

OECD Guidelines: Banks must publish climate targets in line with Paris Climate Agreement

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The OECD Guidelines for Multinational Enterprises demand that ING Bank sets concrete climate goals for its financial services that are in line with the Paris Climate Agreement. This is the final statement of the Dutch National Contact Point for OECD Guidelines following a complaint lodged against ING in May 2017 by Oxfam Novib, Greenpeace NL, BankTrack and Friends of the Earth Netherlands (Milieudefensie).

Peter Ras, senior policy advisor at Oxfam Novib: “We are happy about this well-considered decision by the National Contact Point making it clear that banks – in order to adhere to the OECD Guidelines – must draw up concrete climate goals for their financial services that are in line with the Paris Climate Agreement. This means that banks in the Netherlands and abroad will have to work hard on this. It’s also very good to see that the OECD Contact Point takes a clear position on climate goals for the first time.”

The four organisations that lodged this complaint are pleased that ING has now agreed to bring its portfolio in line with the Paris Agreement and that ING is prepared to publish interim goals. The NGOs urge ING to bring its lending portfolio in line with a maximum temperature increase of 1.5 degrees Celsius as soon as possible. Remaining below 1.5 degrees of global warming makes all the difference to many inhabitants of island nations and deltas such as Bangladesh. To them, it is literally the difference between being able to continue to live in their homes or having to flee due to rising sea levels, according to the four NGOs.

Kees Kodde, campaigner at Greenpeace: “It is crucial that ING publishes its interim goals as soon as possible. The financial sector justifies loans to fossil fuel companies with IEA scenarios that are overly reliant on unproven technologies such as carbon capture and storage. A better approach would be to completely phase out all financing of fossil fuels as quickly as possible. In this respect, ING is setting the right example with coal.”

Johan Frijns, director at BankTrack: “We appreciate the fact that ING is prepared to finance the much-needed technology transition for a range of sectors with the largest impact on our climate. However, this approach does not offer a solution for the oil and gas industry, currently the main drivers of

climate change, together with coal. ING must completely phase out its investments in oil and gas which were worth 25.5 billion dollars between 2015 and 2018.”^[1]

In May 2017, Oxfam Novib, Greenpeace, BankTrack and Friends of the Earth NL lodged a complaint against ING at the National Contact Point for OECD Guidelines. They did so because they were concerned about the fact that ING did not adhere to the OECD Guidelines. In November 2017 the formal climate complaint against ING was declared admissible by the National Contact Point of OECD. It was the first time that a climate-related complaint was declared admissible by an OECD Contact Point.

After this complaint was lodged, ING published its decision in December 2017 to almost completely phase out their investments in the coal industry by the year 2025. ING also stated that it would refrain from investing in new coal-fired power stations. In September 2018, ING publicly announced that it will begin steering its lending portfolio towards meeting the Paris Agreement’s goal of keeping global warming well below 2 degrees Celsius. In its statement, the National Contact Point does not establish whether or not the ING violated the OECD Guidelines in 2017.

ING, Banktrack, Greenpeace, Milieudefensie and Oxfam Novib call directly upon the Dutch government to request the International Energy Agency to develop as soon as possible two scenarios, one with and one without carbon capture and storage, that provide a 66% chance to limit global warming to below 1.5 degrees Celsius. This will allow banks and other financial institutions to adjust their loans and investments accordingly.

For more information please contact:

Jules van Os, press officer at Oxfam Novib, 06 - 51 57 36
83, jules.van.os@oxfamnovib.nl

Bram Karst, press officer at Greenpeace Nederland, 06 - 21 29 68 95,
persvoorlichting@greenpeace.nl

A link to the Final Statement by NCP:

<https://www.oecdguidelines.nl/latest/news/2019/04/19/final-statement-dutch-ncp-specific-instance-4-ngos-versus-ing-bank>

For more information about the complaint,
read:<https://www.oxfamnovib.nl/Files/rapporten/2017/OECD%20complaint%20against%20ING%202017.pdf>

^[1] <https://www.fossilbanks.org/>