

## City Council

### Notice of Motion

MM28.37	ACTION			Ward: All
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### **Addressing the Financial Industry’s Carbon Footprint - by Councillor Paula Fletcher, seconded by Councillor Dianne Saxe**

*\* Notice of this Motion has been given.*

*\* This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

#### **Recommendations**

Councillor Paula Fletcher, seconded by Councillor Dianne Saxe, recommends that:

1. City Council direct the Executive Director, Environment, Climate and Forestry, the General Manager, Economic Development and Culture and the Chief Financial Officer and Treasurer, to convene relevant experts to discuss developing a “Sustainable Finance Hub” in Toronto; relevant expertise should include climate mitigation and adaptation from academia and civil society, and all participating experts should be without conflicts of interest to the fossil fuel sector.
2. City Council direct the Executive Director, Environment, Climate and Forestry to commission a study on best practices from peer cities, including the C40 network and other major financial centres regarding partnering with the finance sector on climate mitigation and climate solutions investments.
3. City Council encourage the Ontario Securities Commission, the Canadian Sustainability Standards Board and the Office of the Superintendent of Financial Institutions to develop requirements for credible climate transition plans, including climate-related disclosure.
4. City Council express support for comprehensive climate-aligned financial regulation focused on improved transparency and accountability, as laid out in the text of Bill S-243, in order to future-proof our economy against climate-related risks.
5. City Council urge Toronto-based and headquartered financial institutions to take all actions possible to reduce their financed emissions, including by reducing their financing of fossil fuels, and accelerating financial support for clean energy solutions including renewables.

#### **Summary**

The City’s climate change mitigation plan TransformTO is notable for its efforts to achieve a net-zero Toronto by 2040. However, this strategy is missing an essential component of the City’s contribution to global climate change: Toronto’s financial industry.

A study done by the School of the Environment at the University of Toronto found that Bay Street is the 5th largest climate polluter in the world behind China, the United States, Russia, and Japan owing to extensive financing of the fossil fuel industry. The financed emissions of these financial institutions result in almost one-hundred times the City's total reported emissions annually.

Earlier this year, five banks included in this report (Bank of Montreal, National Bank, Toronto-Dominion Bank Group, Scotiabank and Canadian Imperial Bank of Commerce) left the Net-Zero Banking Alliance, an international coalition of banks committed to aligning their lending, investment, and capital markets activities with net-zero carbon emissions. Spokespeople of these banks stated that the institutions would continue pursuing internal climate strategies. However, as this report has shown, there exists significant discrepancies between Canadian banks' self-reported and researched financed emissions. In order to ensure Canada's financial institutions continue working towards net-zero, it is necessary for governing bodies like the City of Toronto to hold them accountable.

The Canadian Sustainability Standards Board and the Ontario Securities Commission released climate-related disclosure standards in December. However, these standards remain voluntary. Creating a "Sustainable Finance Hub" would work on understanding climate risks, the importance of credible climate transition plans and other disclosure, and increasing investment in climate mitigation and solutions including renewables. These currently exist in the United Kingdom and Australia, known as The Australian Sustainable Finance Institute.

### **Background Information (City Council)**

Member Motion MM28.37

(<https://www.toronto.ca/legdocs/mmis/2025/mm/bgrd/backgroundfile-253887.pdf>)