

**FUNDING TAR SANDS:
PRIVATE BANKS VS. THE PARIS AGREEMENT**
November 2017

Bank Grade Explanations

- ABN Amro
 - Tar sands policy grade: C-
 - ABN Amro excludes finance for tar sands exploration projects.
 - Source: "[ABN Amro Exclusion List](#)," no date.
- Bank of America
 - Tar sands policy grade: D
 - Bank of America has a tar sands-specific enhanced due diligence process, but the criteria are not publicly disclosed.
 - Source: "[Bank of America Corporation Environmental and Social Risk Policy Framework](#)," November 2016.
- Bank of Montreal
 - Tar sands policy grade: D-
 - Bank of Montreal has a general climate and biodiversity due diligence process, with some disclosed criteria.
 - Source: "[BMO Financial Group's Environmental Policy and Action Plan](#)," April 2008, pp. 10-12; "[2016 Environmental, Social and Governance Report and Public Accountability Statement](#)," February 2017.
- Barclays
 - Tar sands policy grade: D+
 - Barclays has a risk briefing on oil and gas that includes specific concerns regarding tar sands. This document acts as due diligence criteria for transactions related to tar sands.
 - Source: "[Environmental and Social Risk Briefing - Oil & Gas](#)," March 2015.
- BNP Paribas
 - Tar sands policy grade: B+
 - As of a new policy published in October 2017, BNP Paribas excludes financing for all tar sands projects, including exploration and transportation. Additionally, the bank will not finance companies with more than 30% of their business in tar sands. As communicated to the authors of this report, this is based on reserves for production companies, and on turnover for diversified or midstream companies. For companies exclusively active in pipelines, BNP Paribas will not finance those that derive the majority of their revenue from these activities.
 - Source: "[BNP Paribas Takes Further Measures to Accelerate Its Support of the Energy Transition](#)," October 2017.

- BPCE/Natixis
 - Tar sands policy grade: F
 - Natixis does not have a public environmental and social risk management policy that applies to corporate finance.
- Canadian Imperial Bank of Commerce (CIBC)
 - Tar sands policy grade: D-
 - CIBC has Environmental Credit Risk Management Standards and Procedures that apply in particular to “high environmental risk sectors.” However, the sectors included, as well as CIBC’s environmental risk management due diligence policies and guidelines, are not publicly disclosed.
 - Source: [“CIBC 2016 Corporate Responsibility Report and Public Accountability Statement,”](#) March 2017, p. 34.
- Citigroup
 - Tar sands policy grade: D+
 - Citi has publicly disclosed due diligence criteria specific to tar sands.
 - Source: [“Environmental and Social Policy Framework,”](#) October 2015, p. 6; [“Sector Briefs - Oil Sands,”](#) 2013.
- Commerzbank
 - Tar sands policy grade: C-
 - Commerzbank excludes finance for “projects relating to the exploitation of oil-bearing tar sands.”
 - Source: [“Positions and Directives – Oil & Gas,”](#) no date.
- Crédit Agricole
 - Tar sands policy grade: C-
 - Crédit Agricole will not finance open pit tar sands extraction projects. The bank has commented to the authors of this report that it has not, in the past, developed commercial activity with the oil sands sector and does not intend to do so in the future.
 - Source: [“CSR Sector Policy – Shale Gas,”](#) November 2016, p. 2.
- Credit Suisse
 - Tar sands policy grade: D+
 - Credit Suisse has publicly disclosed due diligence criteria specific to tar sands.
 - Source: [“Summary of Credit Suisse’s Sector Policies and Guidelines,”](#) March 2017.
- Desjardins
 - Tar sands policy grade: C-
 - Desjardins has placed a temporary moratorium on financing pipeline projects, including tar sands pipelines. A permanent policy will be announced by the end of 2017 and this grade will be reassessed at that time.
 - Source: See, for instance: [“Desjardins Temporarily Halts Funding for All Future Pipeline Projects,”](#) Huffington Post, July 10, 2017.

- Deutsche Bank
 - Tar sands policy grade: D
 - Deutsche Bank has an enhanced due diligence policy for sectors with high potential for environmental and social impacts, which includes the oil and gas sector. The framework gives some detail on general environmental and social due diligence criteria.
 - Source: “[Environmental and Social Policy Framework](#),” January 2017.
- Goldman Sachs
 - Tar sands policy grade: D+
 - Goldman Sachs has publicly disclosed due diligence criteria specific to tar sands.
 - Source: “[Goldman Sachs Environmental Policy Framework](#),” October 2015, p. 11; “[Environmental and Social Risk Management Sector Guidelines](#),” no date.
- HSBC
 - Tar sands policy grade: D+
 - HSBC has publicly disclosed due diligence criteria specific to tar sands.
 - Source: “[Energy Sector Policy](#),” January 2011.
- ING
 - Tar sands policy grade: B-
 - ING’s Environmental and Social Review Exclusion Policy prohibits the bank from engaging in “transactions that are directly linked to mining, exploration and upgrading of oil sands.” ING has clarified that it will not provide project finance for the Trans Mountain, Keystone XL, Energy Easy, or Line 3 pipelines. Also, ING will exclude companies where the majority of its business is in an excluded activity, including tar sands. The bank has not committed to sufficient reporting on its commitment to earn a B.
 - Source: “[ING Environmental and Social Risk Framework](#),” November 2016, p. 20.
- JPMorgan Chase
 - Tar sands policy grade: D+
 - JPMorgan Chase has publicly disclosed due diligence criteria specific to tar sands.
 - Source: “[Environmental and Social Policy Framework](#),” March 2016, pp. 7-8.
- Mitsubishi UFJ Financial Group (MUFG)
 - Tar sands policy grade: F
 - MUFG’s environmental and social risk assessment does not apply to general corporate finance, but rather solely to project finance under the Equator Principles.
 - Source: “[Corporate Value Foundation](#),” 2016, p. 85.

