

FROZEN GAS, BOILING PLANET:

**How bank and investor
support for LNG is fueling a
climate disaster**



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EXECUTIVE SUMMARY

Liquefied natural gas (LNG) has gained increased attention since the Russian invasion of Ukraine in 2022, coinciding with a surge in the development of LNG export and import terminals. Already, eight export terminal projects and 99 import terminal projects have been completed in the past two years, increasing the existing global export capacity by 7% and the global import capacity by 19%.¹ LNG developers are currently planning 156 new LNG terminal projects worldwide to be constructed by 2030 — 63 export terminals and 93 import terminals.²

Existing export capacity is sufficient to meet current and future demand in a 1.5°C-aligned scenario — as demonstrated by the International Energy Agency (IEA) since 2022 in its Net Zero Emissions by 2050 (NZE) scenario,³ and by numerous energy analyses that additionally highlight the risk of overcapacity for import terminals.⁴ This is particularly the case in Europe, where gas consumption is declining. Furthermore, each new LNG project is a stumbling block to the Paris Agreement and will lock in long-term dependence on fossil fuels, hampering the shift toward low-carbon economies. This is particularly the case in South and Southeast Asia where studies show that the emergence of new LNG import projects and the increase in fossil gas power are jeopardizing the planned expansion of renewable energy capacity.⁵

This massive LNG buildout is made possible by the financial support provided by banks

and investors to LNG developers. Without their involvement, a significant portion of the planned LNG infrastructure could not be constructed. This report exposes the role played by the biggest financial institutions in enabling the sector's growth and highlights the gap between their climate commitments and the continued support for LNG expansion. We researched the financial services⁶ that can be attributed to LNG expansion⁷ provided by banks and investors to the top 150 LNG developers.

These 150 LNG developers account for more than 90% of planned LNG capacity (proposed, under construction, or commissioning) by 2030.⁸ Behind the planned export terminals are not only specialized LNG companies, such as Venture Global LNG, but also national oil companies (NOCs) like QatarEnergy, and integrated companies like Shell and TotalEnergies.⁹ The French major TotalEnergies is the company with the highest number of LNG export terminal projects in the planning — 10 terminals by 2030, accounting for 25% of the total additional export capacity planned by that year. On the import side, utilities like the Italian Enel play a key role in the development of LNG import terminals, alongside integrated companies.

The 400 banks analyzed in this report provided US\$213 billion to LNG expansion from 2021 to 2023, while the 400 investors we assessed, by keeping supporting LNG companies without requiring the end of expansion, have a responsibility in the

LNG boom through their US\$252 billion in exposure to LNG expansion as of May 2024.

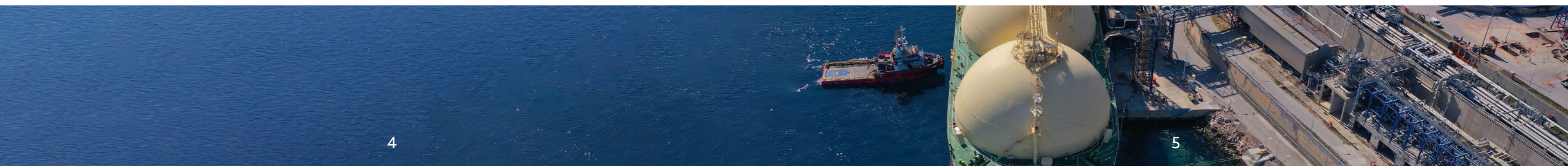
- US banks are at the forefront of LNG expansion, with 24% of the overall financing (JP Morgan, Bank of America, and Citi appear in the top 10 banks financing LNG development). Japanese banks follow, contributing 14% of the total amount, with Mitsubishi UFJ Financial Group claiming the top spot, and Mizuho, and SMBC ranking among the top five global banks providing financing to LNG expansion between 2021 and 2023. Chinese and Canadian banks follow, accounting for 11% and 8% respectively of the total amount granted to LNG expansion.
- **While European banks are not among the top 10 largest supporters of LNG expansion, we found that Santander, ING, Crédit Agricole, Deutsche Bank, HSBC, Intesa Sanpaolo, and BPCE are among the top 30 global banks.** Moreover, banks from France, Spain, the UK, Germany, Italy, the Netherlands and Switzerland collectively contributed 27% of the overall financing.
- In May 2024, US investors accounted for 71% of the total investment in LNG expansion, with BlackRock, Vanguard, and State Street leading the way. These three together are responsible for 24% of all investments in LNG expansion. Canadian investors follow, but at a considerable distance, holding 6% of the total investor exposure.

The 156 new LNG terminal projects are set to bridge borders by linking export markets — mainly in Canada, Mexico, and the US, where half of the increase in export capacity will be concentrated — with import markets — Europe, South Asia, and Southeast Asia together will account for nearly half of future LNG import terminals.¹⁰

Yet, contrary to the industry's claims, transporting gas in liquefied form rather than via pipelines is not without climate impact. Instead, it increases the risk of methane leakage — a concern not to be underestimated given that methane is, on average, 80 times more potent as a greenhouse gas (GHG) than carbon dioxide (CO₂) over a 20-year period.¹¹ The inevitable methane leaks that occur all along the fossil gas value chain, in addition to the energy-intensive liquefaction and regasification processes, can even negate the climate advantage of gas over coal.¹² **If built, the 63 planned export terminal projects could contribute to the release of over 10 gigatonnes (Gt) of carbon dioxide equivalent (CO₂e) by 2030.**¹³ **The climate impacts of these emissions can be compared to the total CO₂e emissions from operating coal plants worldwide, which are responsible for 12 Gt of CO₂e each year.**¹⁴ Moreover, these new terminals would reinforce fossil fuel dependency, hindering the shift to renewable energy, or increasing the risk of stranded assets.

Many companies operating in the LNG sector have already demonstrated a track record of developing projects that have caused significant environmental and social impacts, and in some case human rights violations, adversely affecting the livelihoods and health of nearby communities, particularly those of marginalized groups. For example, Venture Global's Calcasieu Pass LNG project in Louisiana has resulted in heightened public health risks linked to excessive air pollution while affecting local communities' livelihoods.¹⁵

Despite this context, the support of banks to LNG expansion is intensifying with an overall 25% increase of financing between 2021 and 2023. No less than 1,453 transactions were made between banks and LNG developers



to support LNG expansion in 2023 alone, directly contradicting the IEA's NZE scenario which has stated since 2022 that no new LNG export facilities are necessary.

Moreover, there is no sign of banks' and investors' support for the sector drying up in the near future. In fact, although 26 out of the top 30 banks and 14 out of the 30 biggest investors behind LNG expansion have pledged to achieve carbon neutrality by 2050,¹⁶ none that are highly exposed to LNG have committed to end all financial services for LNG expansion. Only seven players out of the top 30 banks and top 30 investors tackle LNG through their sector policies, and none is doing so effectively.

In fact, not one of the top 10 banks financing LNG expansion has adopted an LNG policy. Bank of America and Morgan Stanley are no exception despite being founding members of the Net Zero Banking Alliance (NZBA). The seven banks with some LNG restrictions are all European: ING, Barclays, BNP Paribas, BPCE, Crédit Agricole, HSBC, and Société Générale.

The first thing to note is that none of the seven policies of these banks cover the construction of LNG import terminals, even though these projects hinder the transition to low-carbon economies by reinforcing reliance on fossil fuels while increasing the financial risks associated with potentially stranded assets, as already noted above. These policies¹⁷ only cover LNG export terminals, and they do this insufficiently to curb the banks' support for LNG expansion:

- ING is the only major bank that has committed to ending all financing for new LNG export terminals at the project level, effective from 2026. In contrast, the other six European banks have imposed limited restrictions but have not completely ruled out financing for these projects. BNP Paribas and BPCE exclude financing for LNG export terminals only when they are supplied by unconventional fossil gas fields, while Société Générale, HSBC, and Barclays exclude new LNG export terminals only when they are directly linked to the development of new fossil gas fields, along with those supplied by

unconventional fossil gas fields or located in North America or in the Arctic region in the case of Société Générale. Crédit Agricole waives the financing of export terminals only if they are strictly dedicated to extraction projects.

- None of these policies address corporate financing, which is even more concerning than the loopholes at the project level, since corporate financing represents the largest share of overall fossil fuel finance.¹⁸ For example, despite implementing restrictions on financing LNG export terminals at the end of 2022, HSBC provided US\$1.4 billion to LNG expansion, including US\$151 million to the US's largest LNG producer, Cheniere, in 2023. Similarly, ING's commitment to cease providing project financing for new LNG terminals from 2026 will not be enough to end the bank's support for the LNG industry. Currently ranked 14th with over US\$5 billion in financing for LNG expansion between 2021 and 2023, ING could still be one of the biggest supporters of LNG expansion through corporate financing in the future.

The overall lack of consistency of LNG policies is particularly striking, especially as some of these seven banks have adopted measures to halt new conventional fossil gas fields. As a reminder, the IEA makes no distinction between new fossil gas fields¹⁹ and new LNG export terminals, both of which have been excluded from its NZE scenario for the past two years. This double standard is also evident in corporate financing: BNP Paribas and Crédit Agricole have stopped issuing conventional bonds for oil and gas producers – a crucial source of unearmarked financing – but they have no restrictions for LNG developers. While BNP Paribas and Crédit Agricole²⁰ sharply reduced their support for upstream oil and gas developers in 2024²¹ by ceasing supporting upstream producers in their conventional bonds issuance, both banks still participated in deals supporting LNG developers the same year, including backing a US\$1.1 billion bond in March 2024 for Sempra – one of the biggest LNG export developers in the US. This lack of commitment to ending support for the expansion of the LNG industry



is particularly concerning for Crédit Agricole, which ranked 15th for its support of LNG expansion between 2021 and 2023.

