



## Dodgy Deal: Canadian tar sands Canada

### update

This dodgy deal is updated regularly  
last update: May 10, 2012

### banktrack contact

Yann Louvel, Climate and energy campaign coordinator, BankTrack

## Description

In the Canadian Boreal forest just downstream of the eastern foothills of the Rocky Mountains are the **Canadian tar sands**. The region contains some **2 trillion barrels** of oil, but getting to it will mean destroying an area larger than the state of Florida.

Tar sands consist of **heavy crude oil** mixed with sand, clay and bitumen. Extraction entails burning natural gas to generate enough heat and steam to **melt the oil out of the sand**. As many as five barrels of water are needed to produce a single barrel of oil.

Tar sands oil is the **worst type of oil** for the climate, producing three times the greenhouse gas emissions of conventionally produced oil because of the energy required to extract and process tar sands oil. Communities downstream from the tar sands mines report elevated levels of cancer that they blame on toxic contamination of the Athabasca River.

## what must happen

1. Require clients to provide evidence of Free Prior Informed Consent (FPIC) from First Nations on projects and activities affecting their communities. FPIC reflects international law, minimizes conflict, and was adopted by TD Bank Financial Group as part of its Environmental Management Framework in 2007.
2. Phase out financing and advisory to projects related to oil sands, which adversely impact, in a non-reversible manner, critical natural habitats or freshwater resources used for drinking water. French bank Dexia adopted this global best practice as a part of its Energy Sector Guidelines in 2008.
3. Develop an action plan to reduce financed emissions of climate change pollution related to lending activities. This new global standard was announced in 2009 by Unicredit Bank as part of its "Green Deal" with WWF to reduce CO2 emissions by 30% by 2020.

## Social impact

In Canada, the toxic burden on communities near the tar sands is already enormous. In addition to direct human exposure, oil contamination in the local watershed has led to arsenic in moose meat—a dietary staple for First Nations peoples—up to 33 times acceptable levels. Deformed fish have been found in nearby Lake Athabasca; drinking water has been contaminated; and a huge swath of the vibrant Boreal forest is being transformed into a toxic moonscape. One of the largest dams in the world is restraining a giant reservoir filled with toxic sludge from processing tar sands into oil.

Processing tar sands oil means more asthma and respiratory diseases, more cancer, and more cardiovascular problems. Contaminated wastewater, containing arsenic, mercury and various carcinogens, has already been linked to elevated rates of cancer in downstream First Nations communities.

## Environment

### Greenhouse gas emissions

It takes around 3 times as much energy to produce a barrel of oil from tar sands as it does for typical oil extraction (85.5kg CO<sub>2</sub> per barrel compared to 28.6kg CO<sub>2</sub>). The expansion of oil sands is the fastest growing contributor to Canada's greenhouse gas emissions, yet the Canadian government is failing to regulate its carbon emissions effectively with absolute targets. Canada is set to miss its Kyoto targets.

Technological solutions such as carbon capture and storage are still years away, yet the companies are seeking licenses to increase carbon emissions at a time when the scientific community agrees the developed world needs to cut emissions.

### Forests & Water

The oil sands reserves cover an area of 140,000km<sup>2</sup> of the boreal forest - equivalent to 25% of Alberta (approximately the size of France). The extraction of oil sands requires huge impacts above the ground with survey lines, mines, processing plants, pipelines and drilling sites. Oil sands mining has left swathes of forest removed, fragmenting the habitat of the native caribou. Companies have promised to restore the habitat, but only 104 ha of land has been certified as reclaimed.

Tar sands require from 2 to 4.5 barrels of water to produce a barrel of oil. The Athabasca river cannot supply the quantities of water required for the proposed expansion, and the ecological viability of the river is already threatened.

The waste water is so toxic it has to be stored in tailings ponds that threaten leaks into the river. Concerns have been raised by the First Nations indigenous communities that live downstream about serious health problems they fear are linked to contaminated water and fish.

## Human rights

---

Communities including the Athabasca Chipewyan, Mikisew Cree, Chipewyan Prairie Dene, Woodland Cree, Beaver Lake Cree, and Fort Mackay First Nations have all filed lawsuits over runaway tar sands developments. Failure to obtain free, prior and informed consent of these communities creates substantial material risks to continued development in the tar sands.

