general oil and gas due diligence, with disclosed criteria, that covers LNG export.
- **Source:** "[Goldman Sachs Environmental Policy Framework](#)," October 2015, p. 11; "[Environmental and Social Risk Management Sector Guidelines](#)."

HSBC

- **LNG export grade:** D-
- **Rationale:** HSBC has a general due diligence procedure for corporate lending, but no more specific due diligence procedures that cover LNG export.
- **Source:** "[Energy Sector Policy](#)," January 2011.

ICBC

- **LNG export grade:** F
- **Rationale:** No public policy.

ING

- **LNG export grade:** D
- **Rationale:** ING has an enhanced due diligence process for the oil and gas sector, with publicly disclosed due diligence criteria, that covers LNG export transactions.
- **Source:** "[ING Environmental and Social Risk Framework](#)," 2017 p. 19.

JPMorgan Chase

- **LNG export grade:** D-
- **Rationale:** The bank has a general environmental and social due diligence process for corporate financing transactions, with publicly disclosed due diligence criteria, but no enhanced due diligence process for LNG export-related financing transactions.
- **Source:** "[Environmental and Social Policy Framework](#)," March 2016.

MUFG

- **LNG export grade:** F
- **Rationale:** MUFG's environmental and social risk assessment does not apply to corporate financing transactions, but rather solely to project finance under the Equator Principles.
- **Source:** "[Corporate Value Foundation](#)," 2016, p. 85.

Mizuho Financial

- **LNG export grade:** D-
- **Rationale:** Mizuho has a due diligence policy on human rights that applies to corporate financing transactions. Other than that, Mizuho does not have a policy for environmental risk review of corporate financing transactions.
- **Source:** "[Human Rights Due Diligence](#);" "[Social and Environmental Risk Management](#)."

Morgan Stanley

- **LNG export grade:** D+
- **Rationale:** Morgan Stanley has an enhanced due diligence process for transactions related to LNG export, with publicly disclosed due diligence criteria.
- **Source:** "[Morgan Stanley Coal and Oil & Gas Policy Statements](#)," 1 March 2018, p. 2.

National Australia Bank

- **LNG export grade:** D-
- **Rationale:** NAB has a general environmental and social due diligence process for corporate financing transactions.
- **Source:** "[Our ESG Principles](#)," 2017.

RBC

- **LNG export grade:** D
- **Rationale:** RBC has an enhanced due diligence process for corporate financing transactions for clients in high risk sectors, with publicly disclosed due diligence criteria. In internal engagement, RBC has communicated to the authors of this report that LNG-related transactions are categorized in the bank's highest environmental risk category, and an Environmental and Social Risk Review is mandatory for clients in this sector.
- **Source:** "[Corporate Citizenship Report 2016](#);" "[Responsible Financing](#)".

Royal Bank of Scotland

- **LNG export grade:** D
- **Rationale:** RBS has an enhanced due diligence process for the oil and gas sector, with publicly disclosed due diligence criteria, which covers LNG export transactions.
- **Source:** "[Environmental, Social and Ethical Risk Policy Summary – Oil & Gas Sector](#)," December 2016.

Santander

- **LNG export grade:** D
- **Rationale:** Santander has enhanced due diligence for gas production projects, especially those connected to non-conventional resources.
- **Source:** "[Guidelines Energy Sector Policy](#)," p. 2.

Scotiabank

- **LNG export grade:** D-
- **Rationale:** Scotiabank has a general environmental and social due diligence process for corporate financing transactions: the bank's CSR report mentions that environmental and social risk management procedures exist separate than project finance reviews required under the Equator Principles, but does not disclose actual policy language or due diligence criteria.
- **Source:** "[2016 Corporate Social Responsibility Report](#)," March 2017, p. 36.

Société Générale

- **LNG export grade:** D
- **Rationale:** Société Générale has a general environmental and social due diligence process for oil and gas clients, including LNG export clients.
- **Source:** "[Sector Policy - Oil and Gas](#)," September 2014.

Standard Chartered

- **LNG export grade:** D
- **Rationale:** Standard Chartered has a general environmental and social due diligence process for oil and gas clients, including LNG export clients.
- **Source:** "[Oil and Gas Position Statement](#)," 2013, p. 2.

