# INVESTING TO ENSURE THE FUTURE IS EQUAL

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Summary of the report on the carbon footprint of Canadian banks by Oxfam-Québec and Institut de recherche en économie contemporaine

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# HIGHLIGHTS

## 1.9 BILLION TONNES

Carbon weight of 8 Canadian deposit-taking institutions (DLI) in 2020: Desjardins, National Bank, Laurentian Bank, Bank of Montreal, CIBC, Scotiabank, Royal Bank of Canada, Toronto-Dominion Bank.

## 2.6 X

The emissions financed by the 8 institutions represent 2.5 times Canada's total carbon weight.

## 6 X

The emissions financed by Quebec's 4 deposit-taking institutions represent 6 times the carbon weight of Quebec.

In Canada, one medium-sized bank alone is financing more polluting emissions than the Canadian transportation sector.

# A COLLECTIVE ISSUE, A SHARED RESPONSIBILITY

Canadian banks made a commitment to disclose the greenhouse gas emissions produced by their investments. To date, no Canadian bank has done so.

The transition to a green economy cannot happen without everyone's input. In Canada, the financial sector contributes more to greenhouse gas emissions than the transportation and energy industries. This makes sustainable finance a promising avenue.

Oxfam-Québec commissioned a report on the carbon footprint of Canadian banks to raise public awareness and mobilize banks and governments. We believe that the banking sector is a key player whose leadership can have a historic impact on climate change.