## What must happen

---

1. Require clients to provide evidence of Free Prior Informed Consent (FPIC) from First Nations on projects and activities affecting their communities. FPIC reflects international law, minimizes conflict, and was adopted by TD Bank Financial Group as part of its Environmental Management Framework in 2007.
2. Phase out financing and advisory to projects related to oil sands, which adversely impact, in a non-reversible manner, critical natural habitats or freshwater resources used for drinking water. French bank Dexia adopted this global best practice as a part of its Energy Sector Guidelines in 2008.
3. Develop an action plan to reduce financed emissions of climate change pollution related to lending activities. This new global standard was announced in 2009 by Unicredit Bank as part of its "Green Deal" with WWF to reduce CO2 emissions by 30% by 2020.

## applicable policies

---

The Equator Principles are generally not applicable to financing in the tar sands!

## Updates

---

### Jan 31, 2010

- Analysts expect **USD \$200 billion** to flow toward trebling tar sands production by 2020.
- **Increased greenhouse gas emissions** associated with tar sands development is the main reason Canada will not meet its Kyoto reduction commitments.
- In 2010, Canada's greenhouse gas emissions are projected to be nearly **35 percent higher** than 1990 levels.

## financial institutions involved

---

### banks

#### ANZ -

- Total Tar Sands Financing: \$ 43.9 million (2009)  
*source: [Anz Tar Sands Financing](#)*

#### Barclays -

- Owning or managing shares or bonds: (2007)
- Total Tar Sands Financing: \$ 13.780,0 million (2009)  
*source: [Barclays Tar Sands Financing](#)*
- financing companies involved: £8 billion to various companies involved in tar sands (2007-2009)  
*source: [Barclays Hsbc And Rbs Linked To Dirty Financing For Fossil F...](#)*

#### BMO Financial Group

- Issuing of shares: (2007)
- Issuing of bonds: (2007)
- Owning or managing shares or bonds: (2007)
- General corporate finance: (2007)
- Total Tar Sands Financing: \$ 5.955,3 (2009)  
*source: [Bmo Financial Group Tar Sands Financing](#)*

#### BNP Paribas -

- General corporate finance: (2007)
- Issuing of shares: (2007)
- Issuing of bonds: (2007)
- Total Tar Sands Financing: \$ 6.054,0 million (2009)  
*source: [Bnp Paribas Tar Sands Financing](#)*

#### CIBC -

- Issuing of shares: (2007)
- Issuing of bonds: (2007)
- General corporate finance: (2007)
- Total Tar Sands Financing: \$ 15.588,5 million (2009)  
*source: [Cibc Tar Sands Financing](#)*

## Citigroup -

Citi have provided share and bond issuances.

- Issuing of bonds: (2007)
- General corporate finance: (2007)
- Issuing of shares: (2007)
- Total Tar Sands Financing: \$ 25.680,2 (2009)  
*source: [Citi Tar Sands Financing](#)*

## Crédit Agricole -

- Total Tar Sands Financing: \$ 998,1 million (2009)  
*source: [Calyon Ca Tar Sands Financing](#)*

## Credit Suisse Group -

- Total Tar Sands Financing: \$ 4.818,4 million (2009)  
*source: [Credit Suisse Tar Sands Financing](#)*

## Deutsche Bank -

- Issuing of bonds: (2007)
- Owning or managing shares or bonds: (2007)
- Issuing of shares: (2007)
- General corporate finance: (2007)

## HSBC -

- General corporate finance: (2007)
- Issuing of shares: (2007)
- Issuing of bonds: (2007)
- Total Tar Sands Financing: \$ 9.152,3 million (2009)  
*source: [Hsbc Tar Sands Financing](#)*
- financing of companies involved in tar sands: £5 billion (2007-2009)  
*source: [Barclays Hsbc And Rbs Linked To Dirty Financing For Fossil F...](#)*

## ING Group -

- Total Tar Sands Financing: \$ 192,0 million (2009)  
*source: [Ing Tar Sands Financing](#)*

## Intesa Sanpaolo -

- Total Tar Sands Financing: \$ 250,0 million (2009)  
*source: [Intesa Sanpaolo Tar Sands Financing](#)*

