

How to read the Decarbonization Targets Tracker – Banking on Climate Chaos 2024

This document provides an explanation for each of the columns that are shown in the Decarbonization Targets Tracker, developed by BankTrack. For more information, visit https://www.banktrack.org/ourproject/tracking_the_net_zero_banking_alliance. A [specific board](#) for the 60 banks listed in the BOCC 2024 report is available.

General information

1	Name bank The name of all 60 banks as included in the Banking on Climate Chaos report. The tracker shows both members of the 42 Net Zero Banking Alliance (NZBA) members and of the 18 non NZBA members.
2	Country Country in which the bank is headquartered.
3	Long term net-zero target in place This column indicates whether a bank has a long term target in place to reduce overall financed and/or facilitated emissions (Scope 3, Category 15 as defined by the GHG Protocol) to (net) zero, and the date by which the bank aims to achieve the target. The long-term targets shall at least align with the temperature goals of the Paris Agreement and include a 2050 target. <u>Possible values:</u> <2050 (any date before 2050); 2050; 2060; No (when no long-term target is in place).
4	Financial services in scope This column indicates which financial services are covered by a bank's fossil fuel targets, with a focus on lending and underwriting as the activities reported in the Banking on Climate Chaos report. New NZBA Guidelines adopted in March 2024 encourage Banks to include capital market activities in targets as soon as practicable. For details on the report's financial research methodology, visit http://bankingonclimatechaos.org/methodology2024 . <u>Possible values:</u> Lending & Underwriting; Lending; Underwriting; Unknown

Sectoral Target information

5 Coal: Decarbonisation target

This column indicates whether a bank considers the coal sector among priority sectors to decarbonise. Some Banks have a phase-out policy in place for thermal coal mining and coal power generation and do not set a specific decarbonisation target for the coal sector. Other Banks have set a decarbonisation objective for the coal sector, that might be supported by a phase-out policy or not.

Possible values: Yes, with phase-out policy in place; Yes; No, but phase-out policy; No; Partially

6 Does coal target include Metallurgical coal?

Does the Bank have set a decarbonisation target for the coal sector, does this target include Metallurgical coal?

Possible values: Yes/ No

7 Oil & Gas: Decarbonisation targets

This column indicates if the bank has set a decarbonisation target for the Oil & Gas sector. If the bank has set various targets, the additional targets are listed as subitems.

Possible values: Yes; Yes, various targets; Yes, for 2025; Yes, for Oil; Yes, for Gas; No.

8 Power Generation: Decarbonisation target

This column indicates if a bank has set a decarbonisation target for the power generation sector.

Possible values: Yes; Yes, for 2025; Partially; No

9 Net Zero scenario used for sectoral target setting

These columns indicate scenarios used by banks to set their sectoral targets for coal, Oil & Gas and Power generation. According to the NZBA Guidelines “the scenarios used by banks shall be aligned with a 1.5°C by end of century outcome and shall come from credible and well-recognised sources” such as IPCC scenarios and scenarios derived from IPCC-qualifying models and the IEA scenarios.

Scenarios currently in use by banks include in alphabetical order:

- [Canada ERP](#): The Canadian government’s 2022 emissions reduction plan for 2030.
- [Canadian Government’s Evolving Pathway](#): Emissions reductions scenario by the Government of Canada.
- [CSIRO/ ClimateWorks Australia Hydrogen Superpower Scenario](#): one of four multi-sectoral scenarios included in CSIRO/ClimateWorks Australia’s 2021 modelling report.
- [GS 1.5C Carbonomics](#): Goldman Sachs’ 2021 Carbonomics 1.5°C scenario. ● [IEA B2DS](#): International Energy Agency’s 2017 Beyond 2°C Scenario. ● [IEA APS](#): International Energy Agency’s 2021 Announced Pledges Scenario. ● [IEA NZE](#): The International Energy Agency’s 2021 roadmap for the transition to a net zero energy system by 2050.
- [IEA SDS](#): The International Energy Agency’s 2020 Sustainable Development Scenario.
- [NGFS Divergent NZ](#): Net zero by 2050 scenario with a quicker phase out of fossil fuels by the Network for Greening the Financial System.
- [NGFZ NZ](#): Net Zero by 2050 scenario of the Network for Greening the Financial System.
- [OECD](#): One Earth 2022 1.5-aligned One Earth Climate Model.
- [SBTi NZ](#): 2021 Net Zero by 2050 standard for corporate target setting by the Science Based Targets initiative.
- [UK CCC Balanced NZ](#): 2020 carbon budgets by the UK Climate Change Committee.

