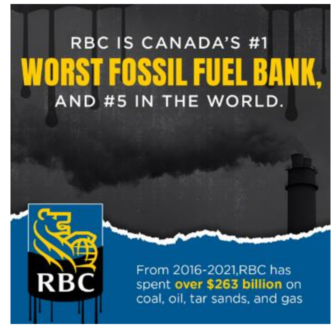
Divesting from Fossil Fuel Financing



Canada's five biggest banks are among the top funders of fossil fuels in the world. **Royal Bank of Canada (RBC) is the country's biggest fossil finance giant and the world's fifth worst offender.**

Since the Paris Agreement was signed in 2016, **RBC has poured over $263 billion dollars into climate-destroying fossil fuel companies** -- enabling coal, oil, and gas corporations most responsible for the climate crisis.

Together, we can make RBC realize that continuing to finance fossil fuels is environmentally, financially, and reputationally dangerous. Instead of bankrolling tar sands, extreme extraction projects, and violating Indigenous rights, RBC can be a climate leader and financing a safe and livable future.

When we asked our community if they thought we should take on Canada's Big Banks, 96% answered with a resounding YES. **To spark change across the whole financial sector, we are tackling Canada's biggest fossil fuel financier - RBC.**

For years, RBC has been hiding behind empty promises and vague net-zero commitments, greenwashing its brand while investing in coal, oil, gas expansion projects like the Indigenous rights violating Coastal GasLink pipeline. **If enough of us speak out, we can force RBC to clean up its act. And if we can get RBC to shift, other banks will follow.**

Will you sign our petition and pressure Canadian banks to stop funding the Coastal GasLink pipeline?

Stop the money pipeline

RBC profits 3.6 billion for the last quarter. They explain that 'losses' of .7 billion are due to the uncertain macro economic environment, geopolitical tension, tight labour markets and droughts related to climate change. Overall RBC reported $12.1 revenue, down from $12.8 billion a year ago.
Since the Paris Agreement was signed in 2016, Canadian banking giants **The Royal Bank of Canada (RBC), TD, Scotiabank, BMO, and CIBC** have poured over $720 billion into climate-destroying fossil fuel companies -- providing *continued funds for the corporations most responsible for the climate crisis to grow.* **RBC tells shareholders to look the other way on fossil fuels.**
The **U.S. banks** that finance the most fossil fuels are **JP Morgan Chase, Wells Fargo, Citi, Bank of America, TD, Morgan Stanley, and Goldman Sachs**, according to

analysis from the Rainforest Action Network. Similar challenges face America's population, including SSNDs.

AN EXTREMELY SIGNIFICANT CHALLENGE AND DECISION FOR SSND: Campaigners urge all who bank with RBC to join together to speak up for environmental justice. *SSND in Canada uses RBC for our financing***.**

SSND Sisters, Associates and colleagues: What actions are possible? Being silent supports the status quo of climate destruction. Although we are not shareholders, our significant banking involves us as responsible partners who will either dare to act or remain passive as we 'enjoy' benefits that destroy the Earth. Canadians cannot meet our national climate protection goals unless our banks divest the hundreds of billion dollars they pour into fossil fuels. Even RBC alternatives are not green. How, when and where will we add our voices to those campaigning to protect Earth?

Learn More:

RBC is defending its sustainable finance strategy from shareholder activist groups, but critics say the bank is providing nothing but platitudes that break its own international commitments.

Shareholder advocacy group Investors for Paris Compliance filed a resolution with RBC that, if passed, would prevent the bank from financing fossil fuel projects and projects facing significant Indigenous opposition under the banner of "sustainable finance." RBC responded to the resolution, urging shareholders to reject it at the bank's upcoming annual meeting.

RBC's rationale was thin. Not once in its reply did the bank use the term "fossil fuels," and RBC insisted it already respects the "inherent right of Indigenous peoples to self-determination in accordance with international and domestic law." However, the bank has investments in fossil fuel companies whose projects face opposition from local Indigenous communities.