## JPMorgan Chase -

- General corporate finance: (2007)
- Issuing of shares: (2007)
- Issuing of bonds: (2007)
- Owning or managing shares or bonds: (2007)
- Total Tar Sands Financing: \$ 23.621,0 million (2009)  
*source: [Jp Morgan Chase Tar Sands Financing](#)*

## KBC -

- Total Tar Sands Financing: \$ 118,9 million (2009)  
*source: [Kbc Tar Sands Financing](#)*

## Mizuho -

- Total Tar Sands Financing: \$ 184,5 million (2009)  
*source: [Mizuho Tar Sands Financing](#)*

## Rabobank -

- Total Tar Sands Financing: \$ 43,9 million (2009)  
*source: [Rabobank Tar Sands Financing](#)*

## Royal Bank of Canada -

- Total Tar Sands Financing: \$ 22.895,2 million (2009)  
*source: [Rbc Tar Sands Financing](#)*

## Royal Bank of Scotland -

- Total Tar Sands Financing: \$ 13.991,4 million (2009)  
*source: [Rbs Tar Sands Financing](#)*
- Provided financing to nine different companies: £7 billion in finance to nine companies (between 2007 and 2009)  
*source: [Barclays Hsbc And Rbs Linked To Dirty Financing For Fossil F...](#)*

## Scotia Bank

- Issuing of shares: (2007)
- Issuing of bonds: (2007)
- General corporate finance: (2007)
- Total Tar Sands Financing: 5.590,9 million (2009)  
*source: [Scotia Bank Tar Sands Financing](#)*

## Société Générale -

- Issuing of bonds: (2007)
- Issuing of shares: (2007)
- General corporate finance: (2007)
- Total Tar Sands Financing: \$ 4.579,6 million (2009)  
*source: Societe Generale Tar Sands Financing*

## Standard Chartered -

- Total Tar Sands Financing: \$ 293,9 million (2009)  
*source: Standard Chartered Tar Sands Financing*

## Sumitomo Mitsui Banking Corporation -

- Total Tar Sands Financing: \$ 509,5 million (2009)  
*source: Sumitomo Mitsui Tar Sands Financing*

## TD bank Financial Group

- Owning or managing shares or bonds: (2007)
- Issuing of bonds: (2007)
- Issuing of shares: (2007)
- General corporate finance: (2007)
- Total Tar Sands Financing: \$ 16.027,2 million (2009)  
*source: Td Bank Financial Group Tar Sands Financing*

## Wells Fargo -

- Total Tar Sands Financing: \$ 5.349,1 million (2009)  
*source: Wells Fargo Tar Sands Financing*

## WestLB AG -

- Total Tar Sands Financing: \$ 43,9 million (2009)  
*source: Westlb Tar Sands Financing*

## applicable policies

---

The Equator Principles are generally not applicable to financing in the tar sands!

## companies

Athabasca Oil Sands Corp

Baytex Energy Trust

Black Rock

Bonavista Energy Trust

BP

BP plc, Bronco Energy Ltd

Canadian Oil Sands Trust

CanWest Petroleum Corp

Cenovus

Chevron

China Investment Corporation

China National Petroleum Corporation (CNPC)

CNRL

Connacher

ConocoPhillips

Devon

Enbridge Inc

EnCana

Enerplus Resources Fund

ExxonMobil -

Harvest Energy Trust

Husky Energy

Imperial Oil

Inter Pipeline Fund

JACOS

Canadian and Japanese company

Kinder Morgan Energy Partners LP

Koch Resources LLC

# BANKTRACK

Korea National Oil Corp  
Marathon Oil Corp  
MEG Energy  
Mocal Energy Ltd  
Murphy Oil Corp  
Nexen  
Nippon Oil Corp  
Occidental Petroleum Corp  
Oilsands Quest Inc  
Opti Canada  
Orion Energy  
Paramount Resources Ltd  
Pembina Pipeline Income Fund  
PENGROWTH Energy Trust  
Penn West Energy Trust  
Petro-Canada  
Petrobank Energy & Resources Ltd  
Shell  
Sinopec  
Statoil  
Suncor  
Syncrude  
Synenco  
Total E&P Canada  
Subsidiary of Total SA  
TransCanada Corp  
UTS Energy Corp