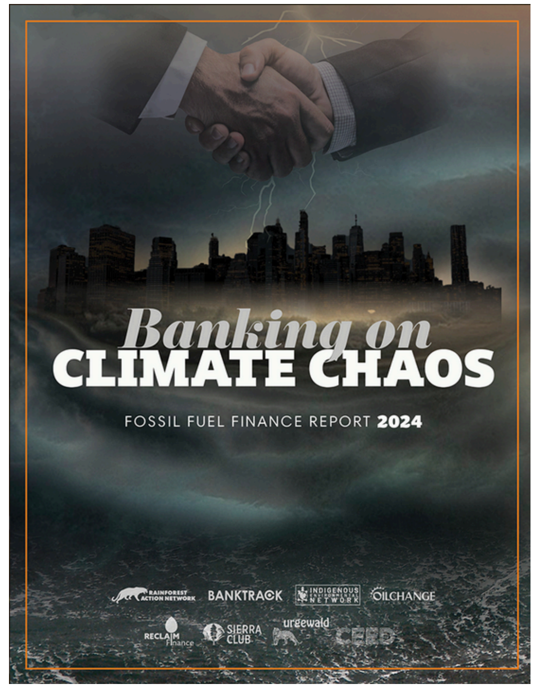
Burning Money and the Planet



Along with our partners, Sierra Club released the 15th annual *Banking on Climate Chaos* report on May 13.

The report cuts through greenwash, covering the world's top 60 banks' lending and underwriting to over 4,200 fossil fuel companies and the financing of companies causing the degradation of the Amazon and Arctic. Backgrounder of the report's key findings can be found here.

Since the Paris Agreement in 2016, the world's 60 largest private banks have financed fossil fuels with $6.9 trillion. Nearly half – $3.3 trillion – went towards fossil fuel expansion. In 2023, banks financed $705 billion in fossil fuel financing with $347 billion going to fossil fuel expansion alone.

JP Morgan Chase is the #1 fossil fuel financier in the world, committing $40.8 billion dollars to fossil fuel companies in 2023. They were also #1 for fossil fuel *expansion* in 2023, while **Mizuho** shot up to second place in the report in both fossil fuel financing ($37.0 billion) and financing for the expansion of fossil fuels ($18.8 billion). The worst funder of fossil fuel expansion since the Paris Agreement is **Citibank,** providing $204 billion since 2016.

Recently, some banks increased their exposure to climate risk by rolling back already weak policies. **Bank of America**, which ranks third on the 2023 list of worst fossil fuel funders, is a glaring example: they dropped their exclusions on Arctic drilling, thermal coal, and coal-fired power plants, they have neither energy ratio disclosures nor near-term absolute emission targets, and they abandoned the Equator principles. At the time of the report's publication, they are the only major bank exhibiting all of these climate policy failures at once.

In an ongoing effort to continually improve the accuracy and breadth of the report, this year's report has significantly adjusted the methodology by incorporating more primary sources. These sources track bank participation in corporate finance deals, including bonds, loans, and share issuances. Previous years of the report only credited banks in leading roles; this year each banks' financial contributions to a deal are exposed. Every bank in the report was contacted to confirm and given an opportunity to review the deals attributed to them. A backgrounder of the methodology is here.

The report shows high bank financing for the most climate-damaging fossil fuel practices. In 2023, the worst funders of *tar sands extraction* are **CIBC, RBC, Scotiabank, Toronto-Dominion Bank** and **Mizuho**; while **Mitsubishi UFJ Financial Group (MUFG)** committed $512 million to companies doing *ultra deepwater offshore drilling*; **JP Morgan Chase** financed *fracking* with $6 billion, and **China CITIC** backed *coal mining* with $7.6 billion. The top 60 banks by asset size unabashedly financed the harmful practices to sensitive biomes: **UniCredit** committed $265 million to companies involved in *Arctic drilling* and **Bank of America** committed to companies extracting oil & gas in the *Amazon biome* to the tune of $162 million.

Banking on Climate Chaos is authored by Rainforest Action Network, BankTrack, the Center for Energy, Ecology, and Development, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, and Urgewald. It has been endorsed by 589 organizations in 69 countries.

What is Sierra Club doing?

A few years ago Sierra Club moved all of its bank accounts to banks that don't invest in fossil fuels. That left a very small set of banking options.

Sierra Club California is advocating for legislation that would require California state retirement systems to stop investing in fossil fuels. That's an ongoing battle.