- Mizuho
 - Tar sands policy grade: D-
 - Mizuho has a due diligence policy on human rights that applies to corporate financing transactions.
 - Source: "[Human Rights Due Diligence](#)," no date.
- Morgan Stanley
 - Tar sands policy grade: D+
 - Morgan Stanley has publicly disclosed due diligence criteria specific to tar sands.
 - Source: "[Morgan Stanley Coal & Oil Sands Policy Statement](#)," October 25, 2017.
- Rabobank
 - Tar sands policy grade: B-
 - Rabobank will not finance tar sands extraction, transport, production, processing, or refining. Additionally, Rabobank restricts corporate finance to tar sands companies, stating that "Generally, Rabobank will not provide finance to clients involved in exploration, extraction/mining or production of raw materials or fossil natural resources."
 - Source: "[Extractive Industries Policy](#)," January 16, 2017, p. 20.
- Royal Bank of Canada (RBC)
 - Tar sands policy grade: D+
 - RBC has publicly disclosed due diligence criteria specific to tar sands.
 - Source: "[Energy: The Environmental and Economic Challenge of the 21st Century](#)," no date, p. 1.
- Royal Bank of Scotland (RBS)
 - Tar sands policy grade: D
 - RBS has an enhanced due diligence process for transactions relating to tar sands, but the specific criteria are not disclosed, beyond noting that financing for tar sands exploration and production is restricted "where environmental and social risks are not appropriately managed."
 - Source: "[Environmental, Social and Ethical Risk Policy Summary - Oil & Gas Sector](#)," December 2016, p. 2.
- Santander
 - Tar sands policy grade: D-
 - Santander has a general environmental and social due diligence process that acts as a reference framework for social and environmental risk management. The bank also has an energy sector policy that covers oil and gas extraction and production, however it is not public. The bank's 2015 sustainability report mentions that this policy covers oil sands in particular, while the bank's most recent sustainability report, from 2016, does not.
 - Source: "[2015 Sustainability Report](#)," February 2016, p. 15; "[2016 Sustainability Report](#)," February 2017; "[Santander Group's General Policy: General Sustainability Policy](#)," December 2015.

- Scotiabank
 - Tar sands policy grade: D-
 - Scotiabank's CSR report mentions that environmental and social risk management procedures exist separate than project finance reviews required under the Equator Principles, but does not disclose actual policy language or due diligence criteria.
 - Source: "[2016 Corporate Social Responsibility Report](#)," March 2017, p. 36.
- Société Générale
 - Tar sands policy grade: D
 - Société Générale has an enhanced due diligence process for oil and gas transactions, with publicly disclosed due diligence criteria. An Alternative Liquid and Gaseous Fuels Sector Policy is under development, which will cover the bank's activity related to oil sands. This grade will be amended based on an assessment of that policy, upon publication.
 - Source: "[Sector Policy - Oil and Gas](#)," September 2014.
- Standard Chartered
 - Tar sands policy grade: D-
 - Standard Chartered has a general environmental and social due diligence process for oil and gas clients, without publicly disclosed due diligence criteria.
 - Source: "[Oil and Gas Position Statement](#)," 2013, p. 2.
- Sumitomo Mitsui Financial Group (SMFG)
 - Tar sands policy grade: D-
 - SMFG has a general – but extremely vague – environmental and social due diligence process for corporate financing transactions. SMFG's credit policy "declares that the bank will not execute loans to companies and businesses with the potential to negatively impact the environment to a significant degree," without further detail on due diligence criteria or processes.
 - Source: "[CSR Report 2016](#)," no date, p. 83.
- Toronto-Dominion Bank (TD)
 - Tar sands policy grade: D
 - TD has a tar sands-specific due diligence process, but the due diligence criteria are not publicly disclosed.
 - Source: "[2013 Corporate Responsibility Report](#)," April 2014.
- UBS
 - Tar sands policy grade: D+
 - UBS has publicly disclosed due diligence criteria specific to tar sands.
 - Source: "[Environmental and Social Risk Policy Framework](#)," March 2017.

- Unicredit
 - Tar sands policy grade: D-
 - Unicredit has a general due diligence process for corporate financing transactions, without publicly disclosed criteria.
 - Source: "[Environmental Commitment](#)," June 2015.
- US Bank
 - Tar sands policy grade: C-
 - US Bank "does not provide project financing for the construction of oil or natural gas pipelines," which includes tar sands pipelines. With regards to tar sands extraction, the bank applies enhanced due diligence.
 - Source: "[2017 Environmental Responsibility Policy](#)," May 2017.
- Wells Fargo
 - Tar sands policy grade: D+
 - Wells Fargo has publicly disclosed due diligence criteria specific to tar sands.
 - Source: "[Environmental and Social Risk Management](#)," November 2015.