Reclaim Finance urges financial institutions to be consistent with their climate commitments. Specifically, Reclaim Finance calls²² for banks to adopt comprehensive policies to:

- **End financial services for new LNG projects, especially export terminals which contradict climate goals, and also for import terminals which hinder the development of renewable energy.**
- **End financial services for LNG export developers and commit to extending this exclusion to LNG import developers that fail to abandon LNG expansion plans in the near future.**

Reclaim Finance calls for investors to adopt comprehensive policies that:

- **Expect LNG companies in their portfolios to stop LNG expansion immediately.**
- **Stop new investments in companies developing new LNG export terminals, and use existing holdings to engage and vote against strategic management-proposed items (for example, the re-election of directors, remuneration, and financial statements).**

Banks and investors should require LNG import terminal developers to adopt transition plans aligned with a 1.5°C pathway with no or low overshoot that includes no new LNG import terminals and that relies on minimal negative emissions, such as the IEA's NZE scenario.

METHODOLOGY

This report assesses financial flows (project financing and corporate financing) to, and investments (bonds and equity) in, the 150 largest LNG developers. The 150 largest LNG developers are selected on the prorated LNG capacities planned (proposed, under construction or commissioning) using Urgewald's 2023 Global Oil and Gas Exit List (GOGEL). These companies account for 90% of the global pipeline for new LNG capacities that are planned.

Financial flows to the top 150 LNG developers have been adjusted, through a joint research effort between Reclaim Finance and Friends of the Earth France, to represent the proportion of the LNG segment activity in a company's overall business. Financial data from this report relies on:

- 2021 to 2023 financial flows accorded by 400 banks worldwide²³ to the 150 largest LNG developers, using the extended dataset of the 2024 'Banking On Climate Chaos' report that compiles data from Refinitiv and Bloomberg LP. Financial flows include project and corporate financing, via corporate loans, revolving credit facilities, and bond and equity issuances. Financial flows directly linked to green projects have been excluded.
- Investments made by the 400 most exposed investors in the 150 largest LNG developers as of May 2024,²⁴ using Urgewald's 'Investing in Climate Chaos' database downloaded on 9 July 2024. Investments include bonds and equities held by financial institutions. All green bond holdings have been excluded. The equity holding as of 30 April 2024 of the Fonds Communs de Placement en Entreprise (Employee Investment Fund) of TotalEnergies, managed by Amundi, has been added to the Investing in Climate Chaos dataset.

Additionally, non-adjusted 2024 financial operations reported in this analysis have been extracted using the Bloomberg LP and IJ Global databases.

LNG terminal capacity data is taken from the Global Oil and Gas Exit List, prorated by company depending on its participation in each terminal.

LNG emissions to 2030 have been calculated at project level and aggregated at corporate level using the Global Oil and Gas Exit List extended data. Emissions calculations rely on Robert Howarth's 2024 research paper 'The Greenhouse Gas Footprint of Liquefied Natural Gas (LNG) Exported from the United States',²⁵ with adjustments made on methane leakage rate per country using country's average methane leakage rate from Rystad Energy.²⁶

The assessment of the policies of financial institutions relies on Reclaim Finance's [Oil & Gas Policy Tracker](#) (OGPT). In this tracker, bank policies for the oil and gas sector are rated according to three main criteria, of which mainly two - 'Projects' and 'Expansion companies' - were used to provide an LNG-specific assessment for this report. Investor policies for the oil and gas sector were mainly assessed through the 'Expansion companies' criterion.

More details are available in our [methodology](#).



INTRODUCTION

Since the Russian invasion of Ukraine in February 2022 and the subsequent spike in gas prices, liquefied natural gas (LNG) has come center stage. This fossil fuel has increasingly been presented by the oil and gas industry as the key solution to maintain gas supply while fulfilling the imperative of energy security. Markets have thus been flooded globally over the past few years by a growing amount of LNG,²⁷ driven by exports from the US, Australia, and Qatar.²⁸ LNG export and import terminals have multiplied: in the past two years, eight export terminals and 99 import terminals were constructed, boosting global export capacity by 7% and global import capacity by 19%,²⁹ with LNG developers planning to build many new facilities.

If these terminals are built, they will destroy any hope of limiting global temperature rise to 1.5°C. Indeed, considering that the lifespan of LNG terminals extends for several decades, they will take the greenhouse gas emissions trajectory far beyond what is possible according to credible 1.5°C-aligned scenarios. The Net Zero Emissions by 2050 (NZE) scenario from the International Energy Agency (IEA) has highlighted for two years now that new LNG export infrastructure is not necessary under a 1.5°C climate scenario and that operational LNG export capacities are sufficient to meet current and future demand.³⁰

A significant number of planned LNG terminals could not spring up without the support provided by financial institutions. Since many banks and investors have adopted decarbonization and net zero commitments,³¹ it is important to question how these pledges are reflected in their financing activities. This report assesses this issue in the context of accelerating global warming and record temperatures over the last year³² – the average global temperature exceeded 1.5°C last year for the first time.³³ Indeed, climate change is already having adverse effects on the environment, biodiversity, and communities worldwide. Between 2000 and 2019, extreme climatic events cost up to US\$16.3 million per hour globally.³⁴

Building on the analysis of the financial flows going to LNG expansion from the 400 biggest banks and 400 most exposed investors, this report uncovers the financial institutions behind the huge boom in LNG – those that are pouring billions of dollars into the largest LNG developers and their new terminals. Additionally, through an evaluation of the climate commitments and policies of the 30 biggest banks and 30 biggest investors backing LNG expansion, we assess any existing climate measures and whether they are effective in curbing support to LNG expansion.



1. THE BILLIONS FLOWING INTO LNG EXPANSION

Over the next five years, LNG developers are planning 156 new LNG terminals worldwide that threaten to lock the world into a fossil fuel future. The 63 export terminal projects planned by 2030 would add 472.7 million tonnes per annum (Mtpa) of liquefaction capacity while the 93 new import terminal projects would represent 365.2 Mtpa of additional regasification capacity, doubling the current export capacity and increasing the current import capacity by 17.1%.

a. Financial institutions risk climate and communities through LNG expansion

Between 2021 and 2023, the 400 international banks analyzed in this research provided US\$213 billion in support to the LNG expansion plans of the top 150 LNG developers,³⁵ which together account for over 90% of the LNG facilities due to come into operation by 2030. Meanwhile, the 400 investors analyzed in this research by keeping supporting LNG companies without requiring the end of expansion, have a responsibility in the LNG boom through their US\$252 billion in exposure to LNG expansion as of May 2024.

The IEA has been projecting an end to the development of LNG export terminals for two years. And yet, banks and investors are supporting some of the most aggressive LNG export developers. Among them are specialized midstream companies primarily involved in the development of export facilities. The biggest specialized companies are in the US, such as Venture Global, Cheniere Energy, and Next-Decade. Along with Sempra, these four companies are the biggest recipients of financing from banks for their LNG expansion activities: together, they received 44% of all bank financing granted to LNG expansion between 2021 and 2023.

Venture Global, the world's largest LNG developer, closed 455 deals with the banks analyzed in this report between 2021 and 2023, with Bank of America, Mizuho, ING, and Santander involved in 25 deals or more. As further proof that this support is ongoing, these banks, together with BPCE, participated in the issuance of a US\$1.5 billion bond by Venture Global in July 2024. The US giant was BPCE's main LNG client between 2021 and 2023, with US\$1.7 billion granted by the French bank through 19 transactions going towards its LNG expansion plans. The 400 investors analyzed are exposed to Venture Global by close to US\$13 billion as of May 2024.

Venture Global's LNG projects offer a tragic illustration of human rights violations associated with the development of new export terminals. For example, the Calcasieu Pass LNG project being developed in Louisiana was supported by a US\$1 billion bond in 2023. Among the banks involved are Crédit Agricole, ING and Santander. The project has already had significant impacts on local communities, both threatening their health because of excessive air pollution³⁶ and their livelihoods.

While specialized midstream companies dominate the development of new LNG export terminals in the US, they are not the only players in this field, with national oil companies (NOCs) and integrated companies. In fact, TotalEnergies is at the forefront of LNG expansion, being the company with the highest number of LNG export projects (10 terminals) planned by 2030. Its expansion plans will more than double its liquefaction capacity and contribute to emitting more than 0.4 Gt of carbon dioxide equivalent (CO₂e) by 2030. For context, that is more than all the emissions TotalEnergies reported for scopes 1, 2 and 3 across all its activities in 2023. French banks are TotalEnergies' main providers of support: BNP Paribas granted the company US\$424 million, and Crédit Agricole poured US\$279 million into its LNG expansion from 2021 to 2023.³⁷

Beyond TotalEnergies, the integrated companies that receive the most support from banks and investors are Eni, ExxonMobil, and BP. Eni alone received US\$12 billion of financing for its LNG expansion between 2021 and 2023, while ExxonMobil, BP, and TotalEnergies were granted US\$2.7 billion each.³⁸

The 400 investors analyzed in this report are also heavily exposed to the LNG activities of integrated companies globally, with ExxonMobil, TotalEnergies, Shell, BP, and Eni being among the top 10 companies receiving the biggest investments as of May 2024 – these five companies received over half of the total investments in LNG expansion.

When looking at import terminals specifically, integrated companies and utilities are key players. Even though new LNG import terminals block or hamper the much-needed transition away from fossil fuels by incentivizing both the development of new fossil gas fields and new downstream fossil fuel infrastructure (see box 1), the Italian utility Enel is planning one new terminal. Enel ranks eighth in terms of future emissions due to its new LNG import project, with the planned facility set to contribute to emit over 0.2 Gt of CO₂e by 2030 (see table 2). As a consequence of this type of emissions projection, new import terminals could rapidly turn into stranded assets. And yet, Enel could continue to receive support from major financial institutions which have already granted US\$494 million to its LNG activities, while investors have contributed US\$180 million.

The main LNG developers are massively expanding LNG and do not show any intention of shifting away from fossil fuels. This alone would justify banks turning off the credit tap immediately and investors to firmly engaging the companies they are involved in.