SMFG

- **LNG export grade:** D-
- **Rationale:** SMFG has a general – but extremely vague – environmental and social due diligence process for corporate financing transactions. SMFG's credit policy "declares that the bank will not execute loans to companies and businesses with the potential to negatively impact the environment to a significant degree," without further detail on due diligence criteria or processes.
- **Source:** "[CSR Report 2017](#)," p. 88.

TD

- **LNG export grade:** D
- **Rationale:** TD has a general enhanced due diligence process for the oil and gas sector that would cover LNG-related transactions, with publicly disclosed due diligence criteria.
- **Source:** “[TD Bank Financial Group Environmental Management Framework](#),” 2009; “[2016 Corporate Responsibility Report](#),” May 2017, p. 38.

UBS

- **LNG export grade:** D-
- **Rationale:** UBS has a general due diligence process for corporate financing transactions, but does not have enhanced due diligence that applies to LNG export.
- **Source:** “[Environmental and Social Risk Policy Framework](#),” March 2018, p. 4.

UniCredit

- **LNG export grade:** D-
- **Rationale:** UniCredit has a general due diligence process for corporate financing transactions, without publicly disclosed criteria.
- **Source:** “[Environmental Commitment](#),” June 2015.

Wells Fargo

- **LNG export grade:** D-
- **Rationale:** Wells Fargo’s Environmental and Social Risk Management policy requires enhanced due diligence for unconventional oil and gas exploration and production, but not transportation.
- **Source:** “[Environmental and Social Risk Management: 2015 Statement and Report](#),” 2016, p. 6.

Westpac

- **LNG export grade:** D-
- **Rationale:** Westpac has a general environmental and social due diligence process for corporate financing transactions, but without disclosure of any due diligence criteria, as the bank’s ESG Credit Risk Policy is not publicly available.
- **Source:** “[Westpac’s Approach to Sustainable Finance](#),” May 2016; “[Westpac Group Environment Policy](#).”

COAL MINING

Grade Criteria

A-range: Excludes companies

- **A: Coal mining exclusion:** Prohibits all financing for coal mines and all coal producers, with public reporting on implementation.
- **A-: Significant coal mining exclusion:** Prohibits all financing for coal mines and significant coal producers, with public reporting on implementation.

B-range: Phases out companies

- **B+: Coal mining sector phase-out with reporting:** Commits to phase out all financing for coal producers with clear timeline and public reporting on implementation and prohibits financing for new coal mines.
- **B: Partial reduction and/or exclusion of coal mining sector with reporting:** Commits to reduce one or more forms of financing for coal producers, and/or exclude some coal producers with public reporting on implementation and prohibits financing for new coal mines.
- **B-: Partial reduction and/or exclusion of coal mining sector without reporting:** Commits to reduce one or more forms of financing for coal producers, and/or commits to exclude some coal producers.

C-range: Excludes projects

- **C+: Mountaintop removal mining (MTR) exclusion or prohibition on financing for new coal mines:** Prohibits all financing for all producers of MTR coal or prohibits financing for new coal mines.
- **C-: Partial prohibition of coal mine financing, or MTR phase-out:** Commits to phase out all financing for producers of MTR coal, or sets a minimum efficiency threshold for new coal mine financing, or commits to phase out one or more types of financing for some, but not all MTR producers, or commits to partially prohibit new coal mine financing.

D-range: Due diligence

- **D+: Coal mining due diligence commitment:** Has an enhanced due diligence process for coal mining transactions, with publicly disclosed due diligence criteria.
- **D: Enhanced due diligence that applies to coal mining:** Has a general enhanced due diligence process that covers coal mining-related transactions, such as for mining in general, with publicly disclosed due diligence criteria, or has a coal mining specific due diligence commitment without publicly disclosed due diligence criteria.
- **D-: General due diligence:** Has a general environmental and social due diligence process for corporate financing transactions.

F: No policy.

Bank Policy Grades

ABN AMRO

- **Coal mining grade:** C+
- **Rationale:** ABN AMRO prohibits financing for new coal mines
- **Source:** "[Exclusion List](#)," April 2017, p. 2.

Agricultural Bank of China

- **Coal mining grade:** F
- **Rationale:** No public policy

ANZ

- **Coal mining grade:** D
- **Rationale:** ANZ has an Extractives Industry Policy with general enhanced due diligence processes that would cover coal mining-related transactions, with publicly disclosed due diligence criteria.
- **Source:** "[Information about ANZ's Extractives Industry Policy](#)," October 2015.

