

CANADIAN BANKS' INVESTMENTS IN WEAPONS MANUFACTURERS

APRIL 2024

PROJECT ESG

Canadian Banks' Investments in Weapons Manufacturers (April 2024)

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BMO FINANCIAL GROUP / BANK OF MONTREAL (BMO)

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NATIONAL BANK OF CANADA (NBC)

ROYAL BANK OF CANADA (RBC)

SCOTIABANK / BANK OF NOVA SCOTIA

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EXECUTIVE SUMMARY

BACKGROUND

- ESG stands for Environmental, Social and (corporate) Governance. It is a set of practices, metrics and standards used to evaluate a company beyond its financial performance. This information not only helps investors, their advisors, and financial institutions avoid companies that may be engaged in risky or unethical practices, but may also help promote responsible behaviours and changes in practice.
- While climate change has been a particular focus of ESG initiatives and strategies, diversity, equity and inclusion and human capital and human rights are also of [significant interest](#) to Canadian investors. Canadians have recently expressed [interest](#) in ensuring their money and investments are being used ethically and not in support of any armed conflict. In particular, controversial weapons have been highlighted given their use causing indiscriminate harm and/or suffering especially to civilians, and which in many cases illegal.
- Recent and ongoing conflicts such as the war in Ukraine and the invasion of Gaza have spring-boarded many conversations, including:
 - [Whether weapons](#) should be included within conversations of sustainability;
 - [Whether weapons are acceptable ESG investments](#);
 - The ongoing use of established [controversial](#) weapons in [Ukraine](#) and [Gaza](#), and recently in [Syria](#) and [Yemen](#);
 - The [role of defense companies](#) and weapons as potential [deterrents](#), or national security considerations that may impact investing;
 - [Increasing investments](#) in weapons manufacturers and defense stocks in [ESG funds](#);
 - The established [environmental impact](#) of weapons;
 - [Lagging or incomplete legislation](#) and regulatory frameworks with regard to investments in the weapons sector.
- According to a [February 2023 Morningstar report](#), approximately 50% of funds in Europe specifically exclude controversial weapons. To our knowledge, no such publicly-available study of Canadian financial institutions' investments in weapons manufacturing companies has been carried out to date.
- To better inform individual investors and financial institutions regarding the above, this report undertakes a comprehensive review of the investments of Canadian financial institutions in weapons manufacturing companies. This report also aims to highlight that violations of human rights and unethical armed conflict should be included as ESG policies of financial institutions. Moreover, this report aims to establish a framework to keep investors informed about their investments, encourage financial institutions to be transparent about investment portfolios, and to establish internal measures to limit investments in controversial weapons.
- Specifically, the information contained herein will be useful for:
 - Individuals who wish to ensure their personal investment portfolio is not directly funding armed conflict, and neither are they personally profiting from such conflicts;
 - Individuals who wish to see whether or not their bank's actions align with their personal moral values and principles;

- Individuals who wish to understand how their financial institution compares with other available options;
- Informing conversations between clients and their financial institutions regarding its policies and practices with regard to supporting weapons manufacturing;
- The financial services industry, policymakers, regulators, the public and other stakeholders who wish to learn more about why listed weapons manufacturers may be considered controversial;
- Financial institutions who may use this opportunity to review, revise and update their current policies and practices with regard to supporting weapons manufacturing;
- Financial institutions who wish to see how they compare relative to their peers, with regards to investing in weapons manufacturing.

METHODS & DISCLAIMERS

- All information is sourced and collated from information available in the public domain and in many cases is duplicated or reformatted here. Credit goes to the original sources for the content, as listed in the references.
- This release focuses on investments made by the Top 6 Canadian banks (BMO, CIBC, NBC, RBC, Scotiabank and TD Bank) in the top 40 weapons manufacturers in the world, as per either 2022 [SIPRI](#) or 2023 [DefenseNews](#) rankings. Duplicates between both lists and manufacturers from China and Russia were removed. Forthcoming reports will focus on Canadian investment advisory firms, insurance companies, and pension plans with regard to their investments and exposures to weapons.
- Amounts are depicted in US Dollars (USD \$), unless otherwise stated. Values are approximate, due to the dynamic nature of holdings by institutions, along with the value of the equities.
- Investment positions are obtained from Bloomberg Market Data, and are based on position filings as of mid or end of 2023 for most companies.
- Estimated investment value is calculated as the number of positions held by the bank, multiplied by the equity value or stock price, as of March 31, 2024.
- Equities listed on non-American exchanges were converted to US dollars. Conversion rates used were:
 - 1 CAD = 0.74 USD
 - 1 EUR = 1.09 USD
 - 1 GBP = 1.26 USD
 - 1 KRW = 0.00074 USD
 - 1 JPY = 0.0066 USD
 - 1 SEK = 0.094 USD
- The majority of the listed weapons manufacturers do not exclusively develop weapons and are engaged in other non-weapon related business activities. Crude estimates of investments from Canadian banks going directly towards weapons were therefore calculated, based on the percentage of revenue for each company that is attributable to weapons or arms (Table 2).
- Absence of data or evidence (e.g., regarding an investment, an ESG score, or whether or not a company produces controversial weapons or not) is not evidence of absence of activity, controversy, or risk. That is, omissions exist due to the limitations of publicly available data.

- This report has been authored by a group of like-minded individuals with diverse expertise, that wished to better inform themselves and any client of the top 6 Canadian banks, about their financial institution's investments in the weapons industry. Members of the group also met with senior leadership at all of these banks, seeking clarifications regarding their positions, policies and plans with regard to investments in the weapons industry and how it relates to their ESG strategy. None of the group members are being compensated for their contributions.
- The latest ESG-related reports, policy documents and human rights statements from each bank were also reviewed with regard to their position, policies or practices with regard to weapons.

KEY FINDINGS

Investments by Canadian Banks in Weapons

- Corporations based in the United States are the largest weapons manufacturers, and therefore benefit from the production, sale, and use of weapons. After excluding duplicates in the Top 40 lists between the SIPRI and DefenseNews rankings, along with Russia and China-based manufacturers, 39 weapons manufacturers were included in the analysis. Publicly available investment data was available for 29 of these included 39 companies. 25 out of these 29 (86%) are involved in controversial weapons, with mostly moderate or significant controversy level from an ESG perspective, per Sustainalytics. Most of these companies are also involved in the production of nuclear weapons. (Table 2)
- The top 6 Canadian banks have a combined estimated total investment of \$14.154 billion in the top weapons manufacturers, of which \$12.754 billion is within controversial weapons manufacturers. Royal Bank of Canada (RBC) has the highest contribution (46%) from all the banks, whereas NBC (National Bank of Canada) has the smallest contribution (4%). (Figure 1, Table 5)
- The top 10 weapons manufacturers that Canadian banks have invested in, in descending order of total amount invested, are: Honeywell International, Lockheed Martin Corp., General Dynamics Corp., RTX (formerly Raytheon), General Electric Co., Boeing Inc, Safran, Northrop Grumman Corp., Rolls-Royce Holdings, and Elbit Systems. (Figure 2, Table 4)
- RBC has the largest exposure in absolute dollars to investments in weapons manufacturers (\$6.528 billion), with a significant proportion (93%) considered to be in controversial weapons manufacturers. NBC has the lowest exposure in absolute dollars in weapons manufacturers (\$609 million), with 83% of this in controversial weapons manufacturers. (Tables 4 and 5)
- Canadian Imperial Bank of Commerce (CIBC) has the highest percentage (95%) of its total investment in weapons manufacturers that goes towards manufacturers of controversial weapons. Toronto Dominion (TD) Bank has the lowest percentage (79%) of its total investment in weapons manufacturers that goes towards controversial weapons manufacturers. (Table 5)

- Expressed as a percentage of Assets Under Management (AUM) (therefore, exposure relative to size of its total investments), Bank of Montreal (BMO) has the highest proportion of its total investments in top weapons manufacturers (0.97%), with 0.87% of AUM within controversial weapons manufacturers. TD Bank has the lowest proportion of its total investment in top weapons manufacturers (0.53%) as a percentage of AUM, with 0.41% of AUM within controversial weapons manufacturers. (Table 5)
- After adjustment for the percentage revenue attributable towards weapons and arms for each company to calculate crude estimates, the total value of Canadian bank investments going directly towards weapons is \$5.856 billion, of which \$5.759 billion is attributable to controversial weapons. RBC has the highest crude estimate of direct investment in weapons (\$2.580 billion) and NBC has the lowest crude estimate of direct investment in weapons (\$221 million). (Tables 6 and 7, Figure 4)
- Based on crude estimates of direct investment in weapons, expressed as a percentage of AUM, BMO has the highest direct investment in weapons (0.44%), with 0.43% of AUM within controversial weapons. TD Bank has the lowest direct investment in weapons (0.19%) as a percentage of AUM, with 0.18% of AUM within controversial weapons. (Table 7, Figure 5)
- **Commitments:** NBC has committed to divesting from all controversial weapons manufacturers in 2024, and is the only bank in the top 6 to make this commitment. RBC, Scotiabank and CIBC are open to reviewing their current ESG and weapons-related policies internally. TD Bank says they have minimal exposure to and are not profiting from weapons, directing enquiring customers to their ESG documents and products.

Credits by Canadian Banks to Weapons Manufacturers

- Besides investments in top weapons manufacturers, 5 of the top 6 banks had a greater value of credits worth billions of dollars to these companies, in terms of loans and underwriting. Based on publicly available data, NBC is the only bank that had zero loans and no underwriting.

