

Progress made by banks in setting 2030 aviation emissions intensity targets

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As many as 31 banks have now set aviation emissions intensity targets, and at least a further four are expected to announce aviation targets soon, based on an analysis by Ishka SAVi of 96 global banks and their sustainability reporting. The number of banks setting emissions targets for their aviation financing has doubled in the past 12 months, with most banks responding to target-setting deadlines by the Net Zero Banking Alliance (NZBA), a global alliance of banks committed to Net Zero by 2050.

The 31 banks with aviation decarbonisation targets are aiming to reduce the emissions intensity for their aviation lending portfolio by an average of 28% by 2030 versus baseline years (2019 to 2023 depending on the bank). How banks define emissions intensity for aviation varies both in the emissions captured (CO₂, various definitions of CO₂e, and various scopes) and in the benchmarked capacity measurements (revenue passenger kilometre, revenue tonne kilometre, passenger kilometre, etc...).

This briefing explores why banks are setting emissions intensity targets and how they may impact lending decisions in the coming years.

Recap: Why are banks setting emissions intensity targets?

Bank's emissions target-setting for aviation financings has picked up pace since 2023 as several lenders crossed the 18-month mark since joining the NZBA. NZBA membership requires the setting of initial interim 2030 emissions intensity targets for high emissions-intensive sectors relevant to each lender within 18 months of joining the alliance. For many banks, transportation (aviation included) is one of the largest sources of financed emissions and it is one of nine climate-intensive sectors identified by the NZBA.

Even if transportation (including aviation) only accounts for a small portion of a bank's total lending, its high associated emissions may be enough to warrant target-setting.

How prominent are aviation emissions targets among lenders?

The sample of analysed banks (96) encompasses institutions with large global footprints, meaningful transportation or aviation exposure, a track record in sustainable finance within aviation, or a combination of the three. Smaller banks with aviation decarbonisation targets (e.g. ABanca, a Spanish lender) are also included on an ad-hoc basis.

Many of the analysed banks are members of the NZBA, which covers over 130 banks in 41 countries with over 40% of global banking assets. Considering that the 96 institutions analysed include some of NZBA's largest members, in addition to other large non-NZBA member banks, this analysis should cover a representative part of the global banking sector.

Emissions intensity targets for aviation announced to date

The ambitiousness of some of these emissions intensity targets (some as large as a 66% or 56% reduction from 2021 or 2020 to 2030) carries a clear message: an increased focus by lenders on best-in-class new technology aircraft with the lowest-possible per-passenger emissions. Achieving this by the end of the decade will require lenders to be selective, not just in asset types they finance, but also their associated operators, seat configurations, SAF usage, and route deployment.

Since July 2023, this list has doubled with the addition of 17 banks. Highlighted in blue, are Impact-member banks.

Approaches to meeting those targets

Several lenders with aviation emissions intensity reduction targets have also detailed how they plan to steer their aviation portfolios in the next few years. Here are some examples:

- **ANZ** may increase its exposure to aviation customers with 2030 emissions reduction objectives above its target of 720 gCO₂-e/RTK, which is in-line with the SBTi trajectory.¹
- **Crédit Agricole** will prioritise the financing of “fourth-generation aircraft,” aiming for a portfolio with more than 90% of such aircraft in its composition in 2030 (vs 33% in 2019). The bank will also become involved in the SAF value chain².
- **DBS** says its helping its clients to achieve their existing plans, and encouraging those that have not yet made meaningful decarbonisation plans to do so. It also targets the financing of more energy efficient aircraft, helping clients access high-quality offsets, and supporting the growth and adoption of SAF and novel aviation technologies.³
- **First Abu Dhabi Bank** says it will work towards its target by financing fleet renewal with funds focused on “efficient and next-generation aircraft,” and supporting SAF’s widespread adoption.⁴
- **La Banque Postale** has some of the most detailed public criteria on the types of aircraft assets they are willing to finance: new aircraft in operation for less than one year, aircraft that are less than five years old “with the most advanced engine technology,” and companies in the sector (airlines and leasing companies) that commit from 2025 onwards to define and then publish a 1.5°C alignment strategy and targets based on a recognised methodology.⁵

¹ <https://www.anz.com.au/content/dam/anzcomau/about-us/anz-2023-climate-related-financial-disclosures.pdf> (page 60)

² <https://www.credit-agricole.com/en/pdfPreview/200660> (page 5)

³ <https://www.dbs.com.sg/documents/1038650/382494047/Our+path+to+net+zero+full+report.pdf/14a2f05d-8fb9-7097-d463-6148a3bd8667?t=1663025537770> (page 51)

⁴ <https://www.bankfab.com/-/media/fabgroup/home/about-fab/sustainability/reports/net-zero-report-2023.pdf?view=1> (page 9)

⁵ <https://www.labanquepostale.com/content/dam/lbp/documents/institutionnel/en/community-engagement/2023/Aviation-Sector-Principles-of-Intervention.pdf> (page 5)