Bank of America

- **Coal mining grade:** B-
- **Rationale:** Bank of America's coal policy commits the bank to reduce lending exposure to coal mining companies. It does not include all forms of financing, and does not commit to reporting on progress.
- **Source:** "[Bank of America Coal Policy](#)."

Bank of China

- **Coal mining grade:** F
- **Rationale:** No public policy.

Bank of Montreal

- **Coal mining grade:** D-
- **Rationale:** Bank of Montreal has a general climate and biodiversity due diligence process that applies to corporate financing transactions, with some disclosed criteria.
- **Source:** "[Responsible Lending](#)."

Barclays

- **Coal mining grade:** B-
- **Rationale:** Barclays “will seek to reduce credit exposure to the thermal coal sector globally over the medium term.”
- **Source:** “[Positioned for Growth, Sharing and Success: Environmental Social Governance Report 2017](#),” February 2018, p. 25.

BNP Paribas

- **Coal mining grade:** B
- **Rationale:** BNP Paribas prohibits financing for new coal mines. It also excludes financing for coal producers that derive the majority of their revenue from coal mining and/or without any diversification strategy, and it reported on the implementation of its policy in its last annual report.
- **Source:** “[Sector Policy - Mining](#),” pp. 5-6, 9.

BPCE/Natixis

- **Coal mining grade:** B
- **Rationale:** BPCE/Natixis has committed to exclude financing for all coal producers that derive the majority of their revenue from coal mining, and it reported on the implementation of its sector policy in its last annual report.
- **Source:** “[CSR Sector Policy Applicable to the Coal Industry: Coal-Fired Power Plants and Thermal Coal Mines](#),” Natixis, p. 2; “[2016 Registration Document and Annual Financial Report](#),” March 2017, p. 402.

Canadian Imperial Bank of Commerce

- **Coal mining grade:** D-
- **Rationale:** CIBC has a general environmental and social due diligence process for corporate financing transactions, without public due diligence criteria.
- **Source:** “[Lending and Investment](#).”

China Construction Bank

- **Coal mining grade:** F
- **Rationale:** No public policy.

Citi

- **Coal mining grade:** B-
- **Rationale:** Citi’s coal mining policy commits the bank to reduce lending exposure to coal mining companies. It does not cover all forms of financing, however, nor does it include commitments to report on progress.
- **Source:** “[Environmental and Social Policy Framework](#),” February 2018, p. 5.

Commonwealth Bank of Australia

- **Coal mining grade:** D
- **Rationale:** Commonwealth Bank has a coal mining-specific due diligence commitment without publicly disclosed due diligence criteria.
- **Source:** "[Corporate Responsibility Report 2017](#)," 2017, p. 56

Crédit Agricole

- **Coal mining grade:** B
- **Rationale:** Crédit Agricole commits to exclude financing for all coal producers that derive the majority of their revenue from coal mining, and it reported on the implementation of its sector policy in its last annual report.
- **Source:** "[CSR Sector Policy - Metals & Mining - June 2015](#)," June 2015.

Credit Suisse

- **Coal mining grade:** C+
- **Rationale:** Credit Suisse prohibits financing for new coal mines.
- **Source:** "[Summary of Credit Suisse's Sector Policies and Guidelines](#)," p. 4.

DBS

- **Coal mining grade:** C+
- **Rationale:** DBS prohibits financing for greenfield coal mines.
- **Source:** "[DBS Shares Sustainability Commitments Addressing Climate Change](#)," 26 January 2018.

Deutsche Bank

- **Coal mining grade:** B-
- **Rationale:** Deutsche Bank's Environmental and Social Policy Framework commits the bank to reduce lending exposure to thermal coal mining companies. It does not cover all forms of financing, however.
- **Source:** "[Environmental and Social Policy Framework](#)," January 2017, p. 9.

Goldman Sachs

- **Coal mining grade:** C-
- **Rationale:** The bank's partial commitment to phase out MTR financing does not include reporting on the policy's implementation, and allows financing to companies that produce MTR coal so long as "the company has demonstrated that there will be an absolute and permanent reduction in its MTR coal production over a reasonable timeframe." For coal mining globally, Goldman Sachs applies enhanced due diligence.
- **Source:** "[Goldman Sachs Environmental Policy Framework](#)," October 2015, p. 11.

HSBC

- **Coal mining grade:** C+
- **Rationale:** HSBC prohibits financing for new coal mines.
- **Source:** "[Mining and Metals Policy](#)," October 2016.