LNG, a false solution with dire consequences for the climate

What is LNG?

LNG is fossil gas (commonly known as natural gas) that has been cooled to about -162°C (-260°F), condensing it into a liquid form. LNG primarily consists of methane, along with smaller amounts of other hydrocarbons. It is produced from fossil gas fields, carried to export terminals where the gas is liquefied and loaded onto LNG carriers for transportation by sea to import terminals where it is regasified.

Who are the LNG stakeholders?

On the liquefaction side, LNG export terminals are usually operated by specialized companies (such as Venture Global LNG) or integrated oil and gas companies (majors such as BP or TotalEnergies, or National Oil Companies (NOCs) such as ADNOC or Petrobras). Specialized and integrated oil and gas companies are also involved in the regasification process along with utilities (such as Engie). LNG terminals are made possible thanks to the support of financial institutions, including banks and investors.

What are the climate impacts of LNG?

Existing LNG export capacities are sufficient to satisfy both current and future demand in a 1.5°C-aligned pathway, as shown by the IEA in its Net Zero Emissions by 2050 (NZE) scenario since 2022.³⁹ The IEA's NZE update in the World Energy Outlook 2024⁴⁰ further emphasized that no new gas fields should enter into production. And yet, the development of LNG facilities is currently intensifying upstream fossil gas expansion by connecting fossil gas fields to far away demand and creating gas dependency in new countries. Once a terminal is constructed, new gas fields could enter into production to maintain its utilization rate, despite the need to halt upstream gas expansion.⁴¹ With long term gas infrastructure connected to fossil gas fields on the export side, and distribution networks on the import side, LNG facilities are leading the energy sector to fossil fuel lock-in.

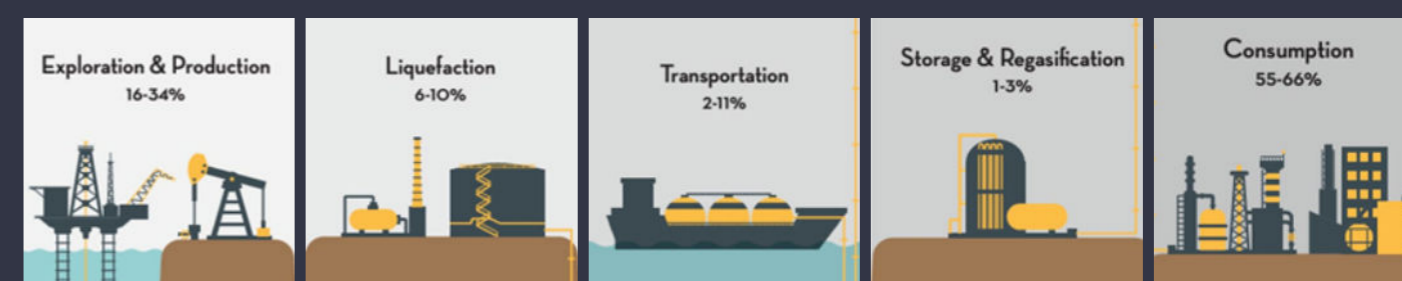
This is true for many regions:

- In Southeast Asia, the development of new LNG import projects and the surge in gas power are threatening the development of the planned renewable energy capacity of the region. Planned fossil gas projects and new LNG import terminals would respectively add 139 gigawatts (GW) of gas power plant capacity and 96.3 Mtpa of LNG import capacity, even though at least 328 GW of renewable energy capacity is currently planned in Southeast Asia.⁴² Despite this objective and the financing needed to reach it, the amounts allocated by financial institutions to fossil gas have been twice as high as those allocated to renewable energy since the 2015 Paris Agreement. The case of the Philippines is revealing considering the country's renewable energy potential: the Center for Energy, Ecology, and Development (CEED) highlighted in a 2023 report that a coal and gas phase-out from the power sector by 2035 and 2040 respectively is possible with a massive deployment of renewable energy capacity. This would reduce electricity costs as well as the country's dependency on imported energy.⁴³
- In China, the world's largest LNG importer, LNG is often put forward as a way to displace coal and is described as a "bridge" for the development of clean energy. Yet, the figures show that rising LNG imports over the last years have not resulted in the reduction of coal consumption – the addition of new gas-fired power plants is continually outpaced by new coal-fired power capacity annually.⁴⁴
- In Europe, existing LNG import terminals are sufficient to meet current needs and gas demand is decreasing,⁴⁵ leading to a 20% reduction in LNG imports for the first half of 2024 and a reduced need for LNG import terminals – the utilization rate fell from 63% in the first half of 2023 to 47% for the first half of 2024.⁴⁶

In addition, the projected peak in oil and gas demand by 2030 alongside renewable energy growth and electrification could render new oil and gas investments stranded assets in the near future,⁴⁷ particularly in Europe⁴⁸ which represents 21% of the global planned LNG import capacity. Indeed, three-quarters of Europe's LNG import capacity could be unused by 2030, according to IEEFA.⁴⁹

Moreover, the liquefaction process is highly energy intensive, consuming approximately 10% of the fossil gas that is processed – for example, it is used to power heat pumps. The other stages of the process also add to the LNG carbon footprint, with greenhouse gas emissions occurring during transportation and during storage and regasification – the liquefied gas is reheated by combustion at import terminals to convert it back to gas.

Image - Distribution of greenhouse gas emissions in the LNG lifecycle⁵⁰



Another significant aspect of LNG processing is the high level of associated methane (CH₄) emissions. LNG is composed of methane, a greenhouse gas over 80 times more powerful than CO₂ over 20 years.⁵¹ Methane leaks can occur throughout the LNG value chain,⁵² in particular in the upstream phase⁵³ due to the quantity of gas that is developed and transported to liquefaction terminals for export. Although LNG is often presented as an alternative to coal, these leaks negate the "climate benefits" of fossil gas and may even worsen the situation. This is especially true for gas from the US – the world's leading LNG exporter – where liquefaction terminals are connected by a network of pipelines to shale gas fields where methane leakage is widespread.⁵⁴ Upstream and midstream methane emissions stemming from the production and transport of LNG represent the largest portion of the LNG footprint (38% of total LNG emissions, based on

Global Warming Potential (GWP20)). When CO₂ emissions from the energy used to produce LNG are factored in, upstream and midstream emissions together contribute, on average, 47% of the total greenhouse gas footprint of LNG. Other significant emissions are the liquefaction process (8.8% of the total, on average, using GWP20) and carrier transportation (5.5% of the total, on average, using GWP20).⁵⁵

Table 1: The largest GHG emitters by LNG export projects by 2030

Ranking	Country	Company name	GHG emissions from LNG export terminals' projects in GtCO2e by 2030	Methane leakage rate in %	Number of LNG export terminals project planned by 2030	Projects' LNG export terminal capacity planned by 2030 in Mtpa	Total LNG export terminal Capacity in 2030 in Mtpa
1	Qatar	QatarEnergy	> 1	1,25%	5	46,5	99,2
2	United States	Venture Global LNG	> 0,8	2,80%	3	32	35,1
3	Russia	Novatek	> 0,7	0,73%	6	47,2	51,4
4	United Kingdom	Shell	> 0,4	0,62%	6	19,6	59,8
5	France	TotalEnergies	> 0,4	1,02%	10	16,4	34,9
6	United States	Cheniere Energy	> 0,3	2,80%	1	10	52
7	United States	ExxonMobil	> 0,3	1,64%	7	12,2	12,2
8	United States	Tellurian	> 0,3	2,80%	2	11	11
9	Ireland	Glenfarne Group	> 0,3	2,80%	2	10,8	10,8
10	United States	NextDecade	> 0,2	2,80%	2	16,5	16,5
11	United States	Commonwealth LNG	> 0,2	2,80%	1	9,3	9,3
12	Russia	Gazprom	> 0,2	0,73%	5	8	14,9
13	United States	Energy Transfer	> 0,2	2,80%	1	16,5	16,5
14	United States	Global Infrastructure Partners	> 0,2	2,05%	2	11,4	11,4
15	Russia	JSC RusGazDobycha	> 0,2	0,73%	2	6,5	6,5
16	Russia	PJSC Yakutsk Fuel and Energy Company (YATEC)	> 0,1	0,73%	1	8,8	8,8
16	Malaysia	Petronas	> 0,1	0,68%	4	8	11,5
18	Italy	Eni	> 0,1	0,49%	9	6,1	9,7
19	United States	KKR	> 0,1	2,60%	8	8	14,5
20	United States	Sempra	> 0,1	2,02%	8	6,6	29,4
21	United Arab Emirates	ADNOC	> 0,1	0,40%	1	9,6	9,6
22	China	CNPC	> 0,1	0,64%	6	4,7	7,9
23	United States	ConocoPhillips	> 0,1	2,11%	3	6,1	6,1
24	Nigeria	NNPC	> 0,1	0,78%	5	3,7	8,7
25	Mexico	LNG Alliance Pte Ltd	> 0,1	0,73%	2	7,2	7,2
26	Mexico	Q-LNG Holdings LLC	> 0,1	0,73%	4	3,6	10,7
27	United States	Alaska Gasline Development Corporation	> 0,1	2,80%	1	20	20
28	Japan	JOGMEC	< 0,1	0,70%	4	5,3	5,3
29	Mozambique	ENH	< 0,1	0,58%	3	2,7	3,5
30	Brazil	Eneva	< 0,1	0,82%	1	3,3	3,3