Weapons-Related ESG Policies by Canadian Banks

- Many of the publicly available ESG related documents for Canadian banks do not include the term “weapon”, do not distinguish between controversial and other conventional weapons, or do not elaborate on their definition of “controversial weapons”. (Section 5)
 - BMO does not mention weapons in any of their publicly available related documents, although notably their 2023 sustainability report removed a statement about weapons that was contained in the 2022 report.
 - CIBC mentions specific ESG-friendly products that may exclude weapons and that are available to clients upon request.
 - NBC does not mention weapons in any of their publicly available ESG related documents.
 - RBC’s Global Asset Management provides the most detailed, indirect description of a controversial weapons policy and its scope.

- Scotiabank mentions specific ESG products that exclude verified controversial weapons, without further elaboration on how this is defined or established.
 - TD Bank mentions specific ESG products that exclude weapons or controversial weapons, with screening based on Sustainalytics ratings.
- Several Canadian banks offer specific investment products and funds which may be “ESG-friendly”, and may exclude some weapons, however these are only offered to interested clients upon request. The exclusion of weapons, even controversial weapons, is not an institution-wide policy for any of the Top 6 banks.
- An exclusion list of controversial weapons manufacturers for any of the Canadian Top 6 banks was not available publicly, although it is available for many investment firms around the world.
- While all Canadian Top 6 banks have an official statement on human rights (Section 5), none of them include language that relates to the right to life, liberty, security, including freedom from physical or psychological harm or suffering. Undeniably, these are all directly adversely impacted by weapons, particularly those that cause indiscriminate harm or suffering, and are more readily deployed in acts of genocide.

Weapons-Related Resource Links

- [Weapon Free Funds](#) allows anyone to quickly search whether or not the fund they are invested in has significant exposure to military weapons.
- A map of Canadian locations of weapons manufacturers is provided by the [World Beyond War campaign](#).

BANK RANKINGS IN TERMS OF WEAPONS EXPOSURES

Based on the data compiled, the top 6 Canadian banks are ranked below from best (least exposure) to worst (most exposure). Various factors were taken into consideration, including each bank's total and adjusted crude investment in weapons, percentage within controversial weapons, percentage of AUM within weapons, contribution towards total investment in weapons by Canadian banks, credits and loans to weapons manufacturers, and their commitment to reducing exposure to weapons.

1. NBC (least exposure)
2. TD Bank
3. Scotiabank
4. CIBC
5. BMO
6. RBC (most exposure)

RECOMMENDATIONS FOR INDIVIDUAL INVESTORS

Individual investors should:

1. Review (or have their financial advisor review) their individual portfolios (stocks, mutual funds, and ETFs) in all investment accounts (Investing, TFSA, RRSP, TFSA, RIF, FHSA etc.) for any holdings in any of the listed weapons manufacturers listed in this report;
2. Prioritize divesting from the largest weapons manufacturers, that are engaged in controversial weapons, and those that generate the highest revenue (including proportion of their total revenue) from weapons;
3. Discuss with their banks their concerns regarding its investments in weapons manufacturing;
4. Consider moving their various personal, business, investing and credit/loan accounts to a financial institution with less exposures to weapons.

RECOMMENDATIONS FOR CANADIAN FINANCIAL INSTITUTIONS

All top 6 Canadian banks should:

1. Review and update their ESG policies and reports to:
 - a. Be intentionally transparent to their clients on their ESG positions with regard to weapons,
 - b. Include a weapons exclusions policy,
 - c. Define and expand upon how controversial weapons are considered and managed,
 - d. Publicly declare their investments and credits with weapon manufacturers in their annual sustainability and ESG reports;
2. Provide an exclusionary list of weapons manufacturers based on recognized and established ESG ratings, their involvement in the development of controversial weapons, or their role in previous, present or potential acts in violation of Canadian or international law;
3. Commit to a higher moral standard of institution-wide policies as it relates to weapons, especially controversial weapons, and not just for ESG-specific products, portfolios, or clients. A financial institution's other corporate social responsibility initiatives cannot and should not be relied upon to justify ongoing investments in controversial weapons that by design, kill or harm indiscriminately;
4. Divest, at the very least, from controversial weapons manufacturers. If these investments are claimed to not be significant as a percentage of a bank's total holdings or are not within portfolios for the purpose of generating income or growth, then divestment is both financially prudent and as a matter of principle and policy, aligned with Canadians' expectations of ESG commitments from Canadian financial institutions. Ethical investing trends

demonstrate profitability doesn't have to come at the expense of human rights, with alternative investment options available that still allow portfolio diversification without compromising ethical standards;

5. Expand their existing "human rights" statements to include the right to life and protection from and prevention of genocide, as enshrined in the UN Universal Declaration of Human Rights, UN Convention on the Prevention & Punishment of Crimes of Genocide, and the Canadian Charter of Rights and Freedoms.

RECOMMENDATIONS FOR POLICYMAKERS AND REGULATORS

Canadian policymakers and regulators should:

1. Update legal frameworks and regulations as required to limit or prohibit investments in and credits to controversial weapons manufacturers, to better align with contemporary ethical standards and public sentiment. There is broad based support for more stringent definitions and exclusions as exhibited by the shared concerns of diverse stakeholders including customers, shareholders and global advocacy groups,
2. Be proactive in ensuring institutional divestment from controversial weapons manufacturers,
3. Ensure Canada does not fall behind other countries in Europe and Oceania, where several countries have already enacted [laws prohibiting investments in controversial weapons](#), and numerous institutions and investment funds have already [excluded controversial weapons](#). Ongoing investments and credit relationships with these companies places Canadian banks and the Canadian financial services industry more broadly at significant reputational, financial, and potentially legal risk.

N.B. This report is a living document to reflect the dynamic nature of investments, and therefore will be revised and updated periodically. Any feedback, questions, or comments may be sent to projectesgcanada@gmail.com.

SECTION 1: CONTROVERSIAL WEAPONS BACKGROUND

While there is no single universally accepted [definition](#), in general, controversial weapons are weapons that are either illegal, or cause [indiscriminate harm or suffering](#). This may include [weapons](#) such as landmines, biological weapons, chemical weapons, cluster munition weapons, depleted uranium, nuclear weapons, white phosphorus, incendiary weapons, or blinding lasers.

International humanitarian law conventions and protocols define and prohibit these weapons and related activities, and Canada is a party to these conventions and protocols. The [International Committee of the Red Cross \(ICRC\)](#) and [Medecins Sans Frontieres](#) support a [1996 International Court of Justice \(ICJ\) panel's unanimous conclusion](#), that rules of international humanitarian law apply to the use of nuclear weapons.

A comprehensive **Controversial Weapons** Policy should ideally include a prohibition of investments in any production, sale, storage or services for weapons, ammunition, or components not compliant with or in violation of:

- Ottawa Convention on anti-personnel landmines
- UN Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on Their Destruction
- Oslo convention on cluster munitions
- Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological and Toxin Weapons and on Their Destruction (BTWC)
- Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (CWC)
- Treaty on the Non-Proliferation of Nuclear Weapons (NPT)
- Treaty on the Prohibition of Nuclear Weapons
- Comprehensive Nuclear-Test-Ban Treaty (CTBT)
- Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (CCW)
- Arms Trade Treaty (ATT)
- Export and Import Permits Act (EIPA)

Additional Considerations for Inclusion into a Controversial Weapons Policy:

- Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons (2018)
- The Hague Code of Conduct against Ballistic Missile Proliferation (HCOC)
- Missile Technology Control Regime (MTCR)

Implementation of a Controversial Weapons Policy should incorporate relevant national and international legislation, the legal, reputational and financial risks associated with exposure now and in the future, and specify how the policy applies to:

- Direct management of listed and non-listed assets
- Indirect, listed and non-listed funds of funds
- Delegated management
- Loans, credits and underwriting contracts

- The entire institution or if only to specific products, services or clients.
- New developments in the weapons industry with a plan for periodic updates and revision, as required.

Table 1. Example of Definitions of Controversial Weapons - Sustainalytics & S&P Global

Sustainalytics Product and Category of Involvement	Sustainalytics Description	S&P Global Product and Category of Involvement	S&P Global Description
Controversial Weapons: Tailor Made and Essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	Controversial Weapons: Customized Weapons	This screen covers companies involved in the manufacturing of the components of a weapon. These components are intended solely for use in the production and are essential for the functioning of Anti-Personnel Mines, Biological and Chemical Weapons, Blinding Laser Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons and Nuclear Weapons.
Controversial Weapons: Non-Tailor Made or NonEssential	The company provides components/services for the core weapon system which are either not considered tailor-made or not essential to the lethal use of the weapon.	Controversial Weapons: Related Products and Services	This screen covers companies that supply products and/or services such as stockpiling and transferring, and sales for Anti-Personnel Mines, Biological and Chemical Weapons, Blinding Laser Weapons, Cluster Munitions, Depleted Uranium and Incendiary Weapons.

SECTION 2: LEADING WEAPONS MANUFACTURERS & THEIR ESG-RELATED RISKS

This section contains a summary table of the world's Top 40 biggest arms and weapons (or their components) manufacturers, as per two curated lists from SIPRI and DefenseNews. These companies profit from the use of their manufactured products or provided services during conflict and war, which inevitably results in deaths and human suffering.

The companies are listed in alphabetical order for ease of reference. Missing data are labelled as a grey shaded box. The table lists each company's total annual revenue from weapons or arms in USD \$ millions, what proportion of their total revenues are directly related to or derived from arms or weapons, and their worldwide ranking in terms of total arms revenue. This allows for quick identification and prioritization of the biggest weapons manufacturers, and those that are primarily focused on the business of weapons and arms. Whether or not they are involved in nuclear weapons is based on the Feb 2024 [Untenable Investments Report](#), or the April 2024 [Financial Exclusions Tracker](#) database. Data regarding ESG Risk Ratings, Controversy Level, and whether the company is involved in Controversial weapons, small arms or military contracting, is obtained from [Sustainalytics](#) via [Yahoo Finance](#), [Morningstar](#), and the [Financial Exclusions Tracker](#). They are external, global leaders in analyzing the ESG-related activities of each company and assigning ratings accordingly. Finally, the number of worldwide financial institutions that have already excluded investments in the company, as per the [Financial Exclusions Tracker](#), is also presented.

