

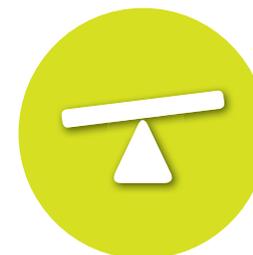
## Climate Statement Dutch Banking Association (NVB) — We, the Dutch banks, joined together to form the NVB:

Dutch banks regard climate change as a serious problem and are collectively taking further action. With the UN Climate Conference<sup>1)</sup> on the horizon, the Dutch Banking Association (NVB) wishes to emphasise this point. However, the climate issue requires input from everyone. For this reason, the NVB is calling on government and other stakeholders to continue to cooperate in the search for solutions.



are transparent about the impact of our operations on climate change and are working on the continuous improvement of energy efficiency

Dutch banks aim to continuously reduce the greenhouse gas emissions of their business (offices and mobility). They report on this in their annual reports. A large share of Dutch banks has achieved 'climate neutrality' on operational level, and some other Dutch banks hope to achieve this in the near future. Climate neutrality means that some of the emissions that cannot be avoided are 'compensated' elsewhere, for example by planting additional trees to absorb the surplus greenhouse gases. Some banks have consciously decided to not (yet) compensate their emissions because they want to focus on reducing these even further.



take sustainability, climate impact and environmental damage into consideration in our financing and investment decisions

Each bank has a sustainability policy which determines how they determine and minimise the environmental and climate risks associated with their services. All Dutch banks have disclosed their sustainability policy and are accountable for it.

<sup>1)</sup> The above mentioned conference, also known as COP 21, will be held in Paris from November 30 to December 11, 2015.

## Climate Statement Dutch Banking Association (NVB) — We, the Dutch banks, joined together to form the NVB:



work towards transparency regarding the positive and negative impact of our loans and investments on climate change

Banks are providing ever more insight in their activities, for example to which sectors they lend money. In addition, it is important that a reliable estimation method be developed to facilitate a sound assessment of the climate impact of financing and investing decisions. Estimation is currently needed because there is a lack of information on the climate impact of many of the companies and institutions to which banks provide financing. It would be even better if reliable data on the climate impact of businesses and institutions would be made available (see proposition 10).



encourage our customers to reduce CO<sub>2</sub> emissions wherever possible and provide products and services to assist them in this endeavour

Energy saving pays off and is just as much in the interest of the customer as the environment. For this reason, in their role as financial advisors, Dutch banks encourage both their corporate and private clients to reduce their energy use at home and at work. Banks are further trying to find innovative ways to promote energy-efficiency, both separately and collectively, within the NVB.



strive to accelerate the sustainability of the Dutch housing stock, offices and other property

Mortgages on houses and business premises represent a significant part of Dutch banks' balance sheets. CO<sub>2</sub> emissions in many of these buildings could still be significantly reduced. This is also necessary for realising the targets of the Energy Agreement for Sustainable Growth, to which the NVB is a party. In recent years, the possibilities to borrow money for investment in energy saving measures have increased. And banks have taken various initiatives to inform customers and to encourage them to make their real estate more sustainable. Currently, the NVB and the Dutch government are exploring how the sector can make an even bigger contribution to increasing the sustainability of real estate.

## Climate Statement Dutch Banking Association (NVB) — We, the Dutch banks, joined together to form the NVB:



enter into dialogue and collaboration with society on climate adaptation and mitigation and its financing

Climate change will be felt, in the Netherlands, but even more in other countries. There is a need for adaptability and creative solutions. Dutch banks are involved in the dialogue on how these solutions can be financed, for example by providing technical expertise within the context of the Energy Agreement. The NVB intends, in consultation with the Dutch government, to look into what additional role fits banks best.



play an active role in the development of national and international policies and criteria for

climate and energy-related investments, such as Green Bonds

Harmonised policies and sound criteria are essential to enable innovative tools such as Green Bonds to do their work. Dutch banks want to prevent money leaking into financial tools that have no added value for the climate<sup>2</sup>). In the Netherlands, the 'green investment/saving' scheme, implemented by the so called Green Banks, has for years been an effective tool to channel private funds into projects that create energy savings or sustainable energy. With this scheme, the Dutch government guarantees the positive impact of the projects. The banks will advocate this kind of green financial tools with tough quality criteria internationally, both within the context of the NVB and beyond.

<sup>2</sup> See for example: <http://www.ft.com/cms/s/0/16bd9a48-0f76-11e5-b968-00144feabdc0.html#axzz3liuaif16>; <https://blogs.cfainstitute.org/investor/2015/07/09/green-bonds-whats-right-whats-wrong/>.



encourage the Dutch government to implement binding, effective European climate objectives,

including in its capacity as future holder of the EU Presidency<sup>3</sup>)

The contribution that banks can make to the climate issue is essential, but limited. It is essential that the Dutch government and in the international context the governments, set targets that provide sufficient guarantee that the average temperature on earth rises by no more than two degrees Celsius compared to the period before the industrial revolution. The targets should also serve to safeguard the level playing field in the market.

<sup>3</sup> Such objectives will offer adequate protection against a global average temperature increase of more than two degrees Celsius compared to the period before the industrial revolution.

# Climate Statement Dutch Banking Association (NVB) — We, the Dutch banks, joined together to form the NVB:



encourage the Dutch government to view climate change as a top priority during its EU Presidency

and work towards creating an effective CO<sub>2</sub> price<sup>4)</sup>

An effective CO<sub>2</sub> price is an essential precondition for the transition to a sustainable economy. A realistic price is needed so that investing in, for instance, sustainable energy and energy savings becomes more profitable than is currently the case. Without these investments, the long term climate goals (80-95% reduction in emissions in 2050/ temperature rise of no more than two degrees Celsius compared to the period before the industrial revolution) are not feasible.

<sup>4</sup> This price will be high enough to induce sufficient investment in items such as renewable energy and energy efficiency and to achieve the long-term climate targets (80-95% reduction by 2050 / no more than two degrees Celsius compared to the period before the industrial revolution).



encourage the Dutch government to provide incentives for companies and institutions and

enable them to publish their CO<sub>2</sub> emissions so that banks can better include the climate impact in their financing and investment decisions

Not all companies and institutions to which banks lend money are required to disclose their CO<sub>2</sub> emissions. As a result, banks have to use estimates to calculate the indirect climate impact of their activities. Banks are working on improving these estimates, but reliable, easily accessible information about the actual climate impact would be even better. Then it would be easier for banks to measure their indirect climate impact (see proposition 3).

## Signatories

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- Peter Blom, Triodos Bank
- Wiebe Draijer, Rabobank
- Carel van Eykelenburg, BNG Bank
- Ewoud Goudswaard, ASN Bank
- Karl Guha, Van Lanschot Bankiers
- Ralph Hamers, ING Bank
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