Table 2: The largest GHG emitters by LNG import projects by 2030

Ranking	Country	Company name	GHG emissions from LNG import terminals' projects in GtCO2e by 2030	Number of LNG import terminals project planned by 2030	Projects' LNG import terminal capacity planned by 2030 in Mtpa	Total LNG import terminal capacity in 2030 in Mtpa	Total LNG export terminal Capacity in 2030 in Mtpa
1		Tree Energy Solutions Belgium BV	> 0,5	1	14,7	15,9	99,2
2		China Petrochemical Corporation (Sinopec Group)	> 0,3	5	10,8	22,8	35,1
3		Ningxia Hanas Natural Gas Group Co Ltd	> 0,3	2	10	10	51,4
4		H-Energy Pvt Ltd	> 0,3	3	9	9	59,8
5		CPC Corporation Taiwan	> 0,3	5	16,8	16,8	34,9
6		China Oil & Gas Pipeline Network Corporation (PipeChina)	> 0,2	3	8,4	12,5	52
7		Vietnam Oil and Gas Group (PetroVietnam)	> 0,2	3	8,2	10,2	12,2
8		Enel Spa	> 0,2	1	5,9	5,9	11
9		Guangdong Hengjian Investment Holding Co Ltd	> 0,2	2	5,7	6,4	10,8
10		Vietnam National Petroleum Group (Petrolimex)	> 0,2	1	6	6	16,5
11		Excelerate Energy inc	> 0,1	2	6	26,6	9,3
12		Fluxys NV	> 0,1	2	6	24,5	14,9
13		Crown LNG Holding AS	> 0,1	1	7,2	7,2	16,5
14		Swan Energy Ltd	> 0,1	2	5,7	5,7	11,4
15		Royal Vopak NV	> 0,1	4	7,2	10,4	6,5
16		Gulf Energy Development Public Company Ltd	> 0,1	1	7,6	7,6	8,8
16		Petronet LNG Ltd	> 0,1	1	5	5	11,5
18		Zhejiang Provincial Energy Group Company Ltd	> 0,1	3	6,5	6,5	9,7
19		Mediterranean Gas SA	> 0,1	1	3,8	3,8	14,5
20		Summit Oil & Shipping Co Ltd	> 0,1	1	4,6	4,6	29,4
21		Gazociagow Przesylowych GAZ-SYSTEM SA	> 0,1	2	6	6	9,6
22		National Grid plc	> 0,1	1	3,9	18,6	7,9
23		China Communications Construction Company Ltd	> 0,1	2	3,9	3,9	6,1
24		Shell plc	> 0,1	1	3,8	20,6	8,7
25		Snam SpA	> 0,1	1	3,7	4	7,2
26		Porto Norte Fluminense SA	> 0,1	1	5,6	5,6	10,7
27		NV Nederlandse Gasunie	> 0,1	2	4,4	4,4	20
28		Bangladesh Oil, Gas & Mineral Corporation (Petrobangla)	> 0,1	1	7,7	7,7	5,3
29		The AES Corporation	> 0,1	1	3,7	3,7	3,5
30		RWE AG	> 0,1	2	3,7	5,3	3,3

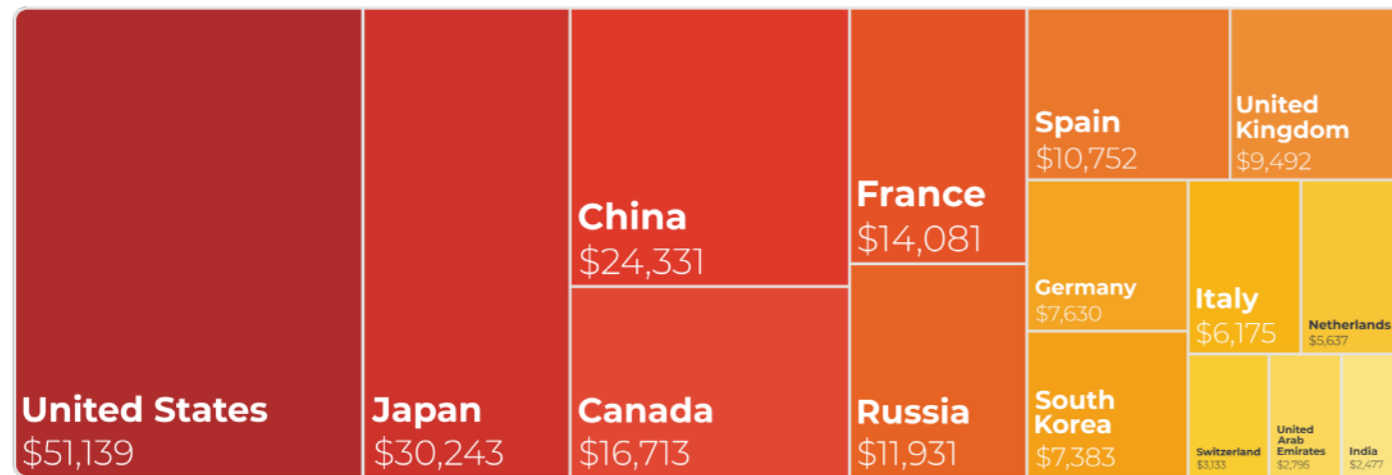
b. A few banks provide the bulk of support for LNG development

US banks have the greatest responsibility in this devastating rate of LNG expansion, with 24% of the total financing provided between 2021 and 2023. Banks from Asia follow, with Japanese and Chinese institutions pouring in 14% and 11% of the total amount provided to LNG expansion respectively (see table 3). Banks from Canada are next, granting 8% of the total amount of finance fueling the LNG boom between 2021 and 2023.

71% of all the financing between 2021 and 2023 was provided by the top 30 LNG supporting banks (see table 4).

Although European banks are not in the top 10 biggest supporters of LNG expansion, banks from France, Spain, the UK, Germany, Italy, the Netherlands, and Switzerland account for 27% of the overall financing (see table 3). French banks provided US\$14 billion to LNG expansion over the 2021 to 2023 period, which is over 30% more than Spanish banks, the second-largest European providers of LNG financing.

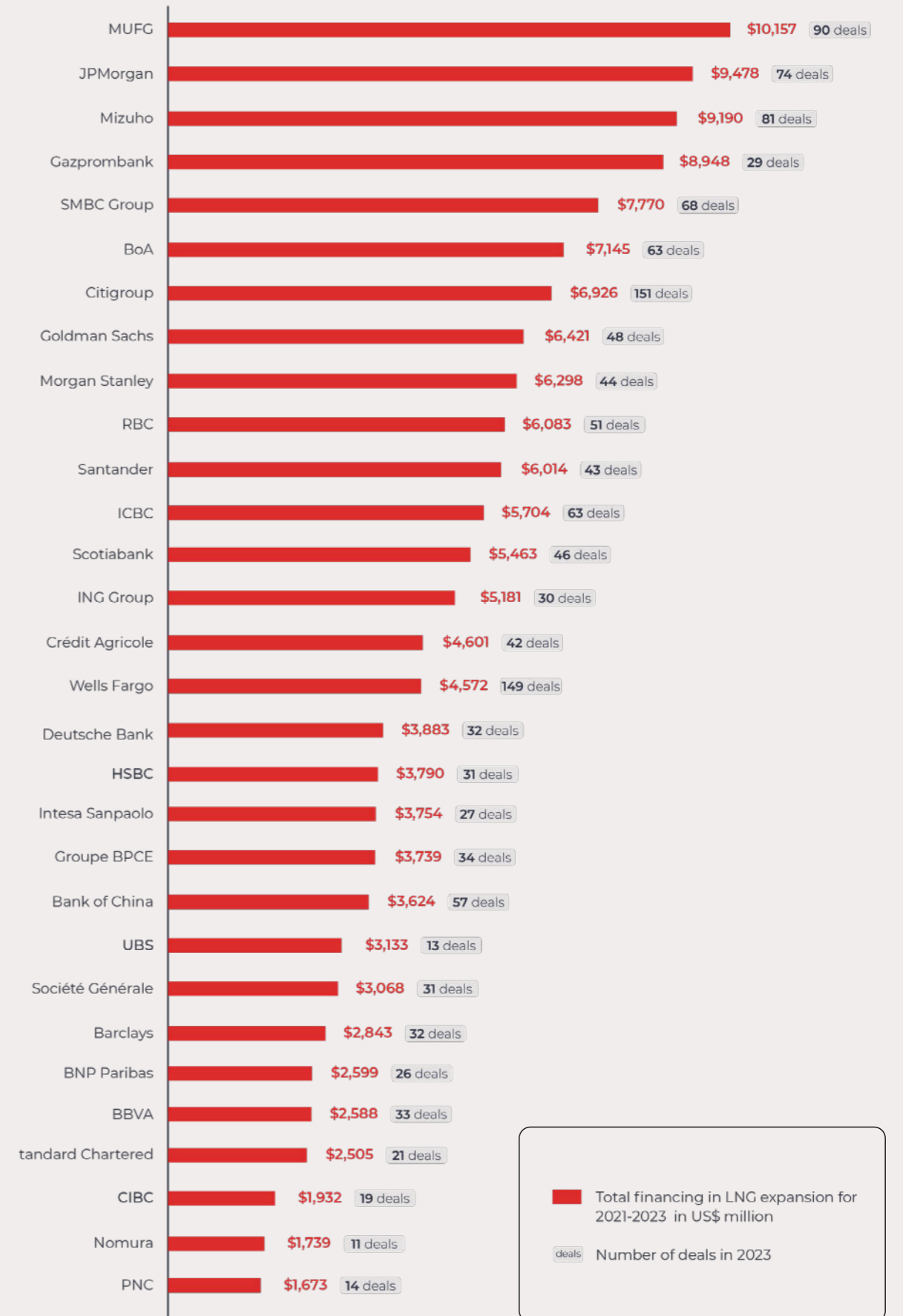
Table 3: The countries behind the banks giving the most support to LNG expansion



Just a few banks provide the bulk of the support granted to LNG expansion: 71% of all the financing between 2021 and 2023 was provided by the top 30 LNG supporting banks (see table 4). While five US banks (including JP Morgan Chase, Bank of America, and Citi) appear in the top 10 banks financing LNG development, it is Japanese bank Mitsubishi UFG Financial Group that claims the top spot, with two other Japanese banks, Mizuho and SMBC, also making it into the top five. No European bank is in the topmost ranking, but seven are in the top 20 (Santander, ING, Crédit Agricole, Deutsche Bank, HSBC, Intesa Sanpaolo, and BPCE), while a total of 13 are among the top 30.