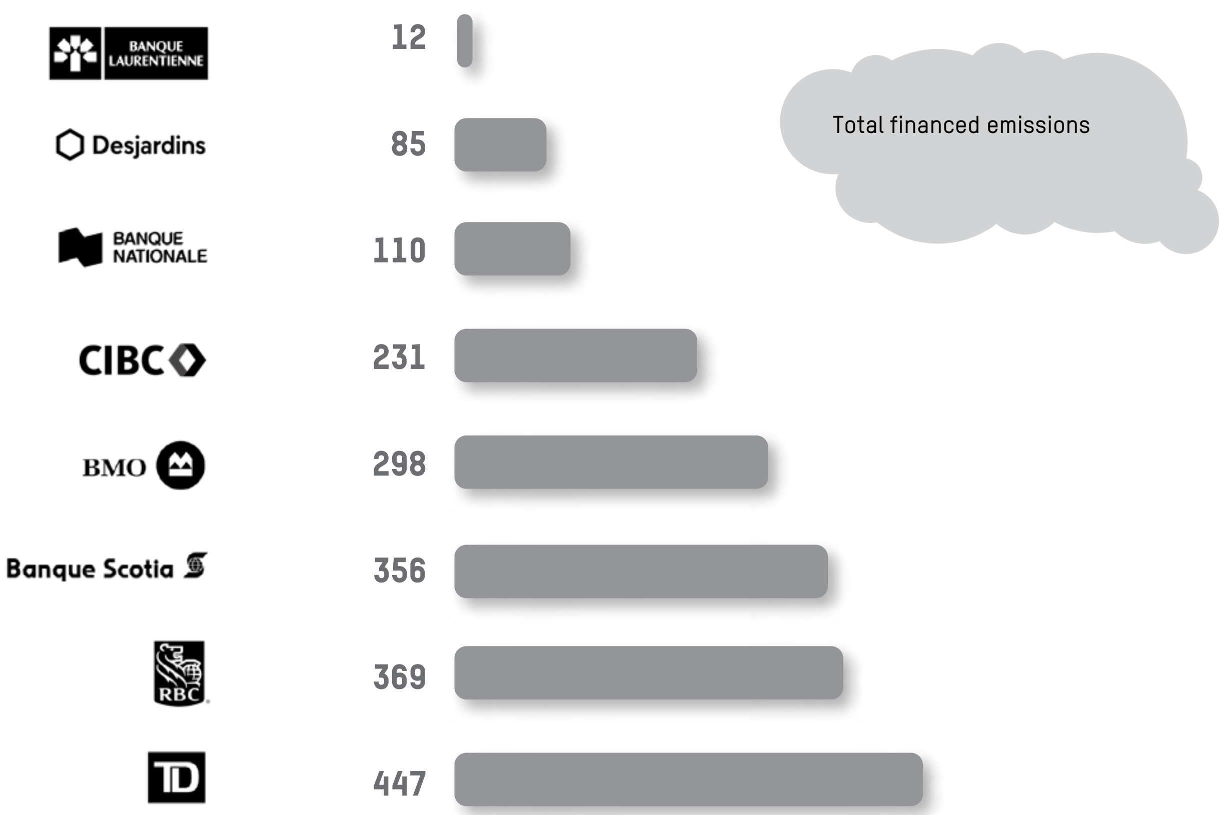
# RECOMMENDATIONS

## To achieve this goal, we recommend:

- That the full implementation of the final recommendations of Canada's Expert Panel on Sustainable Finance be accelerated, and that federal Bill S-243 (An Act to enact the Climate-Aligned Finance Act and to make related amendments to other Acts) be adopted and implemented as quickly as possible.
- That all banks be legally required to disclose operational and financed emissions.
- That the fiduciary duty of banks be reviewed to increase the relative importance of climate risks.
- That banks publish by 2025 an action plan to achieve carbon neutrality in all portfolios by 2050.
- That the government, like the European Union, establish harmonized criteria for financial products that are considered green, sustainable or responsible.
- That Canadian federal and provincial governments fully disengage from the fossil fuel sector by 2025 and exclude any new financing now.

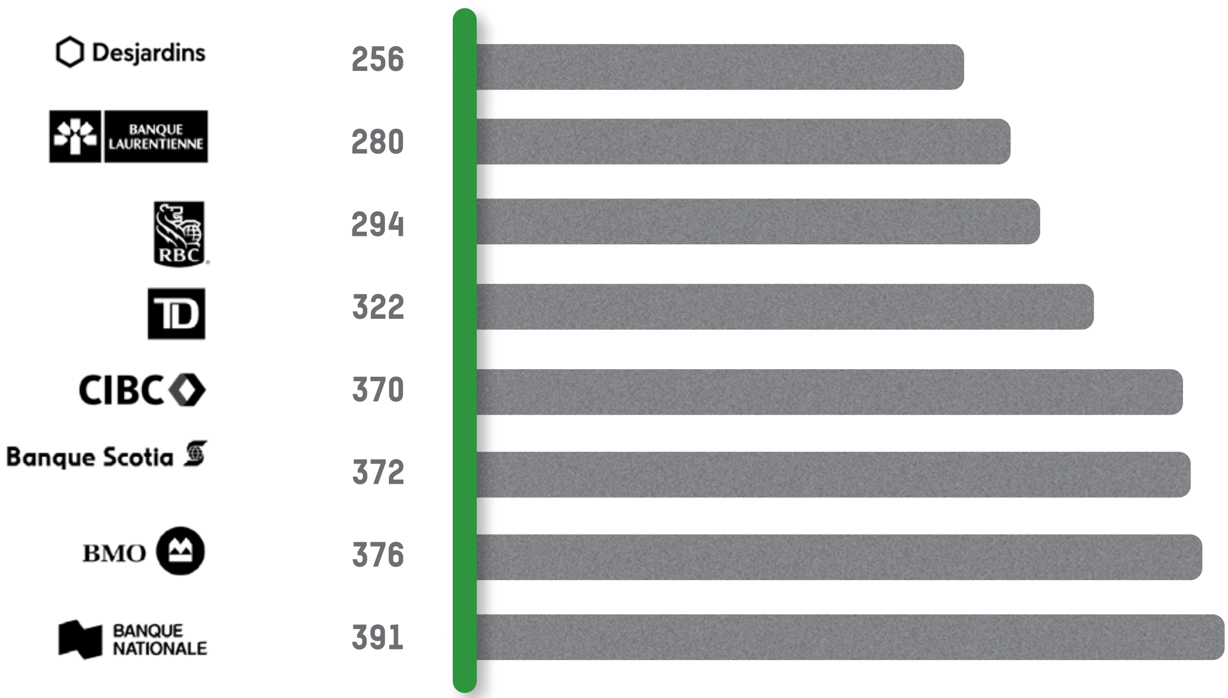
# FINANCED EMISSIONS AT A GLANCE

Total financed emissions by deposit-taking institution, 2020 (million tonnes CO2 eq.)1

