



**GRAND(M)OTHERS ACT  
TO SAVE THE PLANET**

**Brief to the Senate Committee on Banking, Commerce and the  
Economy (BANC)**

**for consideration of**

**Bill S-243: Climate Aligned Finance Act (CAFA)**

Submitted November 21, 2023

*We are Grand(m)others Act to Save the Planet (GASP) - a grassroots, nonpartisan group of grandmothers and grand 'others' who care deeply about the world our descendants will inherit. We represent members in 10 ridings in Southern Ontario and have affiliations with grandparents', women's, and climate groups across Canada and internationally.*

**Kathleen Moleski  
Lorraine Green**

Website [GASP4change.org](https://GASP4change.org)  
Email [info@gasp4change.org](mailto:info@gasp4change.org)

Instagram [GASP4Change](https://www.instagram.com/GASP4Change)  
Facebook [GASP Grandmothers Act to Save the Planet](https://www.facebook.com/GASP4Change)  
Twitter [Gasp4Change](https://twitter.com/Gasp4Change)

**INTRODUCTION**

The climate crisis makes us fearful for the survival of our children, grandchildren and subsequent generations not yet born. If we do not radically reduce greenhouse emissions, we seriously risk leaving

behind an unlivable future for all life on this planet. We have heard Greta Thunberg and the urgent voices of our children and grandchildren, loud and clear, and have pledged to stand with them and fight for climate justice.

GASP was thrilled to see the submission of Bill S-243, the *Climate-Aligned Finance Act*, to the Senate in March of 2022 and its referral to the Committee on Banking, Commerce and the Economy (BANC) in June of this year. We were heartened by its boldness and comprehensiveness in compelling the whole financial industry to not only address climate change, but to also address the grave risks to our economy from the financial industry's continued investment in fossil fuels. This bill is, by necessity, bold and urgent, and it will help Canada move away from fossil fuels, an action that is desperately needed to prevent the worst ravages of global warming. We at GASP are very concerned about Canada's financial institutions' reckless and unbalanced investment in the fossil fuel industry and strongly and passionately advocate for this legislation.

Right now, a high level of eco-anxiety exists among our youth, citizens, responsible corporations, workers for just transition, Indigenous peoples, racialized communities affected by carbon pollution, women and girls who are disproportionately impacted by climate change, climate activists and esteemed climate scientists. Climate risk is systemic and growing at a rapidly accelerating pace. Further delay in climate action seriously threatens the existence of the human race. As every year goes by, as companies and governments, not just in Canada, but worldwide, ignore their climate pledges and promises, as financial institutions keep investing in fossil fuels and their governments continue to support the fossil fuel industry and as climate disasters continue to worsen, our chances of beating climate change grow ever dimmer.

As CAFA is studied, we are urging the BANC committee to keep future generations of Canadians constantly in mind, defend Bill S-243 as it stands and make only changes to this legislation that strengthen its ultimate goal of mitigating climate change.

### **What GASP Has Done to Urge Financial Institutions to Act to Save Our Future:**

In 2020, GASP became aware that our five big Canadian Banks - RBC, TD, BMO, CIBC and Scotiabank - were among the top 20 private banks in the world feeding the fire of climate destruction with their investments in fossil fuels having now reached [\\$1.135 trillion](#) since the 2015 Paris Climate Accord.<sup>i</sup> The GASP Bank Team immediately began a series of actions that continue to this day- writing Op Eds and letters, meeting with bank personnel, attending rallies and protests and cosigning on a joint shareholder proposal to ask TD to divest from fossil fuels.

In January 2021, the GASP Pension Team, made up mostly of retired teachers, began attending monthly online SHIFT meetings. SHIFT: Action for Pension Wealth and Planet Health ([shiftaction.ca](http://shiftaction.ca)) is a charitable initiative that works to protect pensioners and the climate by bringing together beneficiaries and their pension plans to address the role of pension plans in the climate crisis. The GASP Pension Team learned that the Ontario Teachers' Pension Plan's (OTPP) estimated investments in fossil fuels were, at a minimum, \$7.3 billion (as of Dec. 31, 2021) or 3% of Assets Under Management (AUM) but could be as high as 24 billion or 10% of AUM (as of June 30, 2022). The vast range in the two estimates over a 6 month period highlights the lack of transparency in the reporting of the plan's investments, not to mention the need for oversight and accountability in the current climate of inaction to halt climate change impact in the world of finance. The GASP Pension Team also started to meet with REshift, a group of retired and active teachers, to determine how to best address Shift's findings. In February 2021, the GASP Pension Team initiated similar actions to the Bank Team, such as writing OP Eds, sending letters to

OTPP personnel and attending rallies and marches, to voice their concerns and spur change in the pension industry.

