ShareAction»

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Bill Winters
Standard Chartered
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19 December 2025

Dear Mr. Winters,

I hope you are keeping well.

I am writing to you following the launch of ShareAction's latest benchmark of European banks, "*In Debt to the Planet 2025: An assessment of environmental and social strategies in the European banking sector*". We are extremely grateful for your sustainability team's contribution to our report and for all the positive engagement we have had this year with Standard Chartered. ShareAction and investors greatly valued meeting with Marisa Drew and her team as a follow up from our investor statement at the bank's 2025 AGM, and we look forward to meeting with them again next year.

Our benchmark of European banks, in which Standard Chartered is ranked 20th out of Europe's 25 largest banks, finds that ambition among Europe's banking sector is far below where it needs to be for banks to achieve their net-zero ambitions and align with the goals of the Paris Agreement. The average score across the 25 banks was just 41%, with only four banks achieving at least half of the available points. Despite the latest International Energy (IEA) forecast finding that a cleaner, faster transition will be cheaper for consumers in the long-run[i], just five banks fully rule out financing all companies engaged in new oil & gas projects. And even though the IEA has warned there is an impending oversupply of natural gas[ii], only four banks rule out financing for LNG projects. Concerningly, our report finds that banks' new sustainable finance targets are seemingly moving backwards. Nearly half of the 11 banks that have set new targets since May 2024 have lowered their ambition, with their goals so weak that they could meet them even while reducing the amount of sustainable finance they provide each year.

Since ShareAction published its 2022 benchmark, growing political backlash against environmental and social action has created new challenges for banks looking to finance the energy transition. But banks should not be passive in the face of economic and political headwinds. They have the financial power to change conditions in the real economy and have considerable influence over political processes. They must use it to help advance the needs of a just and sustainable transition, which in turn would help them capitalise on opportunities. The fees banks generated from green deals exceeded those from fossil fuels in the third quarter of 2025[iii], and investment in renewables continues to break records.[iv]

Meanwhile, banks which are not aligning their financing decisions with the goals of the Paris Agreement are creating systemic risk. For as long as banks continue to finance oil & gas expansion, they increase the risk of stranded assets, which expose lenders and their shareholders to potential losses. In fossil fuel sectors, asset stranding could range in value from US$3 trillion to US$16 trillion, with an impact on fossil fuel profits above US$1 trillion over the next 15 years[v]. Public support for the transition remains resilient and is likely to intensify as extreme weather events wreak more havoc across the globe. Climate-related extremes in Europe caused more than twice as much damage during the period 2020–2023 as in the entire preceding decade[vi] and has led to substantial loss of human life. During the summer in which ShareAction conducted the survey for this report, 16,500 Europeans died from extreme heat attributed to climate change[vii]. These are loved ones and neighbours whose lives were cut short by a collective failure to act.

Following extensive analysis of Standard Chartered's fossil fuel policies, decarbonisation and sustainable finance targets, and approaches to biodiversity and Indigenous Peoples' rights, we have identified key areas where the bank should improve its performance. Standard Chartered ranked 20th overall, performing stronger for climate targets (7th) and biodiversity (7th) than fossil fuel policies (23rd) and Indigenous Peoples' rights (17th).

Positively, whilst several European banks have started to buckle in the face of the ESG-backlash, Standard Chartered has shown leadership by continuing to make important progress. The bank is notable for setting targets in all eleven key sectors tracked by ShareAction. It is also the only bank to set an emissions target reflecting its full share of capital markets facilitation (albeit just for oil & gas), weighting facilitated capital by 100% rather than 33%. That said, more than half of Standard Chartered's targets are either not benchmarked against 1.5°C or are set using a range of scenarios where only the upper ambition is 1.5°C-aligned. And whilst the bank provides detailed reporting on sustainable finance assets, it has not set any sectoral sustainable finance targets, nor has it established targets for emerging and developing countries, where the bank's expertise could have an outsized impact.

Where the bank most urgently needs to make progress is in respect to its fossil fuel financing and policies. As a share of total assets, Standard Chartered's average support to GOGEL- and GCEL-listed companies over the past three years was the third highest in our sample (0.46%), and the bank's restrictions on fossil fuel financing were the fourth weakest. The bank's only oil & gas restrictions cover dedicated financing for Arctic oil & gas, oil sands, and associated export facilities, rather than general oil & gas. Standard Chartered does rule out financing companies expanding thermal coal and has a ratchet mechanism that will see acceptable coal exposure for clients fall from 80% of revenues today to 5% by 2030. However, these restrictions are waived for transition finance, meaning the bank can indirectly enable coal expansion by supporting the financial health of companies engaged in expansionary activity.