Notable for its rarity is the strong involvement of banks that are smaller in size than their peers. For instance, while Santander is the leading European bank financing LNG expansion, ING ranks second in Europe and 14th globally, despite being only the 36th largest bank in terms of size. Similarly, although BPCE is a smaller organization than its French counterparts BNP Paribas, Crédit Agricole, and Société Générale, the bank is the 20th biggest supporter of LNG expansion worldwide. The amount granted by BPCE to LNG expansion slightly decreased (by 12%) between 2021 and 2023 but remains high. BPCE made 100 deals with the biggest LNG developers between those years, with US\$3.7 billion provided for LNG expansion.

Table 4: The 30 banks supporting the most LNG expansion⁵⁶



■ Total financing in LNG expansion for 2021-2023 in US\$ million
 deals Number of deals in 2023

c. US investors are widely responsible for LNG expansion

Investors in the 10 countries where there is most investment support for LNG expansion – the US, Canada, the UK, Norway, France, Japan, Germany, Switzerland, China, and South Korea – hold US\$241 billion in exposure to LNG expansion.

US investors alone account for 71% of the total amount invested in LNG expansion as of May 2024, followed at some distance by Canadian investors which account for 6% of total investor exposure (see table 5). Despite ranking far behind US investors, European investors are also key supporters of LNG expansion: British investors rank third, followed by Norwegian and then French investors.

If we focus on investors individually (see table 6), the 30 biggest investors were exposed to up to US\$159 billion, or 59%, of total investments in LNG expansion as of May 2024. US investors occupy the five highest ranks, with 21 US investors in the top 30 in all as of May 2024. The three biggest supporters of LNG development – BlackRock, Vanguard, and State Street – together account for 24% of all investments in LNG.

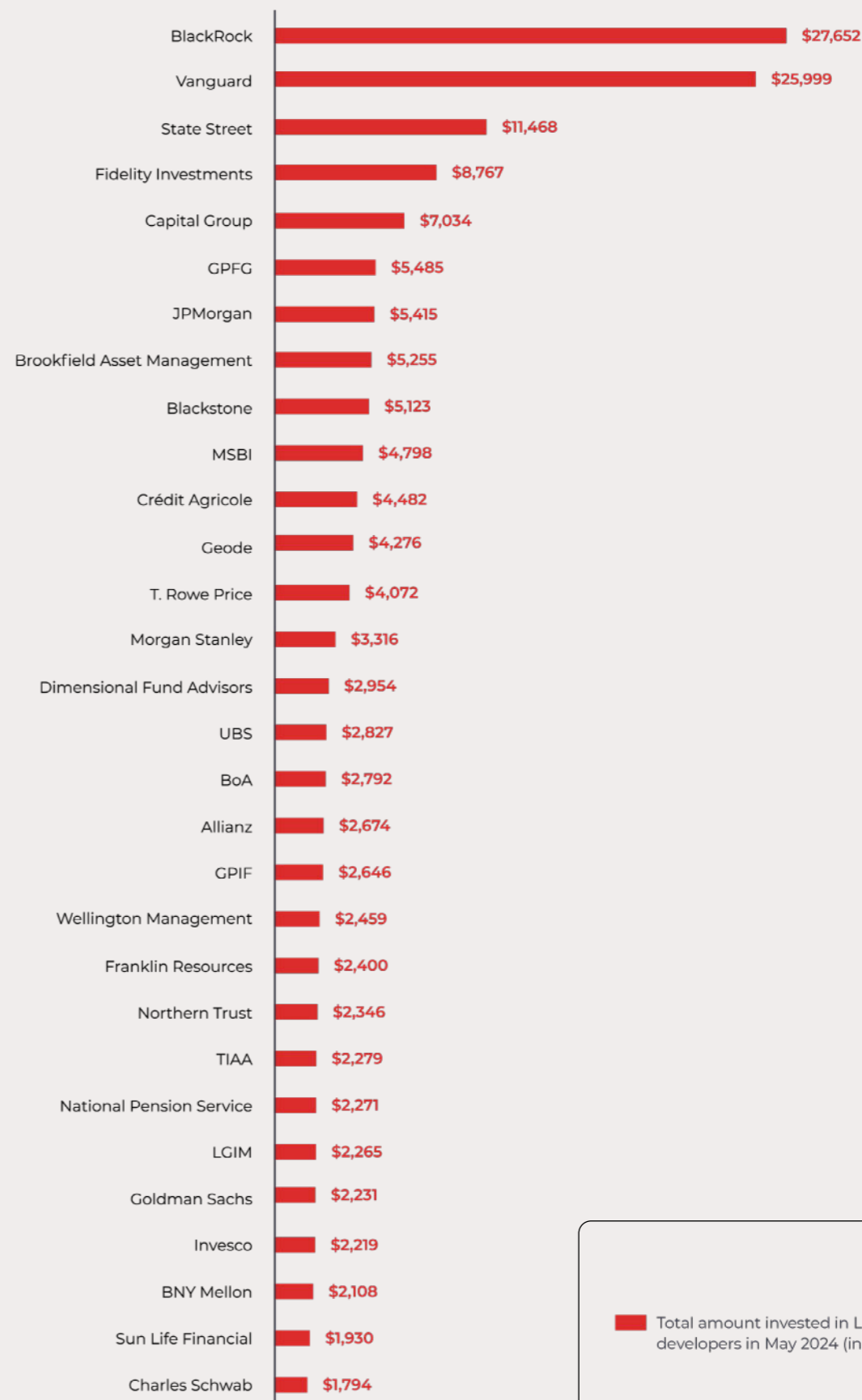
A few European investors rank high for their exposure to LNG developers, such as the Norwegian Government Pension Fund Global (GPF), the French Crédit Agricole, and the Swiss UBS, all of which appear in the top 20 investors in LNG expansion. With the billions invested in LNG expansion through its investment subsidiary Amundi, Crédit Agricole is the only French investor included in the top 30 investors, with US\$4.5 billion provided for LNG development as of May 2024. Its biggest client is TotalEnergies, which accounts for US\$2.8 billion in exposure – 63% of the total amount invested by Crédit Agricole – and has 19.6 Mtpa of export terminal capacity planned.

Aside from investors, private equity (PE) firms, which invest in companies that are not publicly traded, are playing an increasingly significant role in supporting LNG development. In the US, the PE industry has invested in nine out of 15 planned LNG export terminals.⁵⁷ For example, the firm Global Infrastructure Partners (GIP) has been instrumental in completing the financing of the controversial Rio Grande LNG project, operated in South Texas by NextDecade.⁵⁸ While some financial institutions publicly backed out of participating in Rio Grande LNG Phase 1, GIP became its majority investor.⁵⁹ This was key for the project to move forward as it provided the financing commitment necessary to reach the Final Investment Decision (FID) in 2023.⁶⁰

Table 5: The countries behind the investors giving the most support to LNG expansion



Table 6: Leading 30 investors and their investment in LNG development as of May 2024



Total amount invested in LNG developers in May 2024 (in US\$ million)

d. Increasing financial support with dire climate consequences

The 156 new export and import terminals planned by 2030 are poised to bridge borders by connecting export markets with import markets. New LNG export development primarily takes place in Canada, Mexico, and the US, which account together for over 50% of new export capacity. On the import side, South and Southeast Asia, driven by China, India, and Vietnam, account for 25% of the expected increase of import capacity, while Europe is expected to cover 21% of the increase in import capacity.⁶¹

Yet, contrary to industry claims, transporting gas in its liquefied form instead of through pipelines comes with dire climate consequences. In fact, it increases the risk of methane leaks, a serious concern given that methane is, on average, 80 times more potent as a greenhouse gas than CO₂ over a 20-year period (see box 1).⁶² These emissions could offset any climate benefits of fossil gas compared to coal: since new LNG facilities are designed to operate for several decades, with a lifespan that can extend beyond 40 years,⁶³ the 63 planned export terminal projects will contribute to the release of over 10 Gt of CO₂e in the next five years alone. This includes more than 150 million tonnes of methane leaks by 2030 (see table 1),⁶⁴ and represents

more than two years of US energy sector emissions using 2022 to 2023 totals.⁶⁵ These climate impacts can be further compared to the annual emissions of all the coal plants in operation worldwide which amount to 12 Gt of CO₂e.⁶⁶

The support offered by banks to LNG expansion is intensifying despite the consequences for the climate, communities and ecosystems (see box 2). Indeed, the financing provided by all the banks analyzed in this report increased by 25% between 2021 and 2023. If we consider the 30 biggest LNG expansion funders, 16 increased their financing in 2023 compared to 2021, and seven doubled or more than doubled their financing in the same period. This enhanced support to LNG development is particularly obvious for the five banks supporting the most LNG expansion, with Japanese banks being at the forefront: Mitsubishi, Mizuho Financial, and SMBC Group all more than doubled their financing to LNG expansion between 2021 and 2023.

Furthermore, even though the IEA's NZE scenario has been highlighting since 2022 that operational LNG export capacities are sufficient to fulfill future demand, the 30 banks most involved in LNG expansion participated in 1,453 LNG deals in 2023 (see table 4). Each bank fueled the LNG boom with more than 10 transactions, while the US banks Wells Fargo and Citi were involved in over 100 deals in 2023.