Data was obtained only for the top 40 weapons manufacturers in either of the two lists, in order to prioritize those manufacturers whose weapons were most likely being sold, bought and used while still ensuring adequate coverage of the landscape of weapons manufacturers. In order to focus on controversial weapons, companies that focused primarily on construction or non-weapons related engineering, cybersecurity and digital technologies such as surveillance were excluded. Manufacturers from Russia and China were also excluded, as present regulations and sanctions already limit investments in these countries.

The data demonstrate that the majority of the top weapons manufacturers worldwide are involved in controversial weapons, including nuclear weapons, and are established as being at moderate to significant controversy level from an ESG perspective. This exposes Canadian financial institutions with investments in these companies at significant financial, reputational and potentially legal and liability risks. **Compared to large numbers of financial institutions across Europe and Oceania that have already excluded most of these companies from their funds and investments, Canadian institutions are falling behind what is becoming an international standard in divestment from controversial weapons manufacturers.** Such policies and actions are grounded in principles that are not dissimilar from previous and ongoing divestments by financial institutions due to tobacco, climate change, or human rights violations.

Table 2. Summary of Leading Weapons Manufacturers and their ESG-related Risks

Company	Country	Arms Revenue (USD \$ millions) (2022)	Defence/ Arms Revenue as a % of Total Revenue (2022)	SIPRI Arms & Military Services Companies Rank (2022)	DefenseNews Top 100 Defense Companies Rank (2023)	Nuclear Weapons Producer	ESG (Environment, Social & Governance) Risk & Product Involvement Areas					Number of Financial Institutions Worldwide Excluded By (Financial Exclusions Tracker)
							ESG Risk Rating (0-100)	Controversy Level (1-5)	Controversial Weapons	Small Arms	Military Contracting	
Airbus Group	Netherlands	\$12,090	20%	14	12	Yes	25 (Medium)	3 (Significant)	Yes	No	Yes	78
Amentum	United States	6,560	75%	20	17	Yes					Yes	2
BAE systems PLC	United Kingdom	26,900	97%	6	7	Yes	26 (Medium)	3 (Significant)	Yes			100
Babcock International	United Kingdom	3,680	67%	40		Yes	29 (Medium)	2 (Moderate)	Yes	No	Yes	48
Bechtel	United States	2,740	17%	49	39	Yes						5
Boeing Inc	United States	29,300	44%	4	5	Yes	40 (High)	4 (High)	Yes	No	Yes	85
Booz Allen Hamilton	United States	5,900	64%	22	18	Yes	17 (Low)	2 (Moderate)	Yes	Yes	Yes	25
CACI International	United States	4,820	72%	26	27	Yes	17 (Low)	2 (Moderate)	Yes	Yes	Yes	26
Dassault Aviation	France	5,070	70%	23	20	Yes	36 (High)	3 (Significant)	Yes		Yes	43
Elbit Systems	Israel	4,960	90%	24	21	Yes	37 (High)	2 (Moderate)	Yes	Yes	Yes	77
General Dynamics Corp	United States	28,320	72%	5	6	Yes	35 (High)	3 (Significant)	Yes	Yes	Yes	113
General Electric Co.	United States	4,410	5.8%	31	25		41 (Severe)	3 (Significant)	No	No	Yes	47

Company	Country	Arms Revenue (USD \$ millions) (2022)	Defence/ Arms Revenue as a % of Total Revenue (2022)	SIPRI Arms & Military Services Companies Rank (2022)	DefenseNews Top 100 Defense Companies Rank (2023)	Nuclear Weapons Producer	ESG (Environment, Social & Governance) Risk & Product Involvement Areas					Number of Financial Institutions Worldwide Excluded By (Financial Exclusions Tracker)
							ESG Risk Rating (0-100)	Controversy Level (1-5)	Controversial Weapons	Small Arms	Military Contracting	
Hanwha	South Korea	\$2,780	50%	48	26	Yes	51 (Severe)	3 (Significant)	Yes	Yes	Yes	119
Honeywell International	United States	4,630	13%	27	23	Yes	29 (Medium)	3 (Significant)	Yes	No	Yes	88
Huntington Ingalls Industries (HII)	United States	8,750	82%	18	13	Yes	34 (High)	1 (Low)	Yes	Yes	Yes	64
Israel Aerospace Industries Ltd.	Israel	4,100	82%	35	29	Yes			Yes			16
Jacobs Solutions	United States	2,090	14%	58	32	Yes	22 (Medium)	3 (Significant)	Yes	No	Yes	68
KBR	United States	4,270	65%	33	38	Yes	19 (Low)	2 (Moderate)	Yes	Yes	Yes	19
KNDS	Europe	3,200	95%	44	36				Yes			3
L3Harris Technologies	United States	12,630	74%	12	9	Yes	21 (Medium)	2 (Moderate)	Yes	Yes	Yes	78
Leidos	United States	8,240	58%	19	16	Yes	18 (Low)	2 (Moderate)	Yes	No	Yes	78
Leonardo SpA	Italy	12,470	83%	13	11	Yes	20 (Medium)	3 (Significant)	Yes	Yes	Yes	67
Lockheed Martin Corp	United States	59,390	59%	1	1	Yes	30 (High)	3 (Significant)	Yes	No	Yes	89
MBDA	Europe	4,380	99%	32		Yes			Yes			1

Company	Country	Arms Revenue (USD \$ millions) (2022)	Defence/ Arms Revenue as a % of Total Revenue (2022)	SIPRI Arms & Military Services Companies Rank (2022)	DefenseNews Top 100 Defense Companies Rank (2023)	Nuclear Weapons Producer	ESG (Environment, Social & Governance) Risk & Product Involvement Areas					Number of Financial Institutions Worldwide Excluded By (Financial Exclusions Tracker)
							ESG Risk Rating (0-100)	Controversy Level (1-5)	Controversial Weapons	Small Arms	Military Contracting	
Mitsubishi Corp	Japan	\$3,250	10%	43	35	No	29 (Medium)	2 (Moderate)	No	No	Yes	7
Naval Group	France	4,530	99%	29	24	Yes			Yes			4
Northrop Grumman Corp	United States	32,300	88%	3	3	Yes	28 (Medium)	2 (Moderate)	Yes	Yes	Yes	139
Peraton Inc.	United States	2,090	14%	58	30	Yes						3
Rafael Advanced Defence Systems Ltd	Israel	3,380	98%	42	34							
Rheinmetall AG	Germany	4,550	67%	28	19		27 (Medium)	3 (Significant)	Yes	Yes	Yes	21
Rolls-Royce Holdings plc	United Kingdom	4,930	32%	25	22	Yes	25 (Medium)	2 (Moderate)	Yes	No	Yes	68
RTX Corp (formerly Raytheon)	United States	39,570	59%	2	2	Yes	31 (High)	3 (Significant)	Yes	Yes	Yes	112
SAIC - Science Applications International Corp.	United States	3,780	49%	38	31	Yes	24 (Medium)		Yes	Yes	Yes	34
Saab	Sweden	3,700	89%	39	33		25 (Medium)	2 (Moderate)	No	Yes	Yes	8
Safran	France	4,200	21%	34	28	Yes	24 (Medium)	2 (Moderate)	Yes	Yes	Yes	61

Company	Country	Arms Revenue (USD \$ millions) (2022)	Defence/ Arms Revenue as a % of Total Revenue (2022)	SIPRI Arms & Military Services Companies Rank (2022)	DefenseNews Top 100 Defense Companies Rank (2023)	Nuclear Weapons Producer	ESG (Environment, Social & Governance) Risk & Product Involvement Areas					Number of Financial Institutions Worldwide Excluded By (Financial Exclusions Tracker)
							ESG Risk Rating (0-100)	Controversy Level (1-5)	Controversial Weapons	Small Arms	Military Contracting	
Sandia National Laboratories	United States	\$3,920	89%	37		Yes						
Textron Inc.	United States	2,910	23%	45	40	Yes	34 (High)	2 (Moderate)	Yes	Yes	Yes	88
Thales	France	9,420	51%	17	14	Yes	29 (Medium)	2 (Moderate)	Yes	Yes	Yes	63
V2X	United States	2,520	87%	51	37		22 (Medium)	1 (Low)		Yes	Yes	3

SECTION 3: FINANCIAL SUMMARY OF WEAPONS MANUFACTURERS AND INVESTMENT EXPOSURES BY CANADA'S TOP 6 BANKS

The following tables and figures summarize the investments of the top 6 Canadian banks in the top weapons manufacturers.