ICBC

- **Coal mining grade:** F
- **Rationale:** No public policy.

ING

- **Coal mining grade:** B
- **Rationale:** ING prohibits financing for new coal mines. It also has committed to reduce lending exposure to thermal coal mining companies, and reported on progress on this commitment.
- **Source:** "[ING Environmental and Social Risk Framework](#)," 2017.

JPMorgan Chase

- **Coal mining grade:** B-
- **Rationale:** JPMorgan Chase's policy prohibits project financing or other asset-specific financing for new greenfield coal mines. It also includes a commitment to reduce credit exposure to "companies deriving the majority of their revenues from the extraction and sale of coal" "over the medium term," as well as a commitment to reduce exposure to "companies engaged in mountaintop mining" (including mountaintop removal mining). However, the bank's definition of exposure reduction does not include all forms of financing, and the policy does not specify reporting.
- **Source:** "[Environmental and Social Policy Framework](#)," March 2016, p. 8.

MUFG

- **Coal mining grade:** F
- **Rationale:** MUFG's environmental and social risk assessment does not apply to corporate financing transactions, but rather solely to project finance under the Equator Principles.
- **Source:** "[Corporate Value Foundation](#)," 2016, p. 85.

Mizuho Financial

- **Coal mining grade:** D-
- **Rationale:** Mizuho has a due diligence policy on human rights that applies to corporate financing transactions. Other than that, Mizuho does not have a policy for environmental risk review of corporate financing transactions.
- **Source:** "[Human Rights Due Diligence](#);" "[Social and Environmental Risk Management](#)."

Morgan Stanley

- **Coal mining grade:** B-
- **Rationale:** Morgan Stanley's coal policy, originally published in November 2015, committed the bank to reduce its exposure to coal mining globally, and to report annually on progress. There has been no public reporting to date.
- **Source:** "[Morgan Stanley Coal and Oil & Gas Policy Statements](#)," 1 March 2018, p. 1.

National Australia Bank

- **Coal mining grade:** B
- **Rationale:** NAB has ended financing for new thermal coal mining projects, and the CEO has stated that the company's total exposure to coal mining will decline. NAB has reported on its progress.
- **Source:** "[Update on Financing of New Thermal Coal Mining Projects](#)," 14 December 2017; "[Full Year Results 2017](#)," 2 November 2017, p. 69; "[Video: NAB Statement at AGM](#)."

OCBC

- **Coal mining grade:** D-
- **Rationale:** OCBC has a general environmental and social due diligence process for corporate financing transactions.
- **Source:** "[Responsible Financing](#)".

PNC Financial

- **Coal mining grade:** B-
- **Rationale:** PNC has stated in a recent CSR report: "PNC's lending to coal mining companies has declined significantly over the past several years, and we are committed to further reductions moving forward." There is no commitment to reporting on progress.
- **Source:** "[2016 Corporate Social Responsibility Report](#)".

RBC

- **Coal mining grade:** D-
- **Rationale:** RBC has a due diligence process for evaluating transactions with publicly disclosed due diligence criteria.
- **Source:** "[Corporate Citizenship Report 2016](#);" "[Responsible Financing](#)."

Royal Bank of Scotland

- **Coal mining grade:** C-
- **Rationale:** RBS prohibits financing to undiversified coal mining companies where more than 65% of company revenues are generated from coal operations, but not all that derive the majority of their revenue from coal mining. RBS prohibits significant producers of coal using MTR mining in the Appalachian region of the United States. RBS did not end the financing of new coal mines.
- **Source:** "[Environmental, Social and Ethical Risk Policy Summary – Mining & Metals Sector](#)," June 2017.

Santander

- **Coal mining grade:** D
- **Rationale:** Santander has an enhanced due diligence process specific to coal mining but without publicly disclosed due diligence criteria.
- **Source:** "[Guidelines Mining and Metals Sector Policy](#)," p. 2.

Scotiabank

- **Coal mining grade:** D-
- **Rationale:** Scotiabank has a due diligence process for evaluating transactions without publicly disclosed due diligence criteria.
- **Source:** "[2016 Corporate Social Responsibility Report](#)," March 2017, p. 36.

Société Générale

- **Coal mining grade:** B-
- **Rationale:** Société Générale is committed to reduce its exposure to coal extraction activities by 14% at the end of 2020, from a starting point determined at the end of 2015, in consistency with the International Energy Agency's 2°C scenario. But it has not reported properly on its objective.
- **Source:** "[Sector Policy – Mining](#)," October 2016.

