**UNDER EMBARGO UNTIL 00.01 CEST 08 DECEMBER – Links to report go live then**

**38 banks representing USD 15 trillion put in place the building blocks to aligning with Paris Climate Agreement**

*8 December/Geneva* UNEP Finance Initiative has today published an overview of the first steps taken by the 38 signatories to the [Collective Commitment to Climate Action](https://www.unepfi.org/banking/bankingprinciples/collective-commitment/) (CCCA), one year since they pledged to align their portfolios and business practices with the goals of the Paris Climate Agreement.

The report provides an overview of the concrete measures taken by the CCCA signatory banks in the first 12 months to deliver on their commitment to support the transition to a net-zero economy by 2050. The measures fall into six categories:

1. Assessing portfolio alignment

2. Supporting clients’ reductions of GHG emissions

3. Assessing climate-related transition risks

4. Strengthening exclusion policies

5. Growing green customer base

6. Building capacity to support the transition

Simone Dettling, Banking Team Lead, UN Environment Programme Finance Initiative, said: “The signatories to the Collective Commitment to Climate Action are driving progress towards international climate goals in the global banking sector.”

The report shows that overall there is a growing use of scientific climate scenarios in banks’ strategies and many banks have announced exclusion policies reflecting the timelines imposed by science for achieving “well-below 2 degrees” of global warming. While most banks still have some way to go before they can publish a full assessment of their portfolios’ alignment and set and publish scenario-based targets, all 38 banks have committed to doing so within three years of signing the Collective Commitment.

Remco Fischer, Climate Team Lead, UN Environment Programme Finance Initiative, said: “The CCCA banks are sending a signal to all stakeholders that aligning portfolios with the Paris Climate Agreement is both necessary and feasible.”

The CCCA members are a leadership group among the signatories of the UN’s Principles for Responsible Banking. The guidance and frameworks the CCCA banks are developing collectively will be used by the banks in the wider coalition implementing the Principles for Responsible Banking. By the end of the first quarter of 2021, the CCCA banks are planning to publish agreed principles and standards for assessing portfolio alignment and setting and reporting on targets.

The CCCA is the largest and the most ambitious global banking sector initiative supporting the transition to a net zero economy by 2050. Representing more than USD 15 trillion in assets and from all six continents, the CCCA banks are fast-tracking the commitment all Principles for Responsible Banking signatories have made to align their business strategy with the goals of the Paris Agreement on Climate Change.

Signatories to the Collective Commitment to Climate Action are required to:

* Take decisive action from the moment of signing, focusing on the most carbon-intensive and climate-vulnerable sectors within their portfolios
* Within three years of signing, set and publish sector-specific targets for aligning their portfolios with a well-below 2 degrees and striving for 1.5 degrees Celsius trajectory, based on scientific climate scenarios
* Drive and facilitate the necessary transition in the real economy through their client relationships, products and services.

As the only financial sector initiative on climate that brings together banks from both ‘developed’ and ‘emerging markets’, the steps taken to date reflect the diversity in maturity and progress across different geographies. For instance, a bank in an emerging market may be supporting SMEs on their individual transition plans whereas a bank in a developed market that is funding large corporates may have data, knowledge and resources to undertake a portfolio-wide assessment. While all CCCA signatories are demonstrating leadership through their participation in the CCCA, banks from emerging markets should particularly be commended for committing to the CCCA goals and working towards meeting the requirements. Wherever their location, banks aiming to be climate leaders will have to shift their portfolios into full alignment with the objectives of the Paris Climate Agreement.

Remco Fischer, Climate Team Lead, UN Environment Programme Finance Initiative, said: “Banks that want be climate leaders will have to shift their portfolios into full alignment with the objectives of the Paris Agreement. That is what the Collective Commitment to Climate Action is all about.”

Download the report [here](http://www.unepfi.org/climate-pledge).

Read the full text of the [Collective Commitment to Climate Action](https://www.unepfi.org/wordpress/wp-content/uploads/2019/12/PRB-Collective-Commitment-to-Climate-Action.pdf).

Find more information at [www.unepfi.org/climate-pledge](http://www.unepfi.org/climate-pledge)

**About the UN Principles for Responsible Banking**

The Principles for Responsible Banking are a unique framework for ensuring that signatory banks’ strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement.

200 banks have now joined this movement for change, leading the way towards a future in which the banking community makes the kind of positive contribution to people and the planet that society expects.

These banks represent more than a third of the global banking industry. This is a journey of unprecedented scale and scope at a time when such ambition is urgently needed.

For more information, please visit [www.unepfi.org/responsiblebanking](http://www.unepfi.org/responsiblebanking)

**Download the report** [**here**](http://www.unepfi.org/climate-pledge)**.**

For more information and to arrange interviews, please contact:

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