Lenders with aviation emissions intensity targets

31 lenders have published emissions intensity reduction targets for aviation				
Bank	Emission intensity	Year	Baseline	Available details
ABanca	-37%		2030	2021 1.269 kg CO ₂ e/RTK (2019) to 0.799 kg CO ₂ e/RTK (2030)
ANZ Bank	-30%		2030	2019 902 gCO ₂ -e/RTK in 2019 to 720 gCO ₂ -e/RTK
Bank of America	-32%		2030	2022 1,007.8gCO ₂ e/RT in 2021 K to 639gCO ₂ e/RTK in 2030
Barclays	-11%		2030	882gCO ₂ e/RTK in 2023 to 785gCO ₂ e/RTK in 2030 (approximate based on an 11% 2022 reduction)
BBVA (Banco Bilbao Vizcaya Argentaria)	-18%		2030	2022 88g CO ₂ e/pkm in 2022 to 72g CO ₂ e/pkm in 2030
BNP Paribas	-18%		2030	2022 956 CO ₂ eq emissions per RTK in 2022 to 785 CO ₂ eq emissions per RTK in 2030
Caixabank	-30%		2030	2022 102 CO ₂ eq emissions per RPK in 2022 to 71 CO ₂ eq emissions per RTK in 2030
Commerzbank	-12%		2030	2020 The bank only notes that sectoral targets are based on SBTi-reduction paths
Commonwealth Bank of Australia (CBA)	-26%		2030	2023 103 gCO ₂ /revenue passenger km in 2023 to 76 gCO ₂ /revenue passenger km in 2030
Crédit Agricole CIB	-25%		2030	937.5 CO ₂ eq emissions per RTK (approximated by Ishka) in 2019 to 750 CO ₂ eq
DBS Bank	-16%		2030	2019 emissions per RTK in 2030 (RTK as in "paying transported tonne/kilometre")
Deutsche Bank*	-32%		2030	2020 0.088 kgCO ₂ /p-km (2019) to 0.074 kgCO ₂ /p-km (2030)
DZ Bank	-17%		2030	2022 32% reduction by 2030, 91% reduction by 2050
First Abu Dhabi Bank P.J.S.C.	-15%		2030	2022 0.094 kg CO ₂ e/pkm in 2022 to 0.078 kg CO ₂ e/pkm in 2030
HSBC	-25%		2030	2019 83gCO ₂ e per passenger-km (2019) to 71gCO ₂ e per passenger-km (2030)
ING	-33%		2030	2019 84 tCO ₂ /m RPK in 2019 to 63 tCO ₂ /m RPK in 2030
JP Morgan Chase	-36%		2030	88.2 g CO ₂ / passenger km in 2019 to 59.1 g CO ₂ / passenger km in 2030 (calculated 2019 by Ishka based on baseline portfolio value reported in ING's 2022 Climate Report)
La Banque Postale	-56%		2030	2021 972.6 g CO ₂ / RTK in 2021 to 625 g CO ₂ / RTK in 2030
Landesbank Baden-Würt	-25%		2030	2020 143 gCO ₂ e per passenger per kilometre to 63 gCO ₂ e/p.km
Lloyds Banking Group	-31%		2030	2021 88g CO ₂ /pkm in 2021 to 66g CO ₂ /pkm in 2030
MUFG	-45%		2030	2019 918 gCO ₂ e/RTK in 2019 to 633 gCO ₂ e/RTK by 2030
National Australia Bank Limited	-26%		2030	2021 130gCO ₂ -/RPK in 2021 to 71gCO ₂ -/RPK
NatWest Group	-28%		2030	2019 104 gCO ₂ -e/pkm in 2019 to 77 gCO ₂ -e/pkm in 2030
OCBC Bank	-66%		2030	No carbon intensity reduction figures made available. NatWest Group is targeting to align its scope 1 + 2 + 3 portfolio temperature score by loan value from the corporate loan Other sectors (including aviation) portfolio from 3.2°C in 2019 to 2019 2.3°C by 2030.
Rabobank**	-37%		2030	2021 0.261 kgCO ₂ /passenger-km in 2021 to 0.088 kgCO ₂ /passenger-km in 2030
Santander	-33%		2030	2020
Societe Generale	-18%		2030	2019 92.47 grCO ₂ e/m RPK in 2019 to 61.71 grCO ₂ e/m RPK in 2030
Standard Chartered	-34%		2030	2019 950 gCO ₂ e per RTK in 2019 to 775 gCO ₂ e per RTK by 2030
TD Bank Group	-8%		2030	1,152g CO ₂ e/RTK in 2022 to (approximately, Ishka calculation) 760g CO ₂ e/RTK in 2022 2030
UK Export Finance (UKEF)	-35%		2035	2019 87 gCO ₂ /pkm in 2019 to 80 gCO ₂ /pkm in 2030
Wells Fargo & Company	-20%		2030	2022 Aviation financed emissions intensity – 'amount at risk' AAR basis (tCO ₂ e/EAAR) 0.00
Average	-28%			

Source: Ishka SAVI, based on disclosures by 95 banks. Units are included as-reported by each institution. Impact members have been highlighted in blue.
***Provisional target **Target for transportation, not just aviation**

Source: Disclosures by 96 banks analysed by Ishka SAVI.