Figure 1. Total Investment in the Top Weapons Manufacturers, by Bank

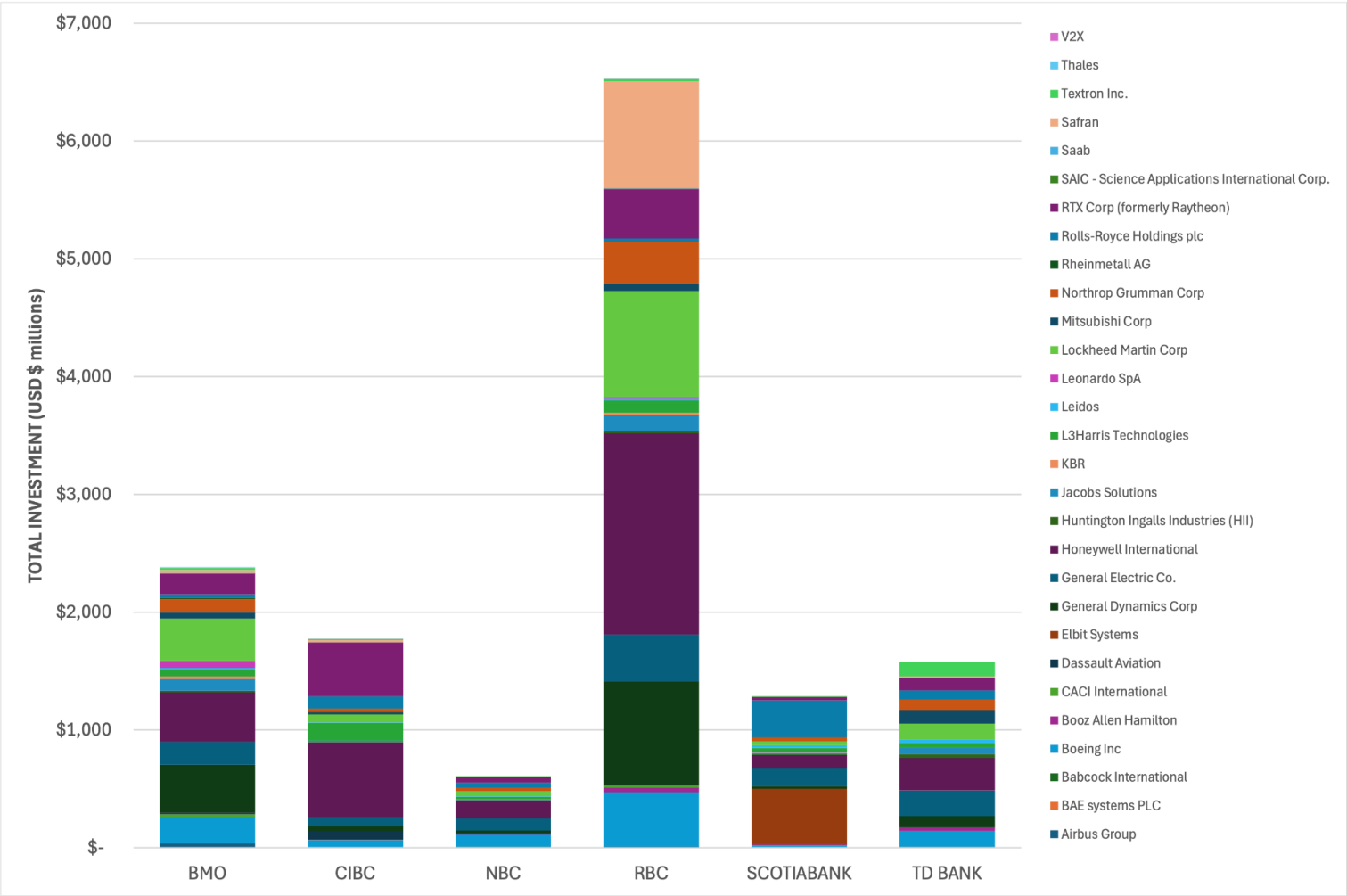


Figure 2. Distribution of Total Investment in Each Weapons Manufacturer, by Each Bank

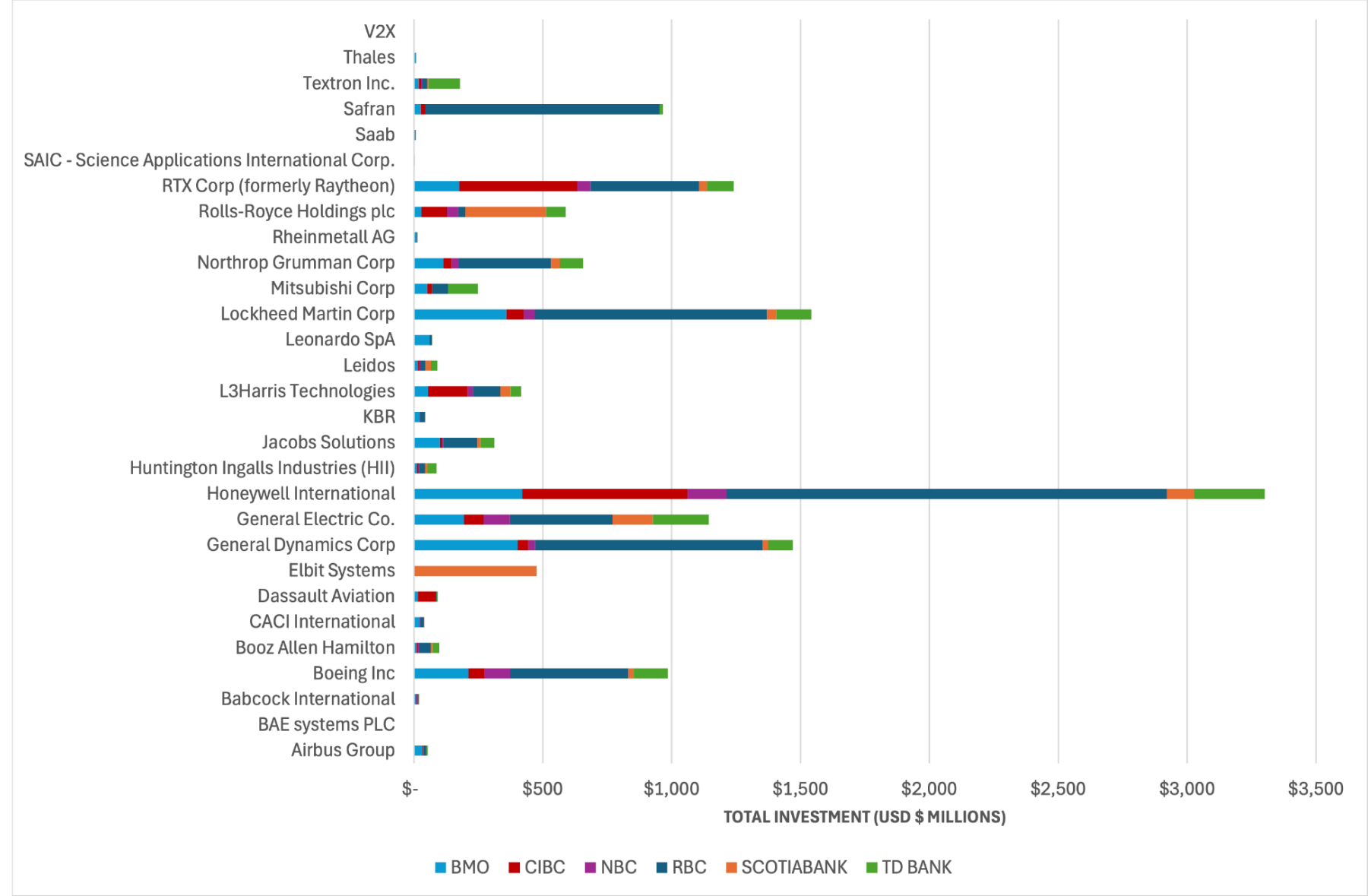


Table 3. Positions in Top Weapons Manufacturers by Canadian Bank (With Public Investment Data Available)

COMPANY	TICKER	EQUITY VALUE	EQUITY VALUE (USD)	BMO	CIBC	NBC	RBC	SCOTIABANK	TD BANK
Airbus Group	EADSF		\$ 184.59	185,023	13,991	0	57,614	0	36,370
BAE systems PLC	BAESY		\$ 69.35	0	0	0	0	0	0
Babcock International	BAB.L	520 GBp	\$ 6.55	1,134,291	0	1,481,327	16,774	0	402,999
Boeing Inc	BA		\$ 192.99	1,093,748	317,520	522,882	2,377,240	104,150	687,734
Booz Allen Hamilton	BAH		\$ 148.44	65,167	31,842	43,821	293,960	49,701	176,785
CACI International	CACI		\$ 378.83	58,440	1,328	7,020	36,669	1,217	0
Dassault Aviation	DSY.PA	41.04 EUR	\$ 44.73	337,466	1,553,285	0	77,410	0	97,761
Elbit Systems	ESLT		\$ 210.23	9,865	42	424	3,835	2,246,525	7,257
General Dynamics Corp	GD		\$ 282.49	1,423,802	146,292	95,467	3,121,409	80,057	335,262
General Electric Co.	GE		\$ 175.53	1,110,696	428,486	582,970	2,265,719	891,177	1,239,991
Honeywell International	HON		\$ 205.25	2,050,685	3,118,893	745,210	8,314,027	520,756	1,333,798
Huntington Ingalls Industries (HII)	HII		\$ 291.47	40,606	18,712	9,266	77,595	32,180	123,057
Jacobs Solutions	J		\$ 153.73	655,703	50,596	27,539	866,307	75,893	352,722
KBR	KBR		\$ 63.66	361,379	7,588	694	305,477	7,537	42
L3Harris Technologies	LHX		\$ 213.10	256,195	714,468	105,879	492,824	186,172	193,409
Leidos	LDOS		\$ 131.09	114,946	41,692	40,353	149,764	160,631	182,188
Leonardo SpA	LDO.MI	23.28 EUR	\$ 25.38	2,427,208	678	0	321,291	0	38,440
Lockheed Martin Corp	LMT		\$ 454.87	789,184	143,615	99,201	1,980,370	77,731	299,240
Mitsubishi Corp	8058	3495 JPY	\$ 23.07	2,238,425	805,154	0	2,673,372	0	5,066,522
Northrop Grumman Corp	NOC		\$ 478.66	240,486	65,883	58,265	746,132	70,931	189,344
Rheinmetall AG	RHM.DE	521 EUR	\$ 567.89	18,708	3,984	0	0	0	263
Rolls-Royce Holdings plc	RR.L	426.70 GBp	\$ 5.38	5,472,636	18,544,552	8,000,000	5,093,406	58,211,658	14,244,780
RTX Corp (formerly Raytheon)	RTX		\$ 97.53	1,805,013	4,702,594	519,666	4,318,508	314,936	1,067,491
SAIC - Science Applications International Corp.	SAIC		\$ 130.39	7,206	1,534	25	10,924	3,407	100
Saab	SAABB.SS	952 SEK	\$ 89.49	25,630	10,841	0	35,698	0	5,312
Safran	SAF.PA	210.05 EUR	\$ 228.95	115,875	78,791	0	3,965,976	0	57,713
Textron Inc.	TXT		\$ 95.93	190,678	98,201	50,429	205,123	47,126	1,272,872
Thales	HO.PA	158.05 EUR	\$ 172.27	33,119	164	0	8,536	0	6,048
V2X	VVX		\$ 46.71	0	319	0	6,904	0	0

