Natixis announces withdrawal from shale oil and gas and accelerates its complete exit from the coal industry

NATIXIS STRATEGY | ESR

PARIS, FRANCE, MAY 18, 2020

Natixis today announces two new pledges in its energy and climate transition policy. Natixis will no longer finance projects dedicated to shale oil and gas exploration and production or companies actively involved in these fields. Natixis has also set out its timetable to completely exit the thermal coal industry by 2030 for countries in the European Union and the OECD, and 2040 for the rest of the world, and has decided to no longer support companies that develop new capacity in coal-powered electricity generation or thermal coal mining.

As early as 2017, Natixis decided to cease financing projects and companies involved in extracting oil from tar sands and in heavy grade oil, and now takes this policy further by extending its commitment to projects and companies actively involved in shale oil and gas exploration and production. Natixis will no longer finance shale oil and gas exploration and production projects worldwide, and also pledges to halt financing companies whose activity is reliant by more than 25% on shale oil and gas exploration and production.

Natixis ceased all project financing for the thermal coal industry in October 2015 and one year ago tightened its criteria for general purpose financing to exclude any companies whose activity is reliant by more than 25% on thermal coal worldwide. Natixis now makes a new commitment to completely withdraw from the coal sector. It will no longer support companies that [illegible] electricity generation or thermal coal mining and will fully withdraw from the thermal coal sector by 2030 for EU and OECD countries, and 2040 for the rest of the world.

TOP OF THE PAGE
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This timeframe for full withdrawal from the thermal coal industry is consistent with the International Energy Agency's (IEA) Sustainable Development Scenario (SDS). To achieve this goal, Natixis will enhance its dialogue with its clients, particularly in the energy industry, to analyze the extent to which their business mix is compatible with the bank's pledges across each geographical area. Natixis will halt its relationships with clients that develop new capacity in coal-powered electricity generation or thermal coal mining.

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Natixis has developed its expertise on the transition to a low-carbon economy over the past several years. In 2019, renewable energy accounted for more than 90% of its financing in the energy generation sector. Since the Paris agreement, Natixis has financed 6.1 GW of installed capacity in renewable energy.

Natixis is also the first bank in the world to have launched a tool to actively manage the greening of its balance sheet, its Green Weighting Factor, which was rolled out in September 2019 to systematically assess the climate impact of each financing deal before it implemented. This internal capital allocation mechanism promotes financing transactions with the most positive impact for the environment and the climate.

> François Riahi, Chief Executive Officer of Natixis, said: "The current Covid-19-related crisis should be an opportunity to step up the energy transition in order to limit global warming. Natixis is taking these fresh pledges with the aim of continuing to support our clients as they transition their business mixes for the long term, and of providing them with concrete and innovative financing solutions."

ATTACHMENT

Paris, May 18th, 2020

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