Standard Chartered

- **Coal mining grade:** C-
- **Rationale:** Standard Chartered partially prohibits financing for some new coal mines but not all.
- **Source:** "[Climate Change and Energy Position Statement](#)," 2013, p. 2.

SMFG

- **Coal mining grade:** D-
- **Rationale:** SMFG has a general – but extremely vague – environmental and social due diligence process for corporate financing transactions. SMFG's credit policy "declares that the bank will not execute loans to companies and businesses with the potential to

negatively impact the environment to a significant degree,” without further detail on due diligence criteria or processes.

- **Source:** [“CSR Report 2017,”](#) p. 88.

TD

- **Coal mining grade:** C+
- **Rationale:** TD does not finance transactions related to mountaintop removal coal mining, but has no reduction commitment regarding the coal mining sector as a whole.
- **Source:** [“Responsible Finance;”](#) [“TD Bank Financial Group Environmental Management Framework,”](#) 2009; [“2016 Corporate Responsibility Report,”](#) May 2017, p. 38.

UBS

- **Coal mining grade:** C+
- **Rationale:** UBS no longer enters into new lending commitments or raises capital for coal mining companies that are involved in mountaintop removal operations, but has no reduction commitment regarding the coal mining sector as a whole.
- **Source:** [“Environmental and Social Risk Policy Framework,”](#) March 2018, p. 4.

UniCredit

- **Coal mining grade:** D
- **Rationale:** UniCredit has a due diligence process for mining transactions with publicly disclosed due diligence criteria.
- **Source:** [“UniCredit Position Statement Concerning the Mining Industry,”](#) June 2015.

UOB

- **Coal mining grade:** D-
- **Rationale:** UOB has enhanced due diligence for metals and mining, which applies to coal mining. Criteria are not disclosed.
- **Source:** [“UOB Annual Report 2016,”](#) p. 27.

US Bank

- **Coal mining grade:** B-
- **Rationale:** US Bank has committed to continue to reduce its exposure to “companies that operate within the coal industry,” and prohibits financing for new coal mines.
- **Source:** [“2017 Environmental Responsibility Policy,”](#) 2017, p. 6.

Wells Fargo

- **Coal mining grade:** B-
- **Rationale:** Wells Fargo’s policy commits the bank to reduce credit exposure to the coal mining industry, but does not cover all types of financing. The bank commits to end both

lending and underwriting to MTR projects, as well as producers where a majority of their production comes from the practice.

- **Source:** [“Environmental and Social Risk Management: 2015 Statement and Report,”](#) 2016, p. 11.

Westpac

- **Coal mining grade:** C-
- **Rationale:** Westpac’s climate change policy sets a minimum efficiency threshold for new coal mine financing. The policy commits Westpac to “limit lending to any new thermal coal mines or projects (including those of existing customers) to only existing coal producing basins and where the calorific value for that mine ranks in at least the top 15% globally.”
- **Source:** [“Climate Change Position Statement and 2020 Action Plan,”](#) April 2017, p. 12.

COAL POWER

Grade Criteria

A-range: Excludes companies

- **A: Coal power exclusion:** Prohibits all financing for new coal plants and all coal power producers, with public reporting on implementation.
- **A-: Significant coal power exclusion:** Prohibits all financing for new coal plants and significant coal power producers,¹ with public reporting on implementation.

B-range: Phases out or partially excludes companies

- **B+: Coal power sector phase-out with reporting:** Commits to phase out all financing for coal power producers with clear timeline and public reporting on implementation and prohibits financing for new coal plants and for all coal plant developers.
- **B: Phase out and/or exclusion of coal power sector with reporting:** Commits to phase out all financing for coal power producers with clear timeline, and/or exclude some coal power producers including some coal plant developers, with public reporting on implementation, and prohibits financing for new coal plants.
- **B-: Partial reduction and/or exclusion of coal power sector without reporting:** Commits to reduce one or more forms of financing for coal power producers, and/or exclude some coal power producers, and prohibits project financing for new coal plants.

¹ “Significant coal power producers” refers to electric power producers that meet one or more of the following criteria: a) plan any new coal-fired power plants or expanding existing ones, or buying existing coal plants, b) produce more than 30 percent of their electricity from coal, or c) have more than 10 GW of installed coal capacity.