All of GASP's advocacy seems to have been to no avail. While the banks at first began listening politely, later silently opposing and more recently publicly denouncing the actions of climate activists, they continued to invest in fossil fuels, making it abundantly clear that climate activism had little, if any, effect on them. The response from pension plan companies has been slightly better with some committing to divestment from the oil and gas industry, but the pension industry still has a long way to go to becoming net-zero. Meanwhile the UN's Intergovernmental Panel on Climate Change has published numerous reports of increasing urgency calling for drastic action to address climate change.

United Nations Secretary, General António Guterres, did not [mince](#) words when in February of 2022, he described the Working Group II contribution to the IPCC Sixth Assessment Report on Impacts, Adaptation and Vulnerability as an *“atlas of human suffering and a damning indictment of failed climate leadership”* in his remarks at its press conference launch.<sup>ii</sup> Later, in early April 2022, commenting on the Working Group III contribution, he [added](#) *“The truly dangerous radicals are the countries that are increasing the production of fossil fuels. Investing in new fossil fuel infrastructure is moral and economic madness.”*<sup>iii</sup>

Still, with the foretelling of these damning reports, Canadian banks, pension plans and insurance companies continue to pour their money into fossil fuels as rapaciously as ever.

Knowing that banks are subject and responsive to the Office of the Superintendent of Financial Institution(OFSI) regulations, the GASP Bank Team began exploring ways of lobbying OFSI and those in command further up the chain as a way of instigating change at the same time that Senator Galvez was developing Bill S-243.

While our efforts were focused on urging the banks and pension funds to divest from fossil fuels, Bill S-243 goes much further ensuring, if enacted, that the financial industry - including banks, insurance and loan companies, public and private pension funds and related government agencies such as OFSI - adopt science based targets to reduce emissions and provide an accounting of adoption and progress, incorporate climate threats into their risk assessment and make climate alignment a fiduciary duty.

Senators, you are decision makers, you are leaders, you can reverse the failures of past leadership. You hold the reins of power to help pass into law legislation that would go a long way to ensuring our financial institutions do their part in winding down the fossil fuel industry and to securing a liveable future for us, our children and future generations of Canadians.

Why should the Senate support Bill S-243? GASP suggests the following:

### **1. Our Children and Future generations are the biggest reason.**

Right now, our youth don't have a say in the management of the climate crisis and our financial institutions aren't thinking of them. Instead Canada's financial institutions continue to provide hundreds of billions of dollars to keep oil, gas, and coal companies alive, all to the detriment of our children, grandchildren, and children everywhere. Canada's financial institutions boast about how much capital they are putting into “green” solutions and see this as their principal contribution towards getting to net zero by 2050. However, they are not putting enough into renewable energy, conveniently fail to mention their own role in the climate crisis or authentic ways they will address it and flat out refuse to divest from fossil fuels. Canada's financial institutions must be mandated to move quickly

and act boldly to stop accelerating the climate crisis. The fate of all children and grandchildren – including those of the leaders of Canada’s financial institutions - is at stake.

We need you, Committee Members, to keep Canada’s future generations in your mind when assessing and amending this bill, not the fossil fuel companies, nor the financial institutions propping them up. We need you to ensure our financial institutions **DO NOT** sacrifice our children and the climate to mere profits.