NOTES:

Positions are based on filings, mostly as of the end of 2023. Equity values are as of March 31, 2024. For each weapons manufacturer, the bank(s) with the lowest position (or least investment) is highlighted in blue and the bank(s) with the highest position (or greatest investment) is highlighted in peach. Data for the following companies was not available as they are either private or government-owned: Amentum, Bechtel, Hanwha, Israel Aerospace Industries Ltd., KNDS, MBDA, Naval Group, Peraton Inc., Rafael Advanced Defence Systems Ltd., Sandia National Laboratories. Currency conversion rates used are as follows: 1 EUR = 1.09 USD, 1 GBP = 1.26 USD, 1 KRW = 0.00074 USD, 1 JPY = 0.0066 USD, 1 SEK = 0.094 USD.

Table 4. Total Investment in Top Weapons Manufacturers by Canadian Bank (Public Investments Only).

COMPANY	TICKER	EQUITY VALUE	EQUITY VALUE (USD)	BMO	CIBC	NBC	RBC	SCOTIABANK	TD BANK
<i>Airbus Group</i>	EADSF		\$ 184.59	\$ 34,153,396	\$ 2,582,599	\$ -	\$ 10,634,968	\$ -	\$ 6,713,538
<i>BAE systems PLC</i>	BAESY		\$ 69.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Babcock International</i>	BAB.L	520 GBp	\$ 6.55	\$ 7,431,875	\$ -	\$ 9,705,655	\$ 109,903	\$ -	\$ 2,640,449
<i>Boeing Inc</i>	BA		\$ 192.99	\$ 211,082,427	\$ 61,278,185	\$ 100,910,997	\$ 458,783,548	\$ 20,099,909	\$ 132,725,785
<i>Booz Allen Hamilton</i>	BAH		\$ 148.44	\$ 9,673,389	\$ 4,726,626	\$ 6,504,789	\$ 43,635,422	\$ 7,377,616	\$ 26,241,965
<i>CACI International</i>	CACI		\$ 378.83	\$ 22,138,825	\$ 503,086	\$ 2,659,387	\$ 13,891,317	\$ 461,036	\$ -
<i>Dassault Aviation</i>	DSY.PA	41.04 EUR	\$ 44.73	\$ 15,096,069	\$ 69,484,030	\$ -	\$ 3,462,828	\$ -	\$ 4,373,201
<i>Elbit Systems</i>	ESLT		\$ 210.23	\$ 2,073,919	\$ 8,830	\$ 89,138	\$ 806,232	\$ 472,286,951	\$ 1,525,639
<i>General Dynamics Corp</i>	GD		\$ 282.49	\$ 402,209,827	\$ 41,326,027	\$ 26,968,473	\$ 881,766,828	\$ 22,615,302	\$ 94,708,162
<i>General Electric Co.</i>	GE		\$ 175.53	\$ 194,960,469	\$ 75,212,148	\$ 102,328,724	\$ 397,701,656	\$ 156,428,299	\$ 217,655,620
<i>Honeywell International</i>	HON		\$ 205.25	\$ 420,903,096	\$ 640,152,788	\$ 152,954,353	\$ 1,706,454,042	\$ 106,885,169	\$ 273,762,040
<i>Huntington Ingalls Industries (HII)</i>	HII		\$ 291.47	\$ 11,835,431	\$ 5,453,987	\$ 2,700,761	\$ 22,616,615	\$ 9,379,505	\$ 35,867,424
<i>Jacobs Solutions</i>	J		\$ 153.73	\$ 100,801,222	\$ 7,778,123	\$ 4,233,570	\$ 133,177,375	\$ 11,667,031	\$ 54,223,953
<i>KBR</i>	KBR		\$ 63.66	\$ 23,005,387	\$ 483,052	\$ 44,180	\$ 19,446,666	\$ 479,805	\$ 2,674
<i>L3Harris Technologies</i>	LHX		\$ 213.10	\$ 54,595,155	\$ 152,253,131	\$ 22,562,815	\$ 105,020,794	\$ 39,673,253	\$ 41,215,458
<i>Leidos</i>	LDOS		\$ 131.09	\$ 15,068,271	\$ 5,465,404	\$ 5,289,875	\$ 19,632,563	\$ 21,057,118	\$ 23,883,025
<i>Leonardo SpA</i>	LDO.MI	23.28 EUR	\$ 25.38	\$ 61,590,888	\$ 17,204	\$ -	\$ 8,152,823	\$ -	\$ 975,423
<i>Lockheed Martin Corp</i>	LMT		\$ 454.87	\$ 358,976,126	\$ 65,326,155	\$ 45,123,559	\$ 900,810,902	\$ 35,357,500	\$ 136,115,299
<i>Mitsubishi Corp</i>		8058 3495 JPY	\$ 23.07	\$ 51,633,749	\$ 18,572,487	\$ -	\$ 61,666,672	\$ -	\$ 116,869,463
<i>Northrop Grumman Corp</i>	NOC		\$ 478.66	\$ 115,111,029	\$ 31,535,557	\$ 27,889,125	\$ 357,143,543	\$ 33,951,832	\$ 90,631,399
<i>Rheinmetall AG</i>	RHM.DE	521 EUR	\$ 567.89	\$ 10,624,086	\$ 2,262,474	\$ -	\$ -	\$ -	\$ 149,355
<i>Rolls-Royce Holdings plc</i>	RR.L	426.70 GBp	\$ 5.38	\$ 29,423,190	\$ 99,703,300	\$ 43,011,360	\$ 27,384,290	\$ 312,970,322	\$ 76,585,920
<i>RTX Corp (formerly Raytheon)</i>	RTX		\$ 97.53	\$ 176,042,918	\$ 458,643,993	\$ 50,683,025	\$ 421,184,085	\$ 30,715,708	\$ 104,112,397
<i>SAIC - Science Applications International Corp.</i>	SAIC		\$ 130.39	\$ 939,590	\$ 200,018	\$ 3,260	\$ 1,424,380	\$ 444,239	\$ 13,039
<i>Saab</i>	SAABB.SS	952 SEK	\$ 89.49	\$ 2,293,577	\$ 970,139	\$ -	\$ 3,194,543	\$ -	\$ 475,360
<i>Safran</i>	SAF.PA	210.05 EUR	\$ 228.95	\$ 26,530,103	\$ 18,039,554	\$ -	\$ 908,028,052	\$ -	\$ 13,213,651
<i>Textron Inc.</i>	TXT		\$ 95.93	\$ 18,291,741	\$ 9,420,422	\$ 4,837,654	\$ 19,677,449	\$ 4,520,797	\$ 122,106,611
<i>Thales</i>	HO.PA	158.05 EUR	\$ 172.27	\$ 5,705,559	\$ 28,253	\$ -	\$ 1,470,535	\$ -	\$ 1,041,916
<i>V2X</i>	VVX		\$ 46.71	\$ -	\$ 14,900	\$ -	\$ 322,486	\$ -	\$ -
TOTAL INVESTMENT				\$ 2,382,191,314	\$ 1,771,442,473	\$ 608,500,698	\$ 6,527,600,519	\$ 1,286,371,392	\$ 1,577,828,767

NOTES:

Equity values as of March 31, 2024. For each weapons manufacturer, the bank with the lowest investment is highlighted in blue and the bank with the highest investment is highlighted in peach. Companies highlighted in red are identified as controversial weapons manufacturers. Amounts are in USD \$.

Table 5. Total Investment in Top Weapons Manufacturers by Canadian Bank (Public Investments Only).

	BMO	CIBC	NBC	RBC	SCOTIABANK	TD BANK	TOTAL
<i>Total Investment in Weapons Manufacturers</i>	\$2,382,191,314	\$1,771,442,473	\$608,500,698	\$6,527,600,519	\$1,286,371,392	\$1,577,828,767	\$14,153,935,163
<i>Total Within Controversial Weapons Manufacturers</i>	\$2,133,303,518	\$1,676,672,798	\$506,171,974	\$6,064,715,162	\$1,129,943,093	\$1,242,828,324	\$12,753,634,870
<i>Percentage Within Controversial Weapons Manufacturers (%)</i>	90%	95%	83%	93%	88%	79%	-
<i>Assets Under Management (AUM) (2023)</i>	\$246,380,780,000	\$222,161,320,000	\$89,434,920,000	\$789,950,000,000	\$234,286,960,000	\$299,700,000,000	-
<i>Percentage of AUM Invested in Top Weapons Manufacturers</i>	0.97%	0.80%	0.68%	0.83%	0.55%	0.53%	-
<i>Percentage of AUM Invested in Controversial Weapons Manufacturers</i>	0.87%	0.75%	0.57%	0.77%	0.48%	0.41%	-
<i>Distribution of Total Investments in Weapons Manufacturers Across All Banks</i>	17%	13%	4%	46%	9%	11%	100%
<i>Distribution of Investments in Controversial Weapons Manufacturers Across All Banks</i>	17%	13%	4%	48%	9%	10%	100%

NOTES:

Amounts are in USD \$. Total amount within controversial weapons manufacturers is calculated by adding investments in companies highlighted in red in Table 4. Assets under management in USD \$ are based on 2023 annual reports, as of Oct 31, 2023, and converted using the exchange rate 1 CAD \$ = 0.74 USD \$. The total investment in top weapons manufacturers, including controversial weapons manufacturers, as a percentage of Assets Under Management (AUM) for each bank is presented. The distribution of total investments in weapons manufacturers across the top 6 banks is also calculated. The lowest value in each row is highlighted in blue, and the highest value in each row is highlighted in peach.