10	<p>Clients emissions scope covered</p> <p>This column shows whether the bank’s targets include <i>its clients’</i> scope 1, 2 and 3 emissions. For each sector, including oil & gas and coal, we indicate which clients’ scopes of emissions are covered in the target setting of the bank.</p> <p><u>Definitions by the GHG Protocol:</u></p> <p>Scope 1 emissions: direct emissions from owned or controlled sources. Scope 2 emissions: “indirect emissions from the generation of purchased energy.” Scope 3 emissions: “all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.”</p> <p>NZBA member banks <u>shall</u> “include their clients’ Scope 1, Scope 2 and Scope 3 emissions, where significant, and where data allows” and broaden the scope of client emissions covered over time.</p> <p><u>Possible values:</u> Scope 1; Scope 1 & 2; Scope 1 & 3; Scope 1, 2 & 3; Scope 3</p>
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1	<p>Type of target</p> <p>While a bank’s targets may be supported by other approaches (e.g., production volume trajectories, technology mix) or measurements (e.g., financing targets), the targets <u>shall</u> nonetheless be set in absolute emissions and/or emissions intensity terms or use an alternative methodology highlighted by the Alliance.</p> <p>For coal, many banks have not set decarbonization targets but adopted a phase out policy. <u>If the target year</u> for the phaseout is later than 2030 for OECD and 2040 for non-OECD exposures, a target for 2030 or sooner should also be stated. More details on these policies can be found in the <u>Coal Policy Tool</u> and the <u>Oil & Gas Policy Tracker</u>.</p> <p>An absolute emissions target refers to a target that aims to reduce GHG or CO2 emissions by a set amount. An absolute portfolio target means the total amount of financing for the sector will be reduced. Intensity-based targets measure metric tons of GHG or CO2 per unit of financing or production.</p> <p><u>Possible values:</u> CO2 (Absolute emissions); CO2/x (Sectoral emission intensity); \$\$ (portfolio); CO2/\$ (portfolio intensity); Phase out policy; Temperature rating (1.5°C)</p>
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12	<p>2030 Decarbonization target</p> <p>Sectoral target expressed in % of reduction by 2030 compared to the Baseline value. According to the version 2 of NZBA Guidelines “Banks may set “target ranges” rather than “single points”, so long as the range is aligned to a science-based 1.5°C outcome and net-zero by 2050 goal”. In this situation, the column indicates the average % of the target range.</p> <p><u>Possible values:</u> Number expressed in %.</p>
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13	<p>Baseline year</p> <p>This column indicates the baseline year used by the Bank to set its 2030 decarbonization target for the coal sector. The target base year shall be no more than two full reporting years prior to the setting of the target. Banks may, upon setting further rounds of targets or in cases of exceptional economic circumstances and/or where there are data quality issues beyond the banks’ own control, go up to four years if it allows them to use the same base year for a majority of the targets and/or if the base year would otherwise be atypical. Banks should provide a rationale in such a case.</p> <p>Values: 2018; 2019; 2020; 2021; 2022; N/A</p>
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14	<p>Baseline value:</p> <p>This column indicates the value that will be reduced by the Bank to achieve its 2030 sectoral target.</p> <p><u>Possible values:</u> Number</p>
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15	<p>Type of metrics used</p> <p>This column indicates the metric of the baseline value used by the bank to set its coal, oil & gas or power generation decarbonisation targets.</p> <p><u>Possible values:</u></p> <ul style="list-style-type: none"> - Absolute emissions: MtCO₂e; MtCO₂; tCO₂e; ktCO₂ - Sectoral emission intensity: gCO₂e/MJ; tCO₂e/TJ; gCO₂/MJ; kgCO₂e/MWh; tCO₂e/MWh; gCO₂e/kWh; kgCO₂/MWh; tCO₂/MWh; gCO₂/kWh; tCO₂/GWh; kgCO₂/kWh; tCO₂e/GWh - Portfolio: USD bn; SEKm; EUR Million - Portfolio intensity: gCO₂e/\$; CO₂e/\$M; kgCO₂e/ \$ client revenues - Other: °C
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Additional information

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Link most recent report

Link to the most recent publicly available information that was used to update the NZBA tracker.

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Date most recent report

Date of the most recent publicly available information that was used to update the NZBA tracker.