When debating Bill S-243, consider the words of these two youth:

[Kailey Dewar](#), 17 years old. *“When I look at the world, I see how it could be. I wish people understood what it is like to be a youth today, to have the reality of our situation shoved in our faces again and again and be powerless to stop it. If only people would listen. Instead, we have to watch while screaming, crying and pleading on the inside, completely and utterly helpless yet unable to turn away... Unfortunately, because I am a youth, my opinion may be considered useless to some. However, it will be my generation facing the impacts of whatever actions today’s politicians make, or more accurately, the ones they refuse to make.”*<sup>iv</sup>

[Zendaria Telfer](#) *“I just want a healthy climate for our future generations. I want to bring my children and their children to the islands their ancestors are from. It saddens me that they are already experiencing the effects of climate change.”*<sup>v</sup>

When determining the merits of the regulations being proposed, remember six year old Natalie Hazel Harnish, one of the three youth who lost their lives in the apocalyptic rainstorm in Nova Scotia on July 22 earlier this summer. Think of the fear that Natalie must have felt as the car in which her family was trying to escape was being swept away and filled with water. Remember that Natalie “had a passion for dressing up and wearing the colour purple... ‘was full of life,... enthusiastic about ... cheerleading,... could frequently be found doing cartwheels around the house,’ ... [and had a] beloved dog” who died with her in that storm and that is buried by her side.<sup>vi</sup> Remember that, to quote Neil Young in his song, Rockin’ in the Free World, “there’s one more kid that’ll never go to school, never get to fall in love, never get to be cool.”

As you consider each opposition to this bill, don’t forget that Canada’s reckless and unabated investments in the fossil fuel industry contributed to Natalie’s death. And don’t forget the feelings of helplessness and abandonment of Kailey Dewar and Zendaria Telfer. You senators must ensure you represent the voices of these youth.

## **2. Financial Institutions are not motivated to act on the alarms and warnings from Climate Experts.**

Canada’s banks, insurance companies and private and public pension plans are dragging their feet on moving away from fossil fuels.

Although Canada’s pension plans are starting to reduce their investments in fossil fuels and invest in clean energy companies, a good portion of their portfolios, “more than [\\$1.7 trillion](#) in assets” for Canada’s top ten funds, are still substantially invested in fossil fuel companies.<sup>vii</sup> Enough is enough. The pension plans are using Canadians’ hard earned contributions to fund the extraction of earth destroying resources. More and more, we are witnessing catastrophic events that are impacting the lives of those very Canadians funding the pension plans and that are becoming all too common. It is time for our pension plans to move away from fossil developments and invest our dollars in renewable energy projects.

Sunlife and Manulife, Canada's two largest health and life insurance companies, currently manage a combined total of just under [\\$25.8 billion in investments](#) in fossil fuels.<sup>viii</sup> From January to June of this year, these investments contributed to [198 million tonnes](#) of greenhouse gas emissions - "the same volume of emissions as 42.5 million gas-powered cars driven for a year."<sup>ix</sup> Even more horrific, in 2021, Sunlife's and Manulife's fossil fuel investments contributed [499 million tonnes](#) of emissions to the atmosphere, surpassing the 2020 emissions for Quebec and Ontario combined - 225.8 million tonnes.<sup>x</sup>

Ironically, investment activity in fossil fuels by insurance companies is in direct contradiction to the very foundation of the business they conduct. As climate change worsens, so does the risk of the insurance companies' exposure to increased claims from the havoc wreaked by extreme weather events such as Hurricanes Ian and Fiona and the illnesses and deaths caused by air pollution from carbon emissions. Insurance companies can no longer ignore these risks and are increasingly looking to [limit their exposure](#) to the fossil fuel sector. "On the hook for more payouts amid ever-escalating risk, the global insurance industry has been lobbying for years for governments to take more action on climate change. But it is only recently that insurers have begun taking a critical look at their own investments in fossil fuel companies."<sup>xi</sup>

Canada's 5 largest banks have consistently [ranked](#) in the top 20 banks in the world financing fossil fuels reaching CAD \$1.145 trillion last year in total financing since the Paris Climate Agreement.<sup>xii</sup> A [report](#), produced by Oxfam-Québec in partnership with Oxfam Canada estimates that this financing has contributed to "about 1.9 billion tonnes of emissions in 2020, ...more than double the total carbon footprint of Canada as a whole, pointing to the need for government to do more to push banks to reduce them."<sup>xiii</sup>