Positively, Standard Chartered's biodiversity ranking was driven by strong policies. The bank should be commended for ruling out projects that degrade high conservation value and high carbon stock forests or peatlands, as well as Ramsar wetlands. It also excludes companies adversely impacting designated biodiverse areas, engaged in illegal logging, using fire in forestry or plantation operations, or spreading the most harmful forms of pesticides. However, when it comes to protecting Indigenous People's rights, Standard Chartered does not go beyond the Equator Principles in unequivocally requiring free, prior, and informed consent (FPIC) for project and general corporate purpose financing. While it does explicitly expect palm oil clients obtain FPIC, this is not a clear requirement.

The financial sector holds significant power to affect change, and it has a responsibility to use it. We have identified five key recommendations we would like to see Standard Chartered adopt:

- **Cease dedicated finance for oil & gas projects and restrict support to clients engaged in oil & gas expansion.** La Banque Postale and Danske bank both refuse commercial relations with oil & gas companies unless they develop a credible transition plan, including red lines on further fossil fuel expansion.

- **Require transition financing clients commit to cease fossil fuel expansion and phase-out both thermal coal and unconventional oil & gas.** While La Banque Postale allows ringfenced financing to coal clients, it adds safeguards that require clients not to engage in coal expansion and to phase out exposure to coal.

- **Align all decarbonisation targets with 1.5°C pathways, including those that are currently benchmarked to a range of scenarios.** ING has set 1.5°C-aligned decarbonisation targets for all eleven priority sectors.

- **Set a target for financing renewable energy in emerging markets and developing countries.** BNP Paribas, for example, has established a renewable energy financing target based on the global energy mix suggested in the IEA NZE scenario.

- **Explicitly require both project and corporate financing clients conduct robust FPIC processes aligned with the UNDRIP.** ABN Amro has FPIC requirements for project and corporate financing in various sectors, including mining & minerals and oil & gas.

As CEO of one of Europe's largest banks, Mr. Winters, we ask that you display courage and leadership by proactively pushing back against calls for climate inaction and securing a future for your institution. Climate breakdown and spiralling inequality are the antithesis of this goal, and shareholders will not accept banks backtracking on their climate commitments or making progress too slowly.

We are committed to engaging with and supporting Standard Chartered in the development of robust policies and targets, and hope that our constructive dialogue will continue throughout 2026. As a next step, we would like to see Standard Chartered make progress on the above recommendations by its 2026 AGM, or ShareAction and investors will consider taking escalatory action.

Please note, we have made the contents of this letter public and it is available on our website. **Any response we receive from the bank will also be treated as public and may be included in future briefings or other materials, unless explicitly requested otherwise.**

I ask that you respond to bankingteam@shareaction.org in writing by the **27th March 2026**. I truly wish you and your team a wonderful Christmas break and look forward to building on our valuable relationship in the new year.

Warm regards,

Jeanne Martin

Interim Co-Director of Corporate Engagement & Head of Banking Programme

ShareAction

[i] International Energy Agency (2025). *World Energy Outlook 2025.* Available at: https://www.iea.org/reports/world-energy-outlook-2025 [accessed 25 November 2025]

[ii] International Energy Agency (2025). *Coming surge in LNG production is set to reshape global gas markets.* Available at: https://www.iea.org/news/coming-surge-in-lng-production-is-set-to-reshape-global-gas-markets [accessed 25 November 2025]

[iii] Anthropocene Fixed Income Institute (2025). *Bank DCMs minting the transition.* Available at: https://anthropocenefii.org/blog/the-box-banks-minting-transition [accessed 25 November 2025]

[iv] BloombergNEF (2025). *Global Renewable Energy Investment Still Reaches New Record as Investors Reassess Risks*. Available at: https://about.bnef.com/insights/clean-energy/global-renewable-energy-investment-reaches-new-record-as-investors-reassess-risks/ [accessed 25 November 2025]

[v] International Renewable Energy Agency (2017). *Stranded assets and renewables.* Available at: https://www.irena.org/publications/2017/Jul/Stranded-Assets-and-Renewables [accessed 1 November 2025]

[vi] European Environment Agency (2025). *Europe's Environment 2025*. https://www.eea.europa.eu/en/europe-environment-2025/main-report [accessed 25 November 2025]

[vii] Barnes, Clair, Garyfallos Konstantinoudis, Pierre Masselot, Malcolm Mistry, Antonio Gasparrini, Ana M Vicedo-Cabrera, Emily Theokritoff, et al (2025). *Summer heat deaths in 854 European cities more than tripled due to climate change*. Available at: https://spiral.imperial.ac.uk/entities/publication/036deb18-2883-409e-a66c-df52bea09e97 [accessed 25 November 2025]