C-range: Excludes projects

- **C+: Global individual coal power plant financing exclusion:** Prohibits financing for all new coal power plants, globally.
- **C: Partial individual coal power plant financing exclusion:** Prohibits financing for all new coal power plants in some geographic regions, but not others.
- **C-: Coal plant efficiency threshold:** Sets a minimum efficiency or technology threshold for new coal power plant financing.

D-range: Due diligence

- **D+: Coal power due diligence:** Has an enhanced due diligence process for coal power sector transactions, with publicly disclosed due diligence criteria.
- **D: Enhanced due diligence that applies to coal power:** Has a general enhanced due diligence process that covers coal power-related transactions, such as for the electric sector, with publicly disclosed due diligence criteria, or has a coal power specific due diligence commitment without publicly disclosed due diligence criteria.
- **D-: General due diligence:** Has a general environmental and social due diligence process for corporate financing transactions.

F: No policy.

Bank Policy Grades

ABN AMRO

- **Coal power grade:** B
- **Rationale:** ABN AMRO prohibits financing of new coal plants worldwide, and also states that it will provide financing to companies in the electricity generation sector if they have an energy transition strategy which includes a “commitment not to increase coal-fired electricity generation capacity” – thus ruling out financing for most coal plant developer companies.
- **Source:** “[Exclusion List](#),” April 2017, p. 2; “[Energy Policy](#),” May 2017, p. 3.

Agricultural Bank of China

- **Coal power grade:** F
- **Rationale:** No public policy

ANZ

- **Coal power grade:** C-
- **Rationale:** ANZ sets a carbon emission threshold of 0.8 tCO₂/MWh for financing new coal-fired power plants.
- **Source:** “[ANZ Climate Change Statement](#).”

Bank of America

- **Coal power grade:** D-
- **Rationale:** Bank of America has a general environmental and social due diligence process for corporate financing transactions. It is not clear if they have a due diligence process for power clients, or coal power clients in particular – with or without public due diligence criteria.
- **Source:** “[Bank of America Coal Policy](#),” “[Bank of America Corporation Environmental and Social Risk Policy Framework](#),” November 2016.

Bank of China

- **Coal power grade:** F
- **Rationale:** No public policy.

Bank of Montreal

- **Coal power grade:** D-
- **Rationale:** Bank of Montreal has a due diligence process for evaluating transactions with publicly disclosed due diligence criteria.
- **Source:** “[Responsible Lending](#).”

Barclays

- **Coal power grade:** C
- **Rationale:** Barclays indicated in its last CSR report that it “has no appetite for project financing to support the construction of new coal fired power stations in developed economies.”
- **Source:** “[Positioned for Growth, Sharing and Success: Environmental Social Governance Report 2017](#),” February 2018, p. 46.

BNP Paribas

- **Coal power grade:** B-
- **Rationale:** BNP Paribas prohibits financing for new coal plants worldwide. It also does not finance significant coal power companies that do not have a formal diversification strategy to reduce the share of coal in their power generation mix that is at least as ambitious as that of their host country, however the bank does not explicitly exclude most coal plant developers. Lastly, BNP Paribas is committed to reducing the share of coal in its financed electricity mix in line with the IEA 2°C scenario, and it reported on the implementation of its sector policy in its last annual report.
- **Source:** “[Coal-Fired Power Generation – Sector Policy](#),” February 2017.

BPCE/Natixis

- **Coal power grade:** B-
- **Rationale:** Natixis does not finance new coal plants, worldwide. It is committed to not financing companies whose business is over 50 percent reliant on coal-fired power plants, and it reported on the implementation of its sector policy in its last annual report. But it does not exclude financing of coal plant developers.
- **Source:** "[CSR Sector Policy Applicable to the Coal Industry: Coal-Fired Power Plants and Thermal Coal Mines](#)," Natixis, p. 2; "[2016 Registration Document and Annual Financial Report](#)," March 2017, p. 402.

Canadian Imperial Bank of Commerce

- **Coal power grade:** D-
- **Rationale:** CIBC has a general environmental and social due diligence process for corporate financing transactions, without public due diligence criteria.
- **Source:** "[Lending and Investment](#)."

China Construction Bank

- **Coal power grade:** F
- **Rationale:** No public policy.