Table 6. Crude Estimate of Direct Investments in Weapons by Canadian Banks, Adjusted For the Percentage Revenue of Each Weapons Manufacturer Derived from Weapons or Arms.

COMPANY	% REVENUE FROM WEAPONS OR ARMS	BMO	CIBC	NBC	RBC	SCOTIABANK	TD BANK
<i>Airbus Group</i>	20%	\$ 6,830,679	\$ 516,520	\$ -	\$ 2,126,994	\$ -	\$ 1,342,708
<i>BAE systems PLC</i>	97%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Babcock International</i>	67%	\$ 4,979,356	\$ -	\$ 6,502,789	\$ 73,635	\$ -	\$ 1,769,101
<i>Boeing Inc</i>	44%	\$ 92,876,268	\$ 26,962,401	\$ 44,400,839	\$ 201,864,761	\$ 8,843,960	\$ 58,399,345
<i>Booz Allen Hamilton</i>	64%	\$ 6,190,969	\$ 3,025,041	\$ 4,163,065	\$ 27,926,670	\$ 4,721,675	\$ 16,794,858
<i>CACI International</i>	72%	\$ 15,939,954	\$ 362,222	\$ 1,914,758	\$ 10,001,748	\$ 331,946	\$ -
<i>Dassault Aviation</i>	70%	\$ 10,567,248	\$ 48,638,821	\$ -	\$ 2,423,980	\$ -	\$ 3,061,241
<i>Elbit Systems</i>	90%	\$ 1,866,527	\$ 7,947	\$ 80,224	\$ 725,609	\$ 425,058,256	\$ 1,373,075
<i>General Dynamics Corp</i>	72%	\$ 289,591,075	\$ 29,754,739	\$ 19,417,300	\$ 634,872,116	\$ 16,283,017	\$ 68,189,877
<i>General Electric Co.</i>	5.8%	\$ 11,307,707	\$ 4,362,305	\$ 5,935,066	\$ 23,066,696	\$ 9,072,841	\$ 12,624,026
<i>Honeywell International</i>	13%	\$ 54,717,403	\$ 83,219,862	\$ 19,884,066	\$ 221,839,025	\$ 13,895,072	\$ 35,589,065
<i>Huntington Ingalls Industries (HII)</i>	82%	\$ 9,705,053	\$ 4,472,269	\$ 2,214,624	\$ 18,545,624	\$ 7,691,194	\$ 29,411,288
<i>Jacobs Solutions</i>	14%	\$ 14,112,171	\$ 1,088,937	\$ 592,700	\$ 18,644,833	\$ 1,633,384	\$ 7,591,353
<i>KBR</i>	65%	\$ 14,953,502	\$ 313,984	\$ 28,717	\$ 12,640,333	\$ 311,874	\$ 1,738
<i>L3Harris Technologies</i>	74%	\$ 40,400,414	\$ 112,667,317	\$ 16,696,483	\$ 77,715,388	\$ 29,358,207	\$ 30,499,439
<i>Leidos</i>	58%	\$ 8,739,597	\$ 3,169,934	\$ 3,068,127	\$ 11,386,886	\$ 12,213,128	\$ 13,852,154
<i>Leonardo SpA</i>	83%	\$ 51,120,437	\$ 14,280	\$ -	\$ 6,766,843	\$ -	\$ 809,601
<i>Lockheed Martin Corp</i>	59%	\$ 211,795,914	\$ 38,542,431	\$ 26,622,900	\$ 531,478,432	\$ 20,860,925	\$ 80,308,026
<i>Mitsubishi Corp</i>	10%	\$ 5,163,375	\$ 1,857,249	\$ -	\$ 6,166,667	\$ -	\$ 11,686,946
<i>Northrop Grumman Corp</i>	88%	\$ 101,297,705	\$ 27,751,290	\$ 24,542,430	\$ 314,286,318	\$ 29,877,613	\$ 79,755,631
<i>Rheinmetall AG</i>	67%	\$ 7,118,138	\$ 1,515,857	\$ -	\$ -	\$ -	\$ 100,068
<i>Rolls-Royce Holdings plc</i>	32%	\$ 9,415,421	\$ 31,905,056	\$ 13,763,635	\$ 8,762,973	\$ 100,150,503	\$ 24,507,494
<i>RTX Corp (formerly Raytheon)</i>	59%	\$ 103,865,322	\$ 270,599,956	\$ 29,902,985	\$ 248,498,610	\$ 18,122,268	\$ 61,426,314
<i>SAIC - Science Applications International Corp.</i>	49%	\$ 460,399	\$ 98,009	\$ 1,597	\$ 697,946	\$ 217,677	\$ 6,389
<i>Saab</i>	89%	\$ 2,041,284	\$ 863,424	\$ -	\$ 2,843,143	\$ -	\$ 423,071
<i>Safran</i>	21%	\$ 5,571,322	\$ 3,788,306	\$ -	\$ 190,685,891	\$ -	\$ 2,774,867
<i>Textron Inc.</i>	23%	\$ 4,207,100	\$ 2,166,697	\$ 1,112,660	\$ 4,525,813	\$ 1,039,783	\$ 28,084,521
<i>Thales</i>	51%	\$ 2,909,835	\$ 14,409	\$ -	\$ 749,973	\$ -	\$ 531,377
<i>V2X</i>	87%	\$ -	\$ 12,963	\$ -	\$ 280,563	\$ -	\$ -
TOTAL INVESTMENT DIRECTLY TOWARDS WEAPONS		\$ 1,087,744,177	\$ 697,692,228	\$ 220,844,965	\$ 2,579,597,471	\$ 699,683,323	\$ 570,913,574

NOTES:

Equity values as of March 31, 2024. Companies highlighted in red are identified as controversial weapons manufacturers. Amounts are in USD \$. Crude estimates of direct investment in weapons for each bank are calculated by multiplying the total amount invested by each bank in each manufacturer from Table 5 by the percentage of revenue of each manufacturer that is derived from weapons or arms.

Table 7. Crude Estimates of and Distribution of Direct Investment in Weapons by Canadian Banks.

	BMO	CIBC	NBC	RBC	SCOTIABANK	TD BANK	TOTAL
<i>Crude Estimate of Total Investment Directly in Weapons</i>	\$1,087,744,177	\$697,692,228	\$220,844,965	\$2,579,597,471	\$699,683,323	\$570,913,574	\$5,856,475,737
<i>Total Within Controversial Weapons</i>	\$1,069,231,811	\$690,596,287	\$214,909,899	\$2,547,240,403	\$690,610,481	\$546,179,531	\$5,758,768,412
<i>Percentage Within Controversial Weapons (%)</i>	98%	99%	97%	99%	99%	96%	-
<i>Assets Under Management (AUM) (2023) (USD \$)</i>	\$246,380,780,000	\$222,161,320,000	\$89,434,920,000	\$789,950,000,000	\$234,286,960,000	\$299,700,000,000	-
<i>Percentage of AUM Invested in Weapons</i>	0.44%	0.31%	0.25%	0.33%	0.30%	0.19%	-
<i>Percentage of AUM Invested in Controversial Weapons</i>	0.43%	0.31%	0.24%	0.32%	0.29%	0.18%	-
<i>Distribution of Total Weapons Investments Across All Banks</i>	19%	12%	4%	44%	12%	10%	100%
<i>Distribution of Controversial Weapons Investments Across All Banks</i>	19%	12%	4%	44%	12%	9%	100%

NOTES:

The invested value is adjusted for what proportion of the company's revenue is from arms or weapons, to obtain a crude estimate of the total investment going directly towards weapons. The proportion within controversial weapons for each bank is calculated, along with its relative proportion to total Assets Under Management (AUM). The distribution of total and controversial weapons investments across the top 6 banks, is also presented. The lowest value in each row is highlighted in blue, and the highest value in each row is highlighted in peach.