Further, with banks investing in each other, with the pension and insurance companies investing in banks and with fossil fuel executives sitting on the boards of all financial institutions, there is a cemented network of solidarity and support amongst the financial institutions and fossil fuel companies to move at a slower pace than needed to get to net-zero. [According to Canada's National Observer](#), Sun Life [counter intuitively] voted against resolutions put forward "at BMO, RBC, TD, Imperial Oil and other companies where it is a shareholder that would require the banks to adopt advisory votes on climate plans and require Imperial Oil to cease exploring and developing new oil and gas fields. Manulife threw its weight behind delaying emission reductions by voting against policies that would require banks like BMO and TD to stop financing new oil and gas reserves, and by voting against resolutions that would require Enbridge to align its net-zero commitment with science."<sup>xiv</sup>

It is clear that financial institutions contribute heavily to the climate crisis. If they have any intention of changing their investment behaviour, they simply are not moving fast enough. Canada's financial institutions are the "silent players" who finance the climate crisis. They must be mandated to focus on reducing fossil fuel production now, rather than being left to themselves to strive for a far off goal in the far distant future.

Financial institutions must be made to understand that by bankrolling the expansion of oil and gas, they have blood on their hands and no amount of greenwashing, carbon markets, unproven technofixes or net-zero commitments will absolve their crimes against humanity and Mother Earth. They are just as culpable as the oil and gas companies for their role in causing and perpetuating the climate crisis.

Government regulation can ensure aggressive timelines are met to achieve net-zero compliance. Financial institutions will abide by government mandated regulations. They will do whatever is needed and spend as much as it takes to avoid penalties and reputational damage from being non-compliant and even slow to comply.

The Office of the Superintendent of Financial Institutions (OSFI) is the federal regulator of banks, pension funds and insurance, trust and loan companies in Canada that could and should provide the needed oversight to Canada's financial institutions on addressing climate change in the financial sector. Recently OSFI recognized that an important source of risk - climate risk - is not being priced by banks when making loans to high emitters. On March 23, 2023, OSFI issued, Guideline B-15: Climate Risk Management, which [outlines](#) OSFI's "expectations related to the FRFI's [Federally Regulated Financial Institutions] management of climate-related risks, ... [aiming] to support FRFIs in developing greater resilience to, and management of, these risks."<sup>xv</sup> The document is just as it is named and as its purpose and scope describes - a restrained guideline for and expectation of the FRFI's, not a robust prescriptive regulation laying out measures and rules that would truly address climate risk with the urgency that the climate crisis demands. While Guideline B-15 does require FRFI's to provide more accurate climate risk disclosure and develop transition plans to a low carbon future, the guideline "[[rules](#)]" out a proposal by environmental activists to assign higher risk factors and capital requirements to fossil-fuel lending and investments."<sup>xvi</sup> This would have made the loans and investments less attractive, providing inducement to the institutions to move away from oil and gas. In the face of the climate crisis, Guideline B-15 makes it clear that OSFI itself needs oversight on how to regulate climate action.

The Glasgow Financial Alliance for Net Zero (GFANZ ), an international organization, with a "[[commitment](#)]" to accelerating the global economy to net-zero greenhouse gas emissions" and to which most, if not all, Canada's financial institutions signed on, showed much promise when it was first introduced in November 2021 at COP26 in being able to drive Canada's financial institutions to finally begin winding down their rabid financing of the fossil fuel industry.<sup>xvii</sup> Alas, Reclaim Finance's [report](#) entitled, *Throwing Fuel on the Fire: GFANZ Financing of Fossil Fuel Expansion*, released in January 2023, regrettably shows that in the six months after GFANZ was established, financial institutions across the globe "[continued]" to pour hundreds of billions of dollars into the expansion of the coal, oil and fossil gas industries ... [and that] only a handful of the financial institution members of GFANZ have policies that meaningfully restrict finance to companies developing new fossil supply projects... The failure of GFANZ members to adopt meaningful fossil fuel expansion policies ... mean that these financial institutions have kept the money pipeline flowing to the leading fossil expanders."<sup>xviii</sup> Four of Canada's banks - RBC, TD, BMO and Scotiabank - appear in the list of top 20 fossil fuel funders globally in Reclaim Finance's report.

The failure of GFANZ to compel its members to quickly wean themselves off fossil fuels, coupled with the delay tactics of those members in acting on the commitments of their own climate plans, to say nothing of the deficiency of the plans themselves and lack of stringent polices to achieve any meaningful emissions reduction, is proof that financial institutions, Canadian institutions included, will not voluntarily act to divest from fossil fuels and that only strict regulations will sway them to do the right thing.