Citi

- **Coal power grade:** C-
- **Rationale:** Citi's thermal power sector brief sets minimum technology and efficiency thresholds for new power plant financing.
- **Source:** "[Environmental and Social Policy Framework](#)," February 2018; "[Environmental and Social Policies and Standards](#)." Per internal communication with the bank, additional documentation is forthcoming.

Commonwealth Bank of Australia

- **Coal power grade:** D
- **Rationale:** Commonwealth Bank has a coal power-specific due diligence commitment without publicly disclosed due diligence criteria.
- **Source:** "[Corporate Responsibility Report 2017](#)," 2017, p. 56

Crédit Agricole

- **Coal power grade:** B-
- **Rationale:** Crédit Agricole ended the financing of new coal plants worldwide. It also committed to stop financing companies “predominantly active in generating electricity from coal (more than 50% of the business) and not implementing a significant diversification plan.” This policy stops the company from financing some coal plant developers, but not most of them.
- **Source:** “[CSR Sector Policy - Coal-Fired Power Plants - November 2016](#),” November 2016.

Credit Suisse

- **Coal power grade:** C
- **Rationale:** Credit Suisse prohibits financing for new coal power plants in high income OECD countries.
- **Source:** “[Summary of Credit Suisse’s Sector Policies and Guidelines](#),” pp. 8-9.

DBS

- **Coal power grade:** C
- **Rationale:** DBS prohibits financing for all new coal power plants in OECD/developed markets.
- **Source:** “[DBS Shares Sustainability Commitments Addressing Climate Change](#),” 26 January 2018.

Deutsche Bank

- **Coal power grade:** C+
- **Rationale:** Deutsche Bank prohibits financing for all new coal power plants worldwide.
- **Source:** “[Environmental and Social Policy Framework](#),” January 2017, p. 7.

Goldman Sachs

- **Coal power grade:** C
- **Rationale:** Goldman Sachs has committed not to finance new coal-fired power plants in developed economies.
- **Source:** “[Goldman Sachs Environmental Policy Framework](#),” October 2015, p. 10.

HSBC

- **Coal power grade:** C
- **Rationale:** HSBC prohibits financing for new coal power plants in developed countries.
- **Source:** “[ESG Supplement](#),” November 2017, p. 10.

ICBC

- **Coal power grade:** F
- **Rationale:** No public policy.

ING

- **Coal power grade:** B
- **Rationale:** ING prohibits financing for new coal plants worldwide. It also committed by the end of 2025, to end finance for utilities that are over 5% reliant on coal fired power in their energy mix, with reporting on progress.
- **Source:** "[Environmental and Social Risk Framework](#)," 2017, p. 20; "[ING Further Sharpens Coal Policy to Support Transition to Low-Carbon Economy](#)," December 2017.

JPMorgan Chase

- **Coal power grade:** C
- **Rationale:** JPMorgan Chase's coal policy prohibits financing of new coal-fired power plants in high income OECD countries.
- **Source:** "[Environmental and Social Policy Framework](#)," March 2016, p. 9.

MUFG

- **Coal power grade:** F
- **Rationale:** MUFG's environmental and social risk assessment does not apply to corporate financing transactions, but rather solely to project finance under the Equator Principles.
- **Source:** "[Corporate Value Foundation](#)," 2016, p. 85.

Mizuho Financial

- **Coal power grade:** D-
- **Rationale:** Mizuho has a due diligence policy on human rights that applies to corporate financing transactions. Other than that, Mizuho does not have a policy for environmental risk review of corporate financing transactions.
- **Source:** "[Human Rights Due Diligence](#);" "[Social and Environmental Risk Management](#)."

Morgan Stanley

- **Coal power grade:** C
- **Rationale:** Morgan Stanley's coal policy prohibits transactions to support new coal power projects, or expansions of coal power projects, in developed economies.
- **Source:** "[Morgan Stanley Coal and Oil & Gas Policy Statements](#)," 1 March 2018, p. 1,

National Australia Bank

- **Coal power grade:** D-
- **Rationale:** NAB has a specific environmental and social due diligence process for power generation financing transactions, but without publicly disclosed due diligence criteria.
- **Source:** "[Our ESG Principles](#)," 2017.

OCBC

- **Coal power grade:** D-
- **Rationale:** OCBC has a general environmental and social due diligence process for corporate financing transactions.
- **Source:** "[Responsible Financing](#)."

PNC

- **Coal power grade:** C+
- **Rationale:** PNC prohibits financing for all new coal power plants, globally.
- **Source:** "[2016 Corporate Social Responsibility Report](#)," 2017.