Figure 3. Distribution of Adjusted Investments Directly in Weapons, By Bank and Controversy Status (March 2024)

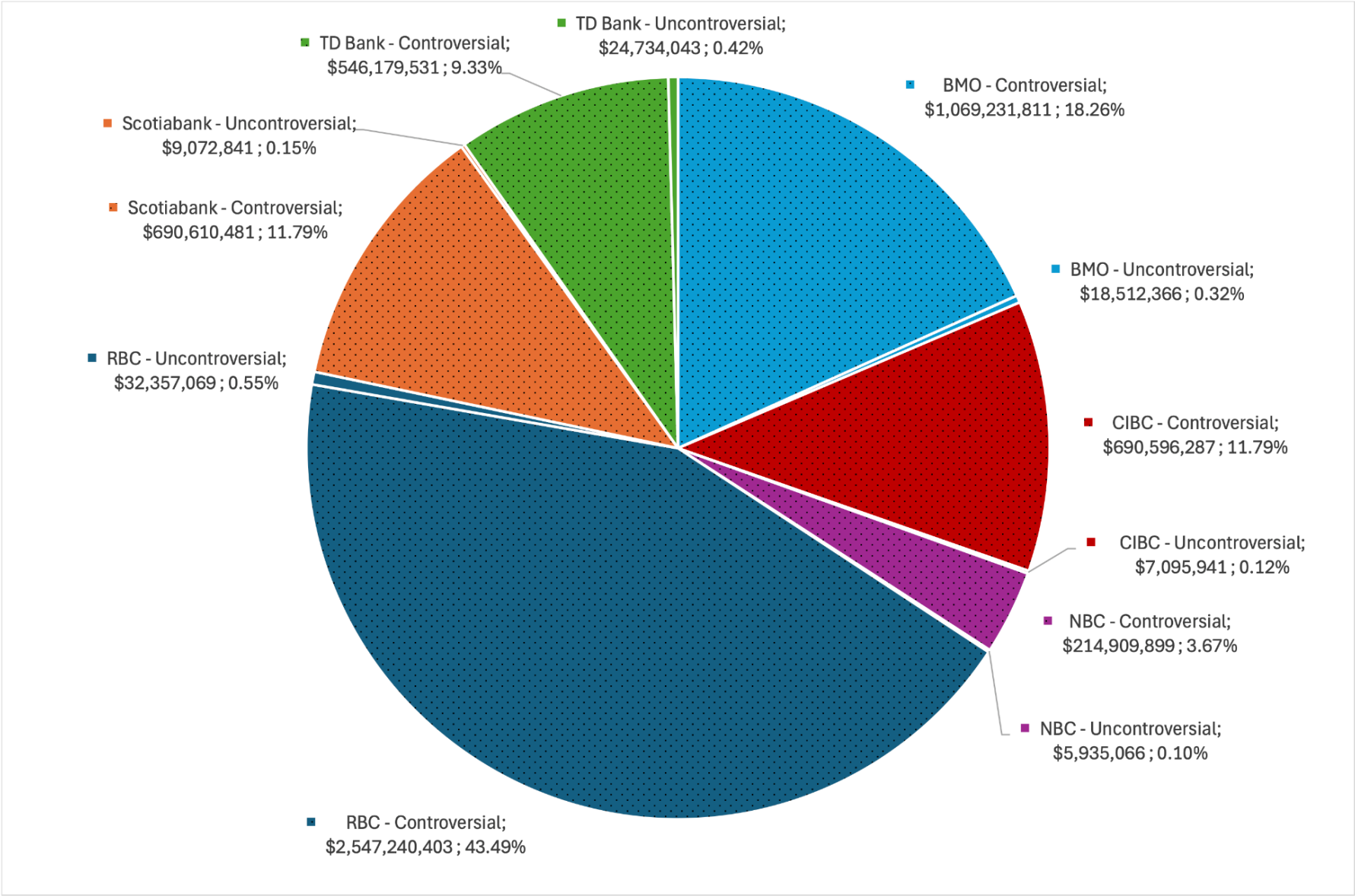


Figure 4. Adjusted Investments Directly in Weapons, By Bank and Controversy Status (March 2024)

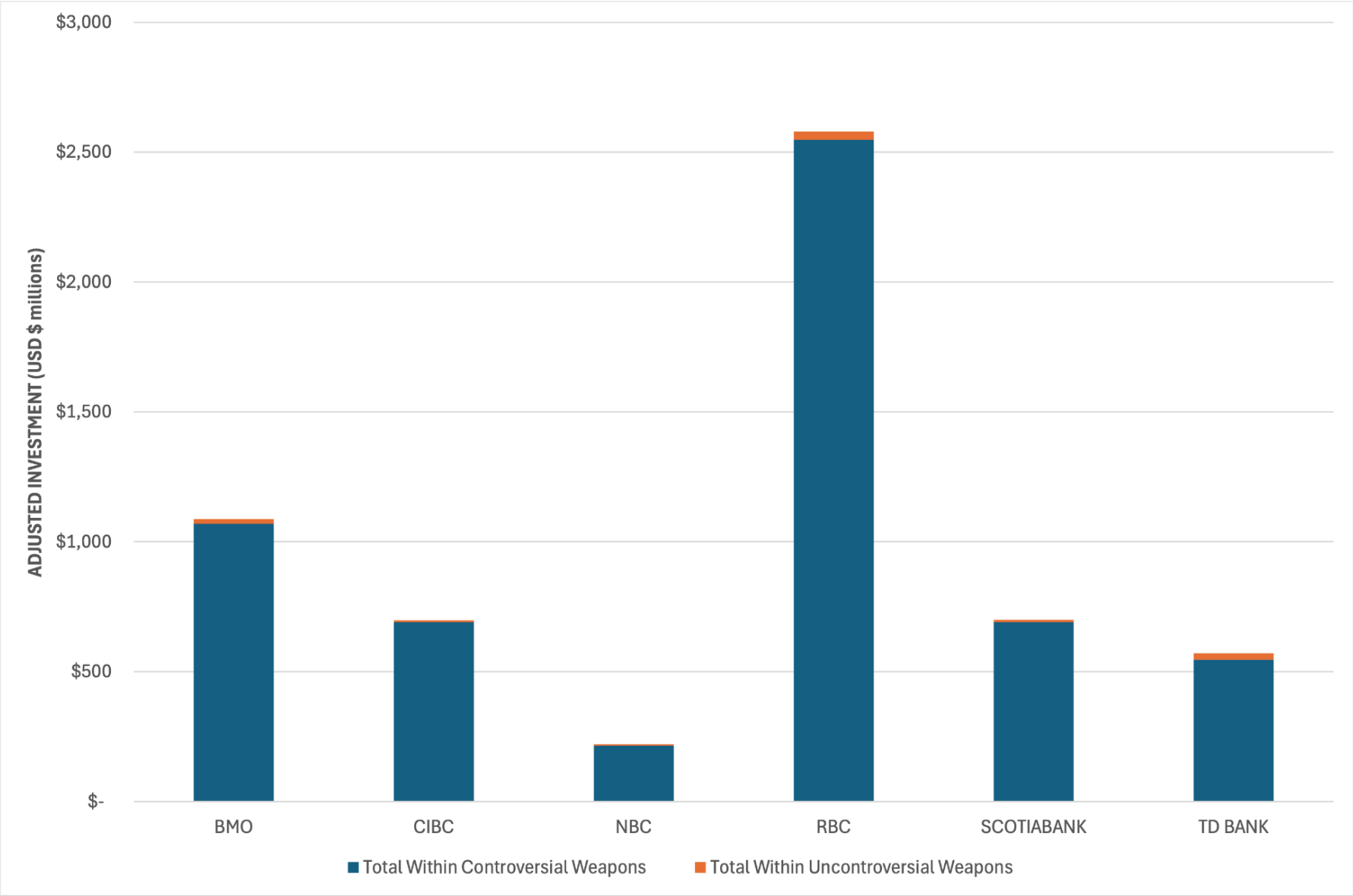
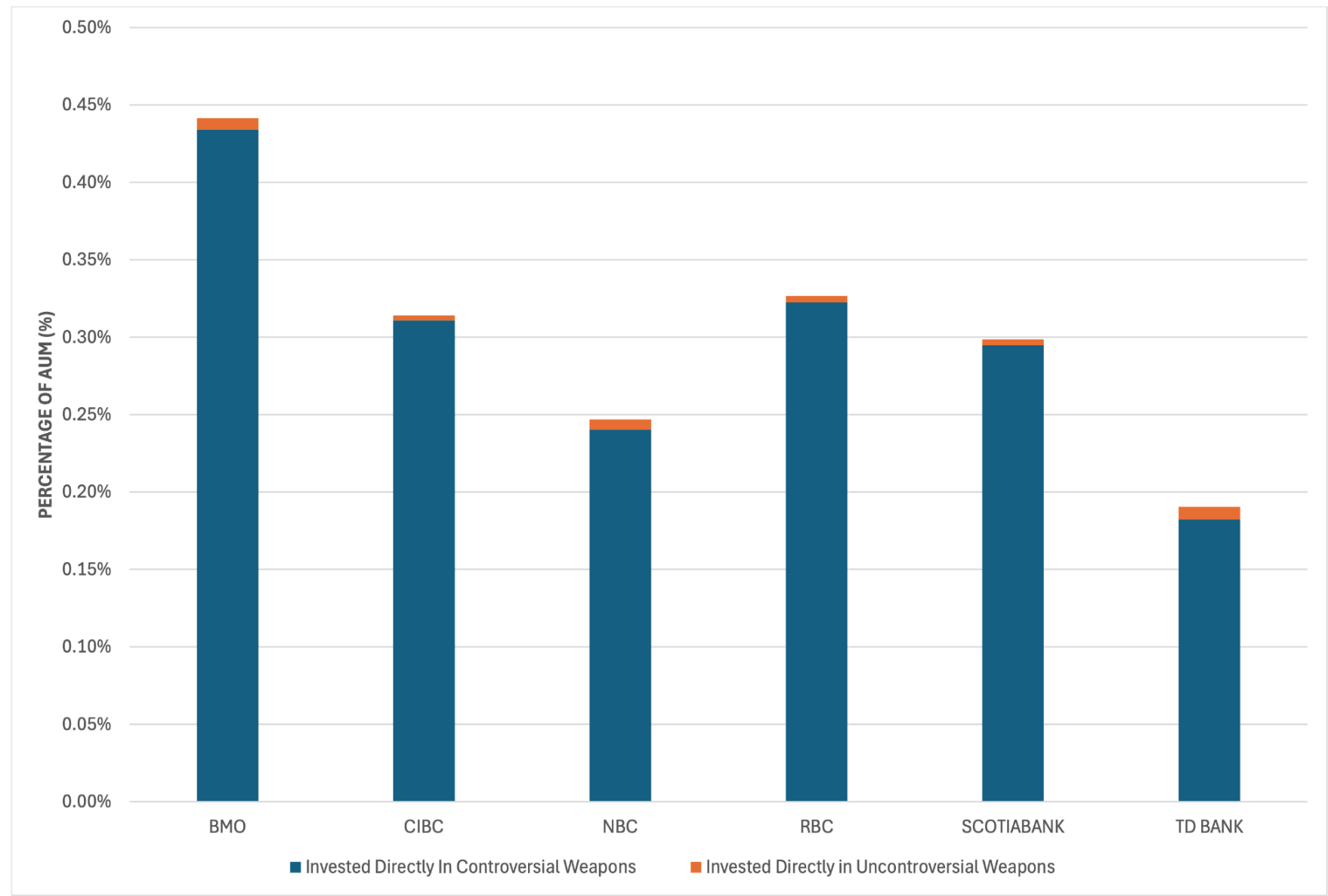


Figure 5. Adjusted Investments Directly in Controversial vs. Uncontroversial Weapons by Bank (March 2024), as a Percentage of Assets Under Management (AUM) (Oct 31, 2023).