RBC has pumped hundreds of millions of dollars into Enbridge, the Canadian energy giant paying for policing along its cross-border Line 3 pipeline as the project faces Indigenous opposition. The bank is also financing the Coastal GasLink pipeline, which Wet'suwet'en hereditary leadership has been resisting for years. The United Nations Committee on the Elimination of Racial Discrimination has condemned the Coastal GasLink project and urged Canada to stop immediately.

In its response, RBC highlighted its commitment to provide $500 billion worth of "sustainable finance" by 2025. But by not addressing fossil fuel financing in its answer, RBC is failing to tackle the cause of climate change.

An emerging pattern of questionable financing billed as "sustainable" prompted the resolution from Investors for Paris Compliance. Most notably, RBC and a number of other Canadian banks provided $1.1 billion in "sustainability-linked" financing to Enbridge last year, even though the company openly admitted in the term sheets it would not be used for any environmental purpose. RBC inked a similar deal with Calgary-based Tamarack Valley Energy last month.

Investors for Paris Compliance director of corporate engagement Matt Price told *Canada's National Observer* he found the bank's response "dismissive" but "consistent with the engagement, or lack of engagement, we've had with RBC."

What people are reading

RBC's response "was full of general platitudes and didn't really engage with the subject matter, so that was quite disappointing," he said.

What counts as sustainable finance?

It is important for RBC to provide a transparent framework for how it defines sustainable financing because banks are in a "gold rush environment" for sustainable lending, Price said. Last year, more than US$1.6 trillion worth of deals were done globally under the "sustainable finance" banner. But still, it is not yet clear what counts as "sustainable," with the *Financial Times* recently asking whether stocks in weapons manufacturers will count as "sustainable" if arms are funnelled to Ukraine.

RBC has a goal to lend $500 billion worth of "sustainable financing" by 2025. Now the bank is urging shareholders to reject a proposal that would stop it from including fossil fuel companies in that target. They're bringing deals in the door at a rapid pace, risking their lending to projects that rapidly increase greenhouse gas emissions.

This lack of transparency on how RBC defines "sustainable" will likely mean cutting corners because RBC employees are under pressure to meet the bank's target. In a rush to lend $500 billion to projects it considers sustainable by 2025, RBC is in fact running the risk of increasing its financed emissions despite international commitments to drive those emissions to zero.

RBC won't be able to get away with this much longer because other banks are recognizing they need to have a publicly disclosed credible framework to show how emissions will be reduced. Those plans are likely to include requiring clients to disclose all emissions and align capital spending with climate commitments.

As part of the Net-Zero Banking Alliance (NZBA), RBC has committed to reducing its financed emissions to net-zero by 2050 and setting an emissions reduction target for 2030. Many banks are starting to do this, but RBC kicked its own decision on a 2030 goal to next year.

What's missing?

A big omission from RBC's climate-related financial disclosure report is that the bank excluded Scope 3 emissions from its baseline, Price said.

Emissions fall into three buckets. Scope 1 refers to the greenhouse gases a company emits when producing its product; Scope 2 refers to emissions indirectly related to production, like purchased electricity generated from coal power; and Scope 3 refers to emissions when the product is used, like when gasoline is burned in a car and pollution spews from the tailpipe.

The vast majority of emissions from the fossil fuel industry come when the product is burned, meaning Scope 3 emissions are the most critical from a global perspective. Scope 3 emissions are typically left out of the industry's net-zero plans, representing a massive loophole.

"So RBC looks at their Scope 1 and 2 promises and says, 'Yeah, sure, that's enough, we'll codify those within the (financial) instruments and we'll just ignore Scope 3,'" Price said.

"But they're not supposed to do that under the NZBA commitments.

"If you're not measuring and accounting for Scope 3 … then you can justify and rationalize all kinds of fossil fuel expansion," he said. "As long as you're (extracting) it slightly better, and mitigating your emissions, you can still keep on expanding and basically increase your Scope 3 and impact on the climate."

https://www.stand.earth/climate-finance/rbc-and-fossil-fuels