The hidden toll of LNG: how it impacts communities and ecosystems

The development of LNG facilities often leads to violations of rights, such as forced displacements and the loss of livelihoods. This is the case at the Calcasieu Pass LNG terminal⁶⁷ in the US and the Donggi-Senoro LNG terminal in Indonesia's Uso Village. In the latter, local fishermen have been banned from nearby waters and are forced to travel long distances to find fishing grounds, leading to a sharp decline in their revenues due to the high cost of fuel. Farmers have also reported lower crop yields and quality. The company behind the LNG project has failed to address the community's concerns, and the promised local jobs have fallen far short, with few residents employed and most in precarious, non-regular positions.⁶⁸

Several LNG projects developed in areas of conflict are associated with human rights violations that have led to lawsuits. In Yemen, for example, TotalEnergies is facing legal action from a local NGO over allegations of torture by Emirati forces at the Balhaf LNG export terminal.⁶⁹ Another legal action has been initiated against the French company in Mozambique and journalistic investigations have revealed serious human rights violations.⁷⁰

In addition, LNG export terminals pose risks to the health of communities, such as high levels of air pollution through fine particulate matter (PM_{2.5}) and ozone (O₃), a pollutant damaging for human health, ecosystems and crops.⁷¹ LNG processing and storage facilities are also associated with water contamination⁷² and risks of explosion, while LNG pipelines can be responsible for dangerous gas leaks.⁷³

LNG expansion also dramatically affects ecosystems and biodiversity. This is the case in the Verde Island Passage in the Philippines and also in Brazil, where five LNG import terminals have been built along the Atlantic coast, with plans to add seven more in nearby states. This expansion threatens vital ecosystems, including the remnant Atlantic Forest and marine areas critical for species. The projects also overlap with important marine mammal habitats, raising concerns about ship strikes. A report by a local organization revealed that over 90% of the auctioned blocks overlap with protected areas and Indigenous lands.⁷⁴

See the frontline stories for more details about LNG impacts on communities and their environment.



2. AMBITIOUS WORDS, INADEQUATE ACTIONS

All but four of the 30 biggest banks supporting LNG expansion are members of the Net Zero Banking Alliance (NZBA). The banks that completely fail to acknowledge any role in pursuing decarbonization are Gazprombank, Industrial and Commercial Bank of China, Bank of China, and PNC Financial Services. As for investors, among the 30 biggest investors that accounted for 60% of total investments in LNG expansion as of May 2024, 14⁷⁵ are members of the Net Zero Asset Managers (NZAM) initiative (see table 7).

Given that 26 of these 30 banks and 14 of these 30 investors have pledged to align with a 1.5°C pathway and to reach net zero by 2050, it could be expected that they have adopted measures to stop supporting the development of new LNG assets. Yet, our analysis finds that what should be the norm is instead the exception, with only seven players tackling LNG through their sector policies, and none doing so effectively.

Currently, only European banks have policies addressing LNG: ING, Barclays, BNP Paribas, BPCE, Crédit Agricole, HSBC, and Société Générale. Notably, none of the top 10 banks financing LNG expansion have implemented an LNG-specific policy. Bank of America and Morgan Stanley are no exception despite being founding members of the NZBA. Even more alarming, 10 banks out of the 30 biggest LNG expansion supporters do not have an oil and gas policy (see table 7). Four out of 30 investors have adopted an oil and gas policy, but none of these address LNG expansion.

The first thing to note is that none of the seven sector policies adopted by banks that cover LNG address the construction of import terminals even though these projects impede

the transition to low-carbon economies by reinforcing fossil fuel dependence and heightening the financial risks linked to potential stranded assets. The funds directed towards these facilities represent capital that could otherwise be allocated to the massive development of the sustainable energy sources and technologies⁷⁶ that are needed to replace fossil fuels.

a. A few insufficient policies tackle project financing of LNG export terminals

The seven sector policies adopted by banks only cover LNG export terminals, even then, the policies' scope is restrictive enough to mean that the banks can continue financing LNG developers almost as usual, thus failing to comply with the IEA's NZE conclusions.

ING, the largest Dutch bank and major financier of fossil fuels in the Netherlands, is the only major bank that has waived (in September 2024) the provision of new project financing for new LNG export terminals from 2026.⁷⁷ With this new measure, ING has become the first of the 30 biggest banks supporting LNG expansion to exclude project financing for planned export terminals. In contrast, the other six European banks that have adopted an oil and gas policy covering LNG export terminals are far from ruling out project financing regardless of the (minimal) restrictions they have introduced.

The French banks BNP Paribas and BPCE only exclude project financing to LNG export terminals that are fed by unconventional fossil gas fields, leaving them free to directly support a significant number of LNG projects.

Table 7. Policies and restrictions adopted by the main banks

LNG financing rank 2021-2023	Bank name	Bank Country	Is the bank part of the NZBA?	Does the bank have an oil and gas policy?	LNG commitments		
					Project financing	Corporate financing	Corporate financing restrictions
					Exclusion of new export terminals	Exclusion of new import terminals	
1	MUFG	Japan	Yes	No	No	No	No
2	JPMorgan	United States	Yes	Yes	No	No	No
3	Mizuho Financial	Japan	Yes	No	No	No	No
4	Gazprombank	Russia	No	No	No	No	No
5	SMBC Group	Japan	Yes	No	No	No	No
6	Bank of America	United States	Yes	No	No	No	No
7	Citigroup	United States	Yes	Yes	No	No	No
8	Goldman Sachs	United States	Yes	Yes	No	No	No
9	Morgan Stanley	United States	Yes	Yes	No	No	No
10	RBC	Canada	Yes	Yes	No	No	No
11	Santander	Spain	Yes	Yes	No	No	No
12	ICBC	China	No	No	No	No	No
13	Scotiabank	United States	Yes	No	No	No	No
14	ING Group	Netherlands	Yes	Yes	Yes	No	No
15	Crédit Agricole	France	Yes	Yes	Yes - partial	No	No
16	Wells Fargo	United States	Yes	Yes	No	No	No
17	Deutsche Bank	Germany	Yes	Yes	No	No	No
18	HSBC	United Kingdom	Yes	Yes	Yes - partial	No	No
19	Intesa Sanpaolo	Italy	Yes	Yes	No	No	No
20	Groupe BPCE	France	Yes	Yes	Yes - partial	No	No
21	Bank of China	China	No	No	No	No	No
22	UBS	Switzerland	Yes	Yes	No	No	No
23	Société Générale	France	Yes	Yes	Yes - partial	No	No
24	Barclays	United Kingdom	Yes	Yes	Yes - partial	No	No
25	BNP Paribas	France	Yes	Yes	Yes - partial	No	Yes
26	BBVA	Spain	Yes	Yes	No	No	No
27	Standard Chartered	United Kingdom	Yes	Yes	No	No	No
28	CIBC	Canada	Yes	Yes	No	No	No
29	Nomura	Japan	Yes	No	No	No	No
30	PNC Financial Services	China	No	No	No	No	No

Indeed, except in the US where 78% of the fossil gas produced comes from shale gas,⁷⁸ and in Argentina where LNG export terminal projects may be linked to Vaca Muerta Shale Play, LNG export terminals are usually linked to conventional fossil gas fields. In other words, the current policies of BNP Paribas and BPCE do not stop them from financing LNG export expansion.⁷⁹

Three other European banks (Société Générale, HSBC, and Barclays) have adopted restrictions that might be even weaker still, as they only exclude the financing of LNG export terminals directly linked to the development of new fossil gas fields, along with those supplied by unconventional fossil gas fields or located in North America or in the Arctic region in the case of Société Générale. Crédit Agricole waives the financing of export terminals only if they are strictly dedicated to extraction projects. Although there is no information on how these measures are applied in practice, a potential loophole is that the development of new fossil gas fields may not be included in the financial project package presented to banks.⁸⁰ For instance, HSBC adopted its LNG policy in December 2022 and went on to participate in the issuance of a US\$1 billion loan and a US\$1.4 billion bond in June 2023 in favor of Cheniere Energy's Sabine Pass LNG project, along with ING and BPCE. Even if the Sabine Pass LNG project as presented to the banks did not include any new fossil gas fields, it is clear that it will require the development of these to operate. In fact, this is usually the case in the US where it has been noted shale gas accounts for most fossil gas production, with each shale gas well usually remaining productive for less than 10 years.⁸¹

Similar examples can be found in other parts of the world, such as at the Darwin LNG Terminal in Northern Territory in Australia.

As the facility gets older and initial supply sources dry up, its operator Santos is looking for ways to maintain its export capacity. One of the solutions is to develop the Narrabri and Barossa gas extraction projects. These projects will expose the lands and waters of the Gomeri and Tiwi Islands Traditional Owners and the unique ecosystems of the region. In August 2024, Australia's biggest banks – ANZ Bank, NAB, and Westpac – along with international banks – including Goldman Sachs, ING, Intesa Sanpaolo, and Mizuho – granted a refinancing loan to Santos, increasing its original amount by US\$600 million, in support of the Barossa fossil gas project. In doing so, they deny their climate commitments but also their pledge to respect the rights of the native communities whose lives will be harmed by the projects.

Due to the weakness of these policies, many LNG projects can still be supported by these seven banks. This is particularly worrying given that some key LNG export terminal projects, including NextDecade's controversial Rio Grande LNG project, are still looking for project financing.⁸² If built, the Rio Grande LNG project would add 27 Mtpa of export capacity in 2028.⁸³

b. A complete vacuum on LNG in corporate policies

None of the seven sector policies adopted by banks address corporate financing.⁸⁴ This is even more concerning than the loopholes identified for financial support at the project level, since corporate financing represents the largest share of overall fossil fuel finance – constituting 96% of the financial flows to the fossil fuel industry compared to the 4% that was project-related over the 2016 to 2022 period.⁸⁵ Indeed, oil

and gas companies usually take out loans for general corporate purposes, or with no specified use of proceeds, making the project-related restrictions outlined above ineffective at cutting off financing for new LNG infrastructure.

