



Shortlist 2010

Public Eye Global Award

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**Nominated for the Public Eye Global Award 2010  
by Rainforest Action Network (USA):**

## **Royal Bank of Canada**

Headquarters:	Toronto and Quebec, Canada
Sector:	Financial services
Turnover/Profit:	US \$22 billion (2008) / US \$4.6 billion
Owned by:	Listed on the Toronto and New York Stock Exchanges
Employees:	80,000
CEO:	Gordon M. Nixon

### **In Brief**

*The world's filthiest ATM: Like no other financial institution, the Royal Bank of Canada (RBC) facilitates the extraction of oil from tar sands in the province of Alberta. The dirtiest oil in the world is currently being squeezed out of soil from an area larger than Switzerland and Austria combined. Oil extraction from tar sands generates three times the CO<sub>2</sub> emissions as conventionally-extracted oil. The amount of water pumped from the Athabasca River for extraction is enough to supply a city of one million residents. Afterwards, because of its toxicity, the water must be stored in a specially-built storage reservoir – the world's largest. Toxic substances nonetheless show up in the environment: Deformities appear in wild animals. Rarely seen forms of cancer occur more often in the indigenous peoples of the region. Furthermore, the oil firms fly in cheap labor from developing countries. These workers seldom leave the extraction area until they are shipped back home. RBC finances this violation against man and nature, in the last two years with investments totaling US \$20 billion. And that is just the beginning of their plans.*

### **Irresponsible Corporate Behavior**

During the past two years, the Royal Bank of Canada (RBC) has financed oil extraction from tar sands in the province of Alberta to the tune of US \$20 billion. As a result, RBC has enabled, like no other bank in the world, the production of the world's dirtiest oil. Until recently, extraction of Canadian oil sands was too expensive. But with the explosion of crude oil and gasoline prices, Canada's tar sands are now worth billions. At the moment, the oil companies present in Alberta are developing only 10 percent of reserves. But already with this amount, the oil sands are the second largest reservoir of oil in the world. If the currently undeveloped 90 percent are also included, then the Canadian oil reserves are at least six times greater than the reserves in Saudi Arabia.

## **Consequences**

The extraction area, 141,000 square kilometers or roughly the size of England, belongs to the 23 aboriginal nations of Alberta. It consists mainly of marsh and forest, in which the First Nations, having lived there for 13,000 years, used to be able to live off the land. Today the extraction areas are visible from space as black spots. Before extraction begins, trees and shrubs are cut down, then the boggy peat is removed. The extraction of two barrels of crude oil requires one barrel of gas. The process creates over three times the amount of greenhouse gases as conventional oil production. Oil sands will soon be Canada's biggest contribution to global warming. Extracting one liter of oil from tar sands also requires two liters of water: Every day, enough water is pumped out of the local Athabasca River to supply a city of one million residents. Over four million liters of contaminated water return to the environment and pollute the Peace-Athabasca Delta, recognized by UNESCO as a World Heritage Site. The toxins cause a degeneration of the genetic make-up of wild animals. Many fish downstream from the extraction sites are deformed. Even oil industry scientists detect shocking levels of arsenic in moose and fish. In one case the concentration was 453 times higher than the permissible value. This same area is used by members of the First Nations tribes for hunting and as a water resource. In surrounding communities cases of cancer are climbing significantly. The oil firms also bring in cheap labor from developing countries, who work in slave-like conditions and rarely leave the bleak grounds until they are shipped back home, without having been told about the health risks they have been exposed to.

## **Current Status and Demands**

In the future, RBC borrowers should provide proof that their projects will not negatively affect the lives of the First Nations. With the adhesion to Free Prior Informed Consent (FPIC) of the UN Working Group on Indigenous Peoples, already partially adapted, this could be ensured. In addition, RBC must refuse any financing or consulting for projects that have a negative influence on freshwater sources or local biodiversity. The rules of the financial services provider Dexia are leading the industry in this area. RBC must also develop an action plan that fosters lending to reduce CO<sub>2</sub> emissions.

## **Further Information**

- <http://de.sevenload.com/videos/JcESNub-Oelsand-dreckiges-Oel-aus-Kanada-3sat>
- <http://www.tagesanzeiger.ch/wissen/natur/lsandgeschaeft-ohne-Ruecksicht-auf-die-Natur/story/14004427>
- <http://www.zeit.de/online/2008/45/bg-teersand>
- <http://sz-magazin.sueddeutsche.de/texte/anzeigen/4282>
- <http://www.ran.org/tarsands>