RBC

- **Coal power grade:** D-
- **Rationale:** RBC has a due diligence process for evaluating transactions with publicly disclosed due diligence criteria.
- **Source:** "[Corporate Citizenship Report 2016](#)," "[Responsible Financing](#)."

Royal Bank of Scotland

- **Coal power grade:** C-
- **Rationale:** RBS has minimum efficiency threshold for the financing of new coal plants. It also prohibits financing for power companies with more than 65% of electricity generated from coal.
- **Source:** "[Environmental, Social and Ethical Risk Policy Summary - Power Sector](#)," June 2017.

Santander

- **Coal power grade:** C-
- **Rationale:** Santander has minimum efficiency threshold for new coal power plant financing, but these thresholds are not public.
- **Source:** "[Guidelines Energy Sector Policy](#)," p. 2.

Scotiabank

- **Coal power grade:** D-
- **Rationale:** Scotiabank has a due diligence process for evaluating transactions without publicly disclosed due diligence criteria.
- **Source:** "[2016 Corporate Social Responsibility Report](#)," March 2017, p. 36.

Société Générale

- **Coal power grade:** B-
- **Rationale:** Société Générale ended the financing of new coal plants worldwide. It also "committed to limit the coal-fuelled part of its financed energy mix (installed MW) at 19% at the end of 2020, in consistency with the IEA 2°C scenario," and has reported on progress towards this objective. The bank has not explicitly ended financing for most coal plant developers.
- **Source:** "[Sector Policy - Coal-Fuelled Power](#)," October 2016.

Standard Chartered

- **Coal power grade:** C-
- **Rationale:** Standard Chartered "will not provide debt or equity to new coal fired power plants which do not achieve a long-run emissions intensity of below 830g / CO₂ / kWh."
- **Source:** "[Climate Change and Energy Position Statement](#)," 2013, p. 2.

SMFG

- **Coal power grade:** D-
- **Rationale:** SMFG has a general – but extremely vague – environmental and social due diligence process for corporate financing transactions. SMFG's credit policy "declares that the bank will not execute loans to companies and businesses with the potential to negatively impact the environment to a significant degree," without further detail on due diligence criteria or processes.
- **Source:** "[CSR Report 2017](#)," p. 88.

TD

- **Coal power grade:** D
- **Rationale:** TD has a specific due diligence process for the thermal power sector with publicly disclosed due diligence criteria.
- "[TD Bank Financial Group Environmental Management Framework](#)," 2009; "[2016 Corporate Responsibility Report](#)," May 2017, p. 38.

UBS

- **Coal power grade:** C
- **Rationale:** UBS excludes the financing of new coal power plants in high income OECD countries. It also only supports coal power companies "if they have a strategy in place to

reduce coal dependency or who adhere to strict internationally recognized greenhouse gas emission standards,” but the implementation of this policy is not clear.

- **Source:** “[Environmental and Social Risk Policy Framework](#),” March 2018, p. 4.

UniCredit

- **Coal power grade:** D+
- **Rationale:** UniCredit has a due diligence process specific for coal power transactions with publicly disclosed due diligence criteria.
- **Source:** “[UniCredit Position Statement on Coal Fired Power Generation](#).”

UOB

- **Coal power grade:** D-
- **Rationale:** UOB has enhanced due diligence for energy, which applies to coal power. Criteria are not disclosed.
- **Source:** “[UOB Annual Report 2016](#),” p. 27.

US Bank

- **Coal power grade:** C+
- **Rationale:** US Bank prohibits financing for all new coal power plants, globally.
- **Source:** “[2017 Environmental Responsibility Policy](#),” 2017, p. 6.

Wells Fargo

- **Coal power grade:** D
- **Rationale:** Wells Fargo’s environmental and social risk management practices include a due diligence process for electric power sector transactions, including “an assessment of carbon risk as part of the underwriting process.”
- **Source:** “[Environmental and Social Risk Management: 2015 Statement and Report](#),” 2016, p. 9.

Westpac

- **Coal power grade:** C-
- **Rationale:** Westpac has committed to “only finance new power generation if it reduces the emissions intensity of the grid in which the generator operates,” which essentially serves as a minimum efficiency or technology threshold for new power plant financing.
- **Source:** “[Climate Change Position Statement and 2020 Action Plan](#),” April 2017, p. 12.