NOTHING BUT NET ZERO

While skeptics assert voluntary carbon offsets are a questionable tool for fighting climate change, the global carbon credit market is enjoying a spike in popularity, setting the stage for its greater role in 21st-century business

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IN fiscal 2023, the Royal Bank of Canada reported that it had acquired 88,729 carbon credits (each the equivalent of a tonne of carbon dioxide), a figure that was fully 30 per cent higher than the banking giant's 2021 purchase. Those acquisitions, intended to offset a portion of RBC's emissions, represent but one element of the bank's sustainability program, which also includes power purchase agreements that allow RBC to claim it uses only renewable electricity and new disclosures about the amount of emissions resulting from its oil and gas underwriting.

Canada's other big banks have a range of approaches to carbon offset credits. Scotiabank, for its part, didn't purchase any at all in fiscal 2023. Its counterparts, however, seem more bullish. BMO, for instance, has acquired a carbon offsets advisory business. TD Bank set up its own offsets advisory practice. TD also reports that it has invested about $10 million in a wide range of carbon offsets since 2010—everything from tree planting and landfill gas capture to schools in remote communities—and claims those investments have offset over one million tonnes of carbon dioxide since 2010. "In terms of what's happened in the last 12 to 18 months, I think, really is this mainstreaming of carbon markets," predicted Andrew Hall, managing director of TD's new carbon markets advisory unit, in the *Canadian Press* two years ago. "We've seen it grow very, very quickly, and I expect that trend to continue."