

Science Based Targets, Call to Action Commitment Letter Financial Institutions

Version 1.3, November 2016

Introduction

Science Based Targets is a joint initiative by CDP, the UN Global Compact, the World Resources Institute and WWF that aims to raise corporate ambition and help businesses pursue bolder solutions to climate change. The initiative supports companies to set emission reduction targets in line with the level of decarbonization required to keep global temperature increase below 2°C compared to pre-industrial temperatures, as described in the latest Assessment Reports of the Intergovernmental Panel on Climate Change (IPCC).

The Call to Action

We are calling on companies to demonstrate their leadership on climate action by publicly committing to adopt science-based emissions reduction targets, accelerating take-up of these targets as a business norm. Those companies willing to lead the way will be recognized through events and media opportunities, as well as through sciencebasedtargets.org, the We Mean Business website, and partner websites. Due to the unique nature of the financial sector the Call to Action Campaign has established a separate process for this sector.

Financial Institutions in the Call to Action

The SBT initiative defines a financial institution as one that engages in investment activities as part of its core functions. These include, but are not limited to, the following:

- Asset management/asset owners
- Retail and commercial banking activities
- Insurance companies (when functioning asset managers)
- Mortgage real estate investment trusts (REITs)

In addition, if at least 5% of a company's revenue comes from activities such as those described above, they would also be considered a financial institution.

The financial sector's largest impact comes from its investment and lending activities (known as scope 3 emissions) and therefore it is imperative that targets for this sector encompass such activities. However, the method for assessing financial institutions' scope 3 impacts against a well below-2°C emissions trajectory is still being developed. Therefore we cannot yet review or approve any targets submitted by financial institutions. In the interim, we invite such institutions to publicly commit to setting science-based scope 1, 2 and 3 targets when a methodology is available by signing the commitment letter below. After submitting your commitment letter to info@sciencebasedtargets.org, your company will be recognized as "committed" at sciencebasedtargets.org as well as on our partners' websites at We Mean Business and CDP.

We will also invite all committed financial institutions to participate in any process to develop target setting methods for the sector. Once a target setting method is finalized, all committed financial institutions will be notified and asked to submit their targets for a quality check within two years.

If a company falls under the definition above but does not consider their investment activities significant/relevant for the purposes of science-based target setting, the company should provide an explanation in its target quality check form.

An initiative by



United Nations Global Compact



Science Based Targets Call to Action Commitment Letter: Financial Institution

Our company wishes to join the growing group of leading companies that are setting emissions reduction targets in line with what climate science says is necessary. By doing so, we recognize the crucial part the business community can play in minimizing the risk climate change poses to the future of our planet.

As a financial institution, we hereby commit to develop a science-based emission reduction target within two years from the date at which an applicable methodology becomes available. This target will be developed in line with the Science Based Targets initiative's definition and Call to Action criteria as stated on <http://sciencebasedtargets.org/commit-to-setting-science-based-targets/>.

We acknowledge that our commitment will be recognized on the Science Based Targets initiative website as well as on the websites of We Mean Business and CDP.

Company information	
Company name	
Website	
Ticker symbol (if applicable)	
Social media links	
Sector(s) or sectoral activities your company operates within	
Primary contact information	
First and last name	
Email address	
Job title	
Communications contact information	
First and last name	
Email address	
Job title	

Date: _____

Signature: _____

Name in Print: _____

Position: _____

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