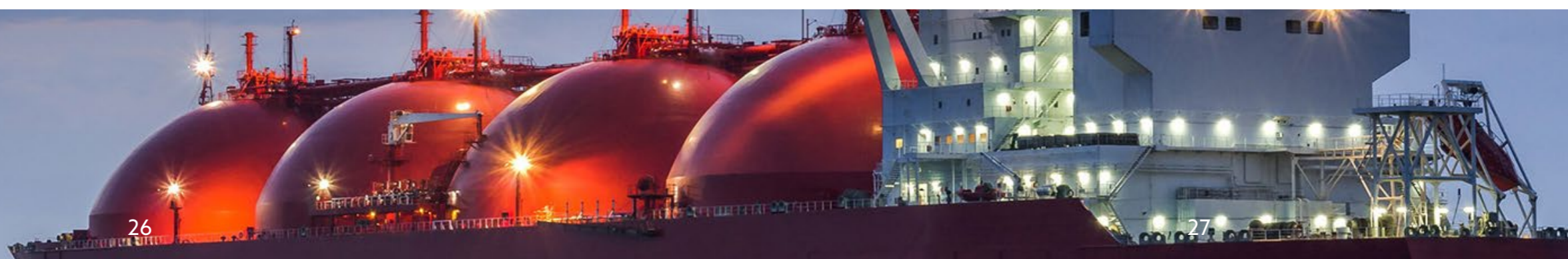
For instance, despite implementing restrictions on the financing of LNG export terminals at the end of 2022, HSBC provided US\$1.4 billion to LNG expansion, including US\$151 million to the largest LNG producer in the US, Cheniere Energy, in 2023. This specialized company ranks sixth as the biggest GHG emitter among LNG export developers by 2030. Similarly, ING's pledge to stop financing new LNG terminals starting in 2026 will not fully cut its ties to the LNG industry. With over US\$5 billion in funding between 2021 and 2023, ING is currently ranked 14th for its support to LNG expansion in that period. The bank may remain one of the biggest supporters in terms of corporate financing in the future, providing financial services to companies such as Venture Global – currently one of ING's main clients⁸⁶ with US\$3 billion granted for its LNG activities between 2021 and 2023.

c. An intolerable double standard between new fossil gas fields and LNG export terminals

The overall lack of consistency of LNG policies is especially notable, considering that seven out of the top 30 banks have already implemented measures to stop financing new conventional fossil gas fields. Five of these banks (ING, HSBC, Société Générale, Barclays, and BNP Paribas) exclude the financing of new upstream fossil gas fields, while Crédit Agricole and BBVA waive

support for new upstream fossil gas fields and the extension of existing fields. It's worth noting, however, that the IEA does not differentiate between new fossil gas fields⁸⁷ and new LNG export terminals, both of which have been excluded from its NZE scenario for the past two years. Even so, BBVA has adopted restrictions on project financing for new and extended fossil gas fields, but has failed to restrict financing for new LNG export terminals.

This double standard is strikingly obvious when it comes to corporate financing: BNP Paribas and Crédit Agricole have stopped issuing conventional bonds – a crucial source of unearmarked financing – for oil and gas producers, but they have no restrictions for LNG developers. The measures on oil and gas producers cover both pure-player upstream companies and integrated companies including the oil and gas majors,⁸⁸ meaning they sharply reduced their support for upstream oil and gas developers in 2024 by ceasing supporting upstream producers in their conventional bonds issuance.⁸⁹ By contrast, both BNP Paribas and Crédit Agricole participated in deals supporting LNG developers in 2024, with the two banks being among the biggest supporters of LNG expansion – Crédit Agricole ranks 15th and BNP Paribas 25th (see table 4). Despite their recent commitments, conventional bond support may continue as LNG developers are not excluded if oil and gas extraction is not listed as being part of their activities, along with loans that are not restricted. BNP Paribas and Crédit Agricole even backed a US\$1.1 billion bond for Sempra in March 2024 – this company is among the biggest LNG export developer in the US. On average, between 2021 and 2023 the 150 largest LNG developers issued bonds for a total of US\$92 billion for LNG expansion activities (43% of the total financing).



RECOMMENDATIONS

Nearly three-quarters of future LNG export and import capacity has yet to be constructed.⁹⁰ This means that banks and investors can still act to put an end to the unrestrained support they offer to the companies responsible for LNG expansion. To do so, they must adopt a series of measures specific to LNG developers and their planned export and import terminals.

1. Reclaim Finance urges banks to adopt comprehensive policies to:

- End all financial services, including advisory services and project financing, to new LNG facilities and the expansion of LNG facilities, especially export terminals. Priority should be placed on the exclusion of export terminals, the development of which directly contradicts all credible climate scenarios. Support to import terminals should also be phased out considering both the high probability of these becoming stranded assets and the hindrance their development presents to the energy transition.
- Exclude all corporate financing, mostly in the form of loans and bonds issuance, to LNG export developers that continue to develop new LNG export projects. This exclusion should be extended to LNG import developers that fail to waive their LNG expansion plans in the near future.

2. Reclaim Finance urges investors to adopt comprehensive policies that:

- Expect LNG developers in their portfolios to stop LNG expansion immediately.
- Stop new investments in companies developing new LNG export terminals, and use existing holdings to engage and vote against strategic management-proposed items (for example, the re-election of directors, remuneration, and financial statements).

3. Reclaim Finance urges banks and investors to require LNG import terminal developers to adopt transition plans based on a 1.5°C-aligned pathway with no or low overshoot, no new import terminals, and that relies on minimal negative emissions — such as the IEA's NZE scenario.⁹¹



References

1. Calculation made by Reclaim Finance using January 2024 Enerdata LNG database. See our [methodology](#) for more information.
2. Calculation made by Reclaim Finance using 2023 Global Oil and Gas Exit List (GOGEL) extended database. See our methodology for more information.
3. The IEA highlighted in its [World Energy Outlook 2022](#) and [World Energy Outlook 2023](#) that existing LNG export capacities are sufficient to meet future demand. Its October 2024 update further states: *"In the NZE Scenario, utilisation rates fall to less than 60% in 2030 and LNG demand through to 2050 can be met entirely by projects existing today. In this latter scenario, we estimate that the sponsors of around 70% of LNG export projects currently under construction would struggle to recover their invested capital."* International Energy Agency (IEA), [World Energy Outlook 2024](#), October 2024, page 53
4. Reclaim Finance, [Why gas isn't a transition energy?](#), November 2024
5. See the following reports published by the Center for Energy, Ecology, and Development (CEED): [Confronting a Fossil Future](#), December 2023
[A 1.5°C pathway for the Philippine power sector entirely feasible – report](#), November 2023
6. The financial services of banks include project financing as well as corporate and equity financing to the top 150 LNG developers, adjusted to represent LNG activities in the company's business strategy. Investor financial support includes bond and equity investment. See our [methodology](#) for more information.
7. Throughout this report, each mention of the financial flows granted by banks to LNG developers or for LNG expansion refers to the share of the total amounts going to the top150 LNG developers for LNG expansion.
8. The top 150 LNG developers represent 90.1% of the total terminal capacity that is commissioning, under construction, and proposed. They represent 95.0% of the total planned export capacity and 84.1% of the total planned import capacity, according to the [2023 Global Oil and Gas Exit List](#).
9. With its current LNG plans:
 - 1/ Shell's 2030 total net liquefaction capacity will increase by 19.6 million tons per annum (Mtpa) to 61.7 Mtpa. It will exceed the NZE by 46.6%.
 - 2/ TotalEnergies' 2030 total net liquefaction capacity will increase by 29.6 Mtpa to 46.7 Mtpa. It will exceed the NZE by 173%.
 - 3/ QatarEnergy's 2030 total net liquefaction capacity will increase by 46.5 Mtpa to 99.2 Mtpa. It will exceed the NZE by 88.2%.For more information, see Reclaim Finance's [assessment of the climate strategy of the top oil and gas companies](#), in particular [Shell](#), [TotalEnergies](#) and [QatarEnergy](#).
10. Urgewald, [The 2024 Global Oil & Gas Exit List: More Loss and Damage Ahead](#), November 2024
11. Methane Global Warming Potential (GWP) over a 20-year period is published by the Intergovernmental Panel on Climate Change (IPCC). For more information, see Reclaim Finance, [Methane: an imminent threat for climate](#), 2023
12. Robert W. Howarth, [The greenhouse gas footprint of liquefied natural gas \(LNG\) exported from the United States](#), Energy Science & Engineering, September 2024
13. GHG emissions are calculated on scope 1, 2 and 3 using methodology developed by Robert Howarth. See our [methodology](#) for more information.
14. Global Energy Monitor, [Global Coal Plant Tracker](#), October 2024 update
15. IEEFA, [Calcasieu Pass LNG: Unreliable Operations Result in Excessive Pollution and Profits.](#), 2023
16. 26 banks and 14 investors among the 30 largest supporters of LNG expansion have taken 1.5°C carbon neutrality pledges through the Net Zero Banking Alliance (NZBA) and the Net Zero Asset Managers (NZAM) initiative respectively.
17. Refer to Reclaim Finance's [Oil and Gas Policy Tracker](#) for more details on financial institutions' oil and gas policies.
18. Only 4% of the support to the fossil fuel industry from the 60 largest banks is project financing, according to the [2023 Banking On Climate Chaos report](#) (BOCC), page 23.
19. *"In the NZE Scenario, declines in demand are sufficiently steep that no new long lead-time conventional oil and gas projects are required, and no new coal mines or coal mine lifetime extensions are needed either. As a result, fossil fuel investment in the NZE Scenario falls by more than 75% to 2035."* IEA, [World Energy Outlook 2024](#), October 2024, page 239
20. Reclaim Finance, [European banks and transition: time for a reality check](#), November 2024
21. Reclaim Finance, [European banks and transition: time for a reality check](#), November 2024
22. More details can be found in Reclaim Finance's [recommendations](#) to financial institutions.
23. Representing 100% of the total amount of the 2024 Banking On Climate Chaos report.
24. Representing 93% of the total amount of Urgewald's database 'Investing in Climate Chaos'.
25. Robert W. Howarth, [The greenhouse gas footprint of liquefied natural gas \(LNG\) exported from the United States](#), Energy Science & Engineering, September 2024
26. Cautionary statement on emissions figures
The estimation of emissions induced by LNG terminals is based on a peer-reviewed study by an internationally recognized researcher.
However, while Howarth et al. (2024) studies the case of American natural gas, here the geographical scope includes all export and import terminals existing or planned to be operational in the next five years. Consequently, average assumptions are taken on most segments of the value chain to calculate lifecycle emissions, with estimates on upstream / midstream leakage rates calculated for each export country. It should therefore be noted that the calculated emissions figures cannot in any case constitute precise projections and are only intended to show orders of magnitude of the climate impact of these infrastructures.
27. IEEFA, [Global LNG Outlook 2024-2028](#), April 2024
28. These countries accounted for 60% of LNG supply worldwide during the first quarter of 2024. IEA, [Gas Market Report, Q1-2024](#), January 2024
29. Calculation made by Reclaim Finance using January 2024 Enerdata LNG database. See our [methodology](#) for more information.
30. IEA, [World Energy Outlook 2024](#), October 2024
31. 26 banks and 14 investors among the 30 largest supporters of LNG expansion have taken 1.5°C carbon neutrality pledges through the Net Zero Banking Alliance (NZBA) and the Net Zero Asset Managers (NZAM) initiative.
32. The last 13 months in a row – between May 2023 and June 2024 – registered a record in temperature value. C3S, [New record daily global average temperature reached in July 2024](#), 23 July 2024
33. United Nations, [1.5°C: what it means and why it matters](#) (accessed on 26 September 2024)
34. World Economic Forum, [Climate change is costing the world \\$16 million per hour: study](#), October 2023
35. Each time there is a reference to LNG developers or LNG expansion later in the report, it will refer to the 150 largest developers taken from the Global Oil & Gas Exit List (GOGEL).
36. IEEFA, [Calcasieu Pass LNG: Unreliable Operations Result in Excessive Pollution and Profits](#), October 2023
37. Ibid.
38. For data on banks' financing to fossil fuel activities, read the [2024 Banking On Climate Chaos report](#).
39. The IEA highlighted in its [World Energy Outlook 2022](#) and [World Energy Outlook 2023](#) that existing LNG export capacities are sufficient to meet future demand. Its October 2024 update further states: *"In the NZE Scenario, utilisation rates fall to less than 60% in 2030 and LNG demand through to 2050 can be met entirely by projects existing today. In this latter scenario, we estimate that the sponsors of around 70% of LNG export projects currently under construction would struggle to recover their invested capital."* IEA, [World Energy Outlook 2024](#), October 2024, page 53
40. Ibid.
41. *"In the NZE Scenario, declines in demand are sufficiently steep that no new long lead-time conventional oil and gas projects are required, and no new coal mines or coal mine lifetime extensions are needed either. As a result, fossil fuel investment in the NZE Scenario falls by more than 75% to 2035."* IEA, [World Energy Outlook 2024](#), October 2024, page 239
42. Center for Energy, Ecology, and Development (CEED), [Confronting a Fossil Future](#), December 2023
43. CEED, [A 1.5°C pathway for the Philippine power sector entirely feasible – report](#), November 2023
44. IEEFA, [LNG is not displacing coal in China's power mix](#), June 2024
45. ACER, [Key developments in European gas wholesale markets - 2024 Market Monitoring Report](#), July 2024
46. IEEFA, [European LNG import terminals are used less as demand drops](#), September 2024
47. IEA, [World Energy Outlook 2023](#), October 2023
48. IEA, [European LNG import terminals are used less as demand drops](#), November 2023, figure 1.19, page 46
49. IEEFA, [European LNG import terminals are used less as demand drops](#), September 2024
50. Solutions For Our Climate, [Fueling the Climate Crisis: South Korea's Financing of Oil and Gas](#), 2021