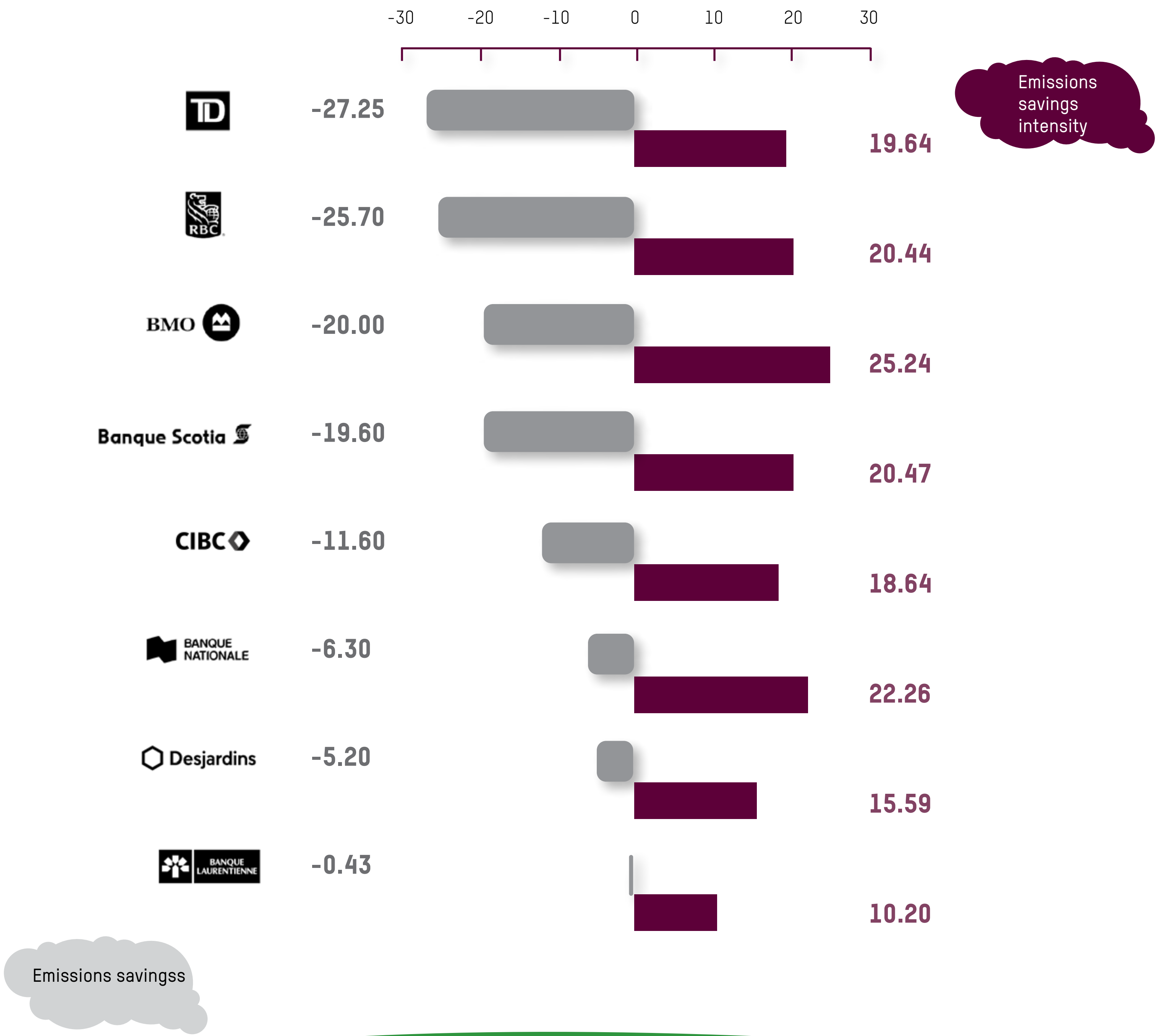



1 Source : Carbon 4 Finance.

Total financed emission intensities, Canadian institutions, 2020 (tonnes $CO_2$ eq. / C$ million)



Total emissions savings (million tonnes (CO2 eq.) and emissions savings intensity (tonnes CO2 eq. / $ million), by deposit-taking institution, 2020[2]




2 Source: Carbon4 Finance. *Bond portfolios are excluded from the data presented here. The data are therefore underestimated.

# METHODOLOGY

The methodology used for this report—Carbon Impact Analytics (CIA), developed by Carbon4 Finance—is internationally recognized as one of the most comprehensive and accurate for calculating financed emissions. This analysis includes loans to individuals, businesses and the public sector, residential and commercial mortgages, land and real estate portfolios, equity investments in public and private enterprises and corporate, government and sovereign bonds. Our aggregate financed emissions therefore represent an average of 82% of the total assets of each of the eight DTIs, or nearly C$5.67 trillion of the C $6.934 trillion reported on 2020 balance sheets.

# WORKING TOGETHER FOR A SUSTAINABLE FUTURE

Canada is committed internationally to reducing its greenhouse gas emissions. This commitment requires all Canadian actors—particularly those who contribute the most to Canada's carbon footprint—to work together to build a green, just and prosperous society in keeping with our values.

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