The failure of OSFI to impose higher capital requirements for loans to fossil fuel companies and the flagrant disregard of financial institutions to comply with their GFANZ commitments are perfect examples of why, if Canada truly wants to combat climate change and avoid the devastating impacts of a warming world beyond 1.5 C, Bill S-243 is so desperately needed.

The world is moving away from fossil fuels. Renewable energy is getting cheaper and more reliable. Eventually, there will be no money in oil. If too heavily invested, underwritten or leveraged, financial institutions themselves will be severely impacted with repercussions on Canada's economy as a whole. Financial sectors are facing an increasingly volatile climate and uncertain future, leaving the financial industry vulnerable to major risks. For this reason, Bill S-243 should be a welcome piece of legislation for Canada's financial institutions.

Canada's financial institutions must also stop plundering Indigenous lands and violating their inherent rights. For the sacredness and territorial integrity of the earth, they must stop fossil fuel expansion.

Canadian financial institutions have shown that voluntarily they lack the will and leadership needed to make the business changes that ordinary Canadian citizens want and need to mitigate and adapt to the effects of climate change. Bill S-243, as a piece of legislation, will provide the necessary direction and oversight to ensure our financial institutions do what they themselves cannot do.

### **3. It's the right thing to do.**

If we are to achieve a "Just Transition" for all, we must bring the financial sector into the race to net-zero. Canada's financial industry is a crucial piece to activate the transition engine. Not only will Bill S-243 provide the needed regulations to align our financial institutions to net zero, it also takes the much needed bold move of removing the conflict of interest which currently exists within our financial institutions, with board members having direct and indirect ties to the fossil fuel industry sitting on the boards of financial institutions. If we fail to act as we should, to mitigate the climate crisis as much as humanly possible, future generations will be powerless to undo the inexorable consequences of our failure. Failure to make hard choices now will rob our children and grandchildren of their rightful future. It takes great courage to do the "right thing." Committee members, do you have the courage?

## **CONCLUSION**

It is clear to GASP that we have to be ambitious, dogged, and unwavering in our fight to stave off the worst of the climate crisis, but we cannot do this without the full and proactive participation of the financial sector. We have a momentous opportunity to pass Bill S-243 as it stands, and we ask the BANC Committee to recommend that this bill move forward. Even at this late hour, on the climate change clock, we are capable of making the right choices, and we must.

Our concerns are for our grandchildren and all future generations. It is incumbent on all of us to be their protectors and ensure they inherit a safe, liveable planet. We, grandmothers, do not need more reassurances. *We need concrete action now.*

When our children or our children's children ask us, and you, Senators, "What did you do to stop climate change?" our answer cannot just be that we did everything we could. It has to be more than that. There is really only one answer, and it has to be: we did everything that was necessary. We cannot afford to wait, and neither can the planet.

The financial markets will not fix the imbalance in fossil fuel investments, nor will the financial institutions themselves. We need government regulation to fix the problem.