51. See the series of articles published on the Reclaim Finance website in October 2023 about the threat of methane, the need to decrease its emissions, and the role of financial institutions in doing so: [Methane: an imminent threat for climate](#), [Human-caused methane emission must decrease, driven by cuts in the fossil fuel industry](#), [Finance can push fossil fuel firms to cut their methane emissions at no net cost](#)
52. Reclaim Finance, [Methane: an imminent threat for climate](#), October 2023
53. Reclaim Finance, [Human-caused methane emission must decrease, driven by cuts in the fossil fuel industry](#), October 2023
54. Environmental Defense Fund, [New Data Show U.S. Oil & Gas Methane Emissions Over Four Times Higher than EPA Estimates, Eight Times Greater than Industry Target](#), July 2024
55. TotalEnergies' 2030 total net liquefaction capacity will increase by 29.6 Mtpa to 46.7 Mtpa. It will exceed the NZE by 173%. For more information, see Reclaim Finance's [assessment of the climate strategy of the top oil and gas companies](#), including our research on [TotalEnergies](#).
56. The amounts have been adjusted to only reflect the share of the financing going to LNG expansion.
57. Private Equity Stakeholder Project, [Private Equity Fuels LNG at the Expense of Communities and the Climate](#), 22 November 2022
58. For more information about the Rio Grande LNG project and its impacts on communities and the environment, see the related frontline story.
59. After Société Générale's withdrawal from the project, GIP became the majority investor with at least a 46% ownership stake in July 2023.
60. Private Equity Climate Risks, [Private equity's role in US liquefied natural gas emissions](#), March 2024
61. Urgewald, [The 2024 Global Oil & Gas Exit List: More Loss and Damage Ahead](#), November 2024
62. Methane Global Warming Potential (GWP) over a 20-year period is published by the Intergovernmental Panel on Climate Change (IPCC). For more information, see Reclaim Finance, [Methane: an imminent threat for climate](#), October 2023
63. Environmental Research Letters, [Global liquefied natural gas expansion exceeds demand for coal-to-gas switching in paris compliant pathways](#), June 2022
64. Reclaim Finance, [Finance can push fossil fuel firms to cut their methane emissions at no net cost](#), October 2023
65. IEA, [CO2 emissions in 2022](#), page 11, and IEA, [CO2 emissions in 2023](#), page 14
66. Global Energy Monitor, [Global Coal Plant Tracker](#), October 2024 update
67. Oxfam America, [The case against liquefied methane gas exports](#), April 2024
68. Friends of the Earth Japan, [Faces of Impact - JBIC and Japan's LNG Financing Harms Communities and the Planet](#), October 2024
69. MENA Rights Group, [French company Total faces legal action for human rights violations committed by UAE forces in Yemen's Balhaf gas complex](#), February 2023
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71. Greenpeace and Sierra Club, [PERMIT TO KILL Potential Health and Economic Impacts from U.S. LNG Export Terminal Permitted Emissions](#), August 2024
72. The Magazine for Environmental Managers, [Liquefied Natural Gas: The 21st Century Myth of Green Fossil Fuel for the Shipping Industry](#), December 2022
73. Ibid.
74. Earth Insight, [Anything But Natural: Liquefied Natural Gas \(LNG\) Expansion Threats to Coastal and Marine Ecosystems](#), June 2024
75. Two of the 30 investors are taken into account here although not all of their subsidiaries are signatories of the NZAM (Allianz and Crédit Agricole/Amundi).
76. Reclaim Finance, [The limits of \(not so\) clean energy](#), October 2023
77. Reclaim Finance, [ING tightens restrictions on LNG, but leaves door open to fossil fuel development](#), September 2024
78. According to 2023 figures. See: U.S. Energy Information Administration, [How much shale gas is produced in the United States?](#), September 2024
79. According to the Global Oil and Gas Exit List, export terminal projects located in the US and in Argentina account for 49.7% of the planned LNG export capacity worldwide.
80. Only 4% of the support to the fossil fuel industry from the 60 largest banks is project financing, according to

the [2023 Banking On Climate Chaos report \(BOCC\)](#), page 23.

81. Journal of Petroleum Technology, [Life After 5: How Tight-Oil Wells Grow Old](#), January 2020
82. Rio Grande LNG obtained its FID for its 17 Mtpa trains 1, 2 and 3, and is pre-FID for its 10 Mtpa trains 4 and 5.
83. See the related frontline story.
84. BNP Paribas is the only bank out of the 30 biggest supporters of LNG expansion that has adopted a very limited restriction regarding corporate financing to LNG companies, excluding those that directly own or operate pipelines or LNG export terminals fueled by large volumes of unconventional oil and gas. The vague wording of the measure does not allow an assessment of its effectiveness, even more so since the biggest LNG specialized company globally, Semptra, was granted US\$377 million by the French bank in support of its LNG expansion between 2021 and 2023.
85. Rainforest Action Network, BankTrack, Center for Energy, Ecology, and Development, Indigenous Environmental Network, Oil Change International, Reclaim Finance, the Sierra Club, and Urgewald, [2023 Banking on Climate Chaos report](#), May 2023
86. For more details about the consequences of the exponential development of LNG infrastructures in the US and the threats that it poses on nearby communities and ecosystems, see the United States country brief and frontline story and resources on the [Banktrack website](#).
87. *"In the NZE Scenario, declines in demand are sufficiently steep that no new long lead-time conventional oil and gas projects are required, and no new coal mines or coal mine lifetime extensions are needed either. As a result, fossil fuel investment in the NZE Scenario falls by more than 75% to 2035."* IEA, [World Energy Outlook 2024](#), October 2024, page 239
88. Reclaim Finance, [BNP Paribas and Crédit Agricole say no to bonds for the oil and gas sector](#), May 2024
89. Reclaim Finance, [European banks and transition: time for a reality check](#), November 2024
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Reclaim Finance is an NGO affiliated with Friends of the Earth France. It was founded in 2020 and is 100% dedicated to issues linking finance with social and climate justice. In the context of the climate emergency and biodiversity losses, one of Reclaim Finance's priorities is to accelerate the decarbonization of financial flows. Reclaim Finance exposes the climate impacts of financial players, denounces the most harmful practices and puts its expertise at the service of public authorities and financial stakeholders who desire to bend existing practices to ecological imperatives.

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