***Be Bold. Be Courageous. Do the right thing.***





## ENDNOTES

- 
- <sup>i</sup>Banking on Climate Chaos, Feb. 13, 2023, *News Publications*, ran.org, Jun. 30, 2023, [https://www.ran.org/wp-content/uploads/2023/04/BOCC\\_2023\\_06-27.pdf](https://www.ran.org/wp-content/uploads/2023/04/BOCC_2023_06-27.pdf), P.6
- <sup>ii</sup>António Guterres, Feb. 28, 2022, *UN Web TV*, United Nations, Jun. 30, 2023, <https://media.un.org/en/asset/k1x/k1xcijxjhp>
- <sup>iii</sup>António Guterres, Apr. 4, 2022, *Meetings Coverage and Press Releases*, United Nations, Jun. 30, 2023, <https://press.un.org/en/2022/sgsm21228.doc.htm>
- <sup>iv</sup>Kelly Dewar, Aug. 29, 2022, *NextGen Perspectives: Climate action conversations and the plight of today's youth*, *Environmental Journal*, Jun. 30, 2023, <https://environmentjournal.ca/climate-action-perspectives-on-the-plight-of-todays-youth/>
- <sup>v</sup>Kelly Dewar, Aug. 29, 2022, *NextGen Perspectives: Climate action conversations and the plight of today's youth*, *Environmental Journal*, Jun. 30, 2023, <https://environmentjournal.ca/climate-action-perspectives-on-the-plight-of-todays-youth/>
- <sup>vi</sup>Mario Glass, Jul.28, 2023, Six year old girl and member of local rock band die in NS Floods, Jun 30, 2023, <https://www.nationalobserver.com/2023/07/28/news/six-year-old-girl-rock-band-member-die-ns-floods>
- <sup>vii</sup>Allen Andrews, Jun. 8, 2022, Canada's Banks and Pension Funds are Financing a Climate Disaster, Jun. 30, 2023, <https://ecojustice.ca/news/canadas-banks-and-pension-funds-are-financing-a-climate-disaster/>
- <sup>viii</sup>John Woodside, Oct. 5, 2022, Broken promises: Insurance Giants Sun Life and Manulife are Deep Into Coal, Oil and Gas, Jun. 30,2023, <https://www.nationalobserver.com/2022/10/05/investigations/insurance-giants-sun-life-manulife-are-deep-coal-oil-gas>
- <sup>ix</sup>John Woodside, Oct. 5, 2022, Broken promises: Insurance Giants Sun Life and Manulife are Deep Into Coal, Oil and Gas, Jun. 30,2023, <https://www.nationalobserver.com/2022/10/05/investigations/insurance-giants-sun-life-manulife-are-deep-coal-oil-gas>
- <sup>x</sup>John Woodside, Oct. 5, 2022, Broken promises: Insurance Giants Sun Life and Manulife are Deep Into Coal, Oil and Gas, Jun. 30,2023, <https://www.nationalobserver.com/2022/10/05/investigations/insurance-giants-sun-life-manulife-are-deep-coal-oil-gas>
- <sup>xi</sup>Amanda Stephenson, Aug. 22, 2021, Insurance Industry Seeks to Limit Fossil Fuel Exposure Amid Growing Climate Threat, Jun. 30, 2023, <https://www.cbc.ca/news/canada/calgary/insurance-industry-robin-edger-mary-lovell-victor-adesanya-1.6149361>
- <sup>xii</sup>Rainforest Action Alliance, BankTrack, Indigenous Environmental Network, Oil Change, Reclaim Finance, Sierra club, Urgewald, 2023, Banking on Climate Chaos Fossil Fuel Finance Report, June 30, 2023, <https://www.bankingonclimatechaos.org/>
- <sup>xiii</sup>The Canadian Press, Oct. 18, 2022, Oxfam Canada pegs bank-financed emissions at 1.9B tonnes in 2020, Jun. 30, 2023, <https://www.bnnbloomberg.ca/oxfam-canada-pegs-bank-financed-emissions-at-1-9b-tonnes-in-2020-1.1834072>
- <sup>xiv</sup>John Woodside, Oct. 5, 2022, Broken promises: Insurance Giants Sun Life and Manulife are Deep Into Coal, Oil and Gas, Jun. 30,2023, <https://www.nationalobserver.com/2022/10/05/investigations/insurance-giants-sun-life-manulife-are-deep-coal-oil-gas>
- <sup>xv</sup>Office of the Superintendent of Financial Institutions, March 2023, Climate Risk Management Guideline: B15, Jun. 30, 2023, <https://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/gl-ld/Pages/b15-dft.aspx>
- <sup>xvi</sup>Office of the Superintendent of Financial Institutions, March 2023, Climate Risk Management Guideline: B15, Jun. 30, 2023, <https://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/gl-ld/Pages/b15-dft.aspx>
- <sup>xvii</sup>Glasgow Financial Alliance for Net Zero (GFANZ), , About us, Jun.30, 2023, <https://www.gfanzero.com/about/>
- <sup>xviii</sup>Reclaim Finance, , Throwing Fuel on the Fire: GFANZ Financing of Fossil Fuel Expansion, Jun. 30, 2023, <https://reclaimfinance.org/site/wp-content/uploads/2023/01/Throwing-fuel-on-the-fire-GFANZ-financing-of-fossil-fuel-expansion.pdf>