SECTION 4: CANADIAN BANK CREDITS RELATED TO WEAPONS MANUFACTURERS

This section summarizes the loans and underwriting transactions with leading weapons manufacturers. This information is publicly available and sourced from a Feb 2024 report titled "[Untenable Investments: Nuclear Weapons Producers and their Financiers](#)" from PAX & ICAN.

BMO FINANCIAL GROUP / BANK OF MONTREAL (BMO)

Loans

- \$300 million in loans (Boeing)
- \$178 million in loans (Jacobs Solutions)
- \$427 million in loans (Leidos)
- \$150 million in loans (RTX)

Underwriting

- \$156 million in underwriting (Leidos)
- \$72 million in underwriting (RTX)

CANADIAN IMPERIAL BANK OF COMMERCE (CIBC)

Loans

- \$224 million in loans (Bechtel)
- \$558 million in loans (Honeywell)

Underwriting

- No information regarding underwriting with listed companies was found.

NATIONAL BANK OF CANADA (NBC)

Loans

- No information regarding loans with listed companies was found.

Underwriting

- No information regarding underwriting with listed companies was found.

ROYAL BANK OF CANADA (RBC)

Loans

- \$498 million in loans (Airbus Group)
- \$91 million in loans (BAE Systems plc)
- \$1918 million in loans (Boeing)
- \$786 million in loans (General Dynamics)
- \$582 million in loans (Honeywell)
- \$151 million in loans (L3Harris Tech)
- \$107 million in loans (Leidos)
- \$425 million in loans (Lockheed Martin)
- \$1507 million in loans (Peraton Inc.)
- \$276 million in loans (Rolls Royce)

Underwriting

- \$1086 million in underwriting (Boeing)
- \$270 million in underwriting (General Dynamics)
- \$102 million in underwriting (Honeywell)
- \$33 million in underwriting (Jacobs Solutions)
- \$132 million in underwriting (Lockheed Martin)
- \$285 million in underwriting (RTX)

SCOTIABANK / BANK OF NOVA SCOTIA

Loans

- \$686 million in loans (General Dynamics)
- \$522 million in loans (Honeywell)
- \$601 million in loans (Huntington Ingalls Industries)
- \$282 million in loans (Jacobs Solutions)

- \$812 million in loans (L3Harris Tech)
- \$620 million in loans (Leidos)
- \$118 million in loans (Northrop Grumman)
- \$265 million in loans (Peraton Inc.)

Underwriting

- \$105 million in underwriting (General Dynamics)
- \$62 million in underwriting (Honeywell)
- \$200 million in underwriting (Huntington Ingalls Industries)
- \$79 million in underwriting (Jacobs Solutions)
- \$406 million in underwriting (L3Harris Tech)
- \$408 million in underwriting (Leidos)
- \$21 million in underwriting (Northrop Grumman)
- \$72 million in underwriting (RTX)

TD BANK

Loans

- \$321 million in loans (Airbus Group)
- \$91 million in loans (BAE Systems plc)
- \$422 million in loans (General Dynamics)
- \$790 million in loans (Honeywell)
- \$185 million in loans (Huntington Ingalls Industries)
- \$372 million in loans (Jacobs Solutions)
- \$1027 million in loans (L3Harris Tech)
- \$107 million in loans (Leidos)
- \$565 million in loans (Lockheed Martin)
- \$118 million in loans (Northrop Grumman)
- \$265 million in loans (Peraton Inc.)
- \$406 million in loans (Rolls Royce)

Underwriting

- \$45 million in underwriting (General Dynamics)

- \$245 million in underwriting (Honeywell)
- \$70 million in underwriting (Huntington Ingalls Industries)
- \$122 million in underwriting (Jacobs Solutions)
- \$406 million in underwriting (L3Harris Tech)
- \$156 million in underwriting (Leidos)
- \$178 million in underwriting (Lockheed Martin)
- \$81 million in underwriting (Northrop Grumman)
- \$81 million in underwriting (Textron)

SECTION 5: ESG-RELATED WEB PAGES, REPORTS & STATEMENTS FOR CANADIAN BANKS

This section includes statements regarding weapons in ESG-related documents and key links to annual reports, ESG webpages, ESG and sustainability reports, responsible investing policies and human rights statements for each bank.

BMO FINANCIAL GROUP / BANK OF MONTREAL (BMO)

- BMO's 2023 sustainability report and the BMO Global Asset Management: Responsible Investment policy (June 2022) do not include the term "weapon". With regard to weapons, the following was included in BMO's 2022 sustainability report, but is not included in this year's report:
 - *"We have restrictions in place for lending to companies involved in the sale of firearms and ammunition, or weapons banned by existing international arms control treaties or involving international transfer of military or civilian equipment for military or internal security purposes and business activity affecting UNESCO World Heritage Sites or High Conservation Value Forests."*

2023 Annual Report

https://www.bmo.com/ir/archive/en/bmo_ar2023.pdf

ESG Investing Main Page

<https://www.bmo.com/main/personal/investments/esg-investing/>

2023 Sustainability Report & Public Accountability Statement

https://our-impact.bmo.com/wp-content/uploads/2024/03/BMO_2023_SR_EN.pdf

BMO Global Asset Management: Responsible Investing Policy

https://www.bmogam.com/uploads/2023/05/d834366e9d368ccdfaa93f55cac2127f/responsible_investment_policy_en.pdf

BMO Statement on Human Rights

<https://our-impact.bmo.com/wp-content/uploads/2021/05/Statement-on-Human-Rights-May-2021-EN-ACC.pdf>

CANADIAN IMPERIAL BANK OF COMMERCE (CIBC)

- With regard to weapons, CIBC's 2023 sustainability report states that its range of ESG products, based on clients' interests, include:
 - *"Equity and fixed income portfolios with specific responsible investment mandates. These portfolios have criteria set by the client and exclude securities of any companies involved in the tobacco, alcohol, weaponry, and other similar industries, or that have major operations in countries that disregard human rights."*
- CIBC's 2023 ESG and Stewardship report and CIBC Asset Management's Responsible Investing Policy (Feb 2024) do not include the term "weapon".

2023 Annual Report

<https://www.cibc.com/content/dam/cibc-public-assets/about-cibc/investor-relations/pdfs/quarterly-results/2023/ar-23-en.pdf>

CIBC Corporate Sustainability - Main Site

<https://www.cibc.com/en/about-cibc/corporate-responsibility.html>

2023 CIBC Sustainability Report

https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/cibc-sustainability-report-2023-en.pdf

2023 CIBC ESG & Stewardship Report

<https://www.cibc.com/content/dam/cibc-public-assets/asset-management/pdfs/cibc-am-esg-report-en.pdf>

CIBC Asset Management Responsible Investing Policy

<https://www.cibcassetmanagement.com/email/assets/documents/pdfs/cibc-cam-our-approach-responsible-investment-en.pdf>

CIBC Human Rights Statement

https://www.cibc.com/content/dam/about_cibc/corporate_governance/pdfs/cibc_on_human_rights.pdf

NATIONAL BANK OF CANADA (NBC)

- NBC's 2023 Report on ESG Advances, 2023 Corporate Social Responsibility Statement, and NBI's Responsible Investment Policy (2022) do not include the term "weapon".

2023 Annual Report

<https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/relations-investisseurs/assemblee-annuelle/2024/na-annual-report-2023.pdf>

National Bank ESG Page

<https://www.nbc.ca/about-us/esg.html>

2023 National Bank Report on ESG Advances

<https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/esg/pdf/report-esg-2023.pdf>

2023 National Bank Corporate Social Responsibility Statement

<https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/gouvernance/code-engagement/responsabilite-entreprise/statement-corporate-social-responsibility-2023.pdf>

National Bank Investments - Responsible Investment Policy

<https://www.nbinvestments.ca/content/dam/bni/en/public/info-pager/nbi-ri-policy.pdf>

National Bank - Human Rights Statement

<https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/gouvernance/code-engagement/responsabilite-entreprise/statement-human-rights.pdf>

ROYAL BANK OF CANADA (RBC)

- RBC's 2023 ESG Progress Report does not include the term "weapon".
- RBC Global Asset Management's Approach to Responsible Investment Brochure (March 2024) states:
 - *"At RBC GAM, we recognize the broad-based international consensus regarding the investment in issuers whose business activities would contravene the prohibitions contained in any of the following conventions:*
 - *Anti-Personnel Landmines Convention*
 - *Biological and Toxin Weapons Convention*
 - *Convention on Cluster Munitions*
 - *The Chemical Weapons Convention*
 - *In recognition of that consensus and the significant risks associated with those investments, we have applied a norms-based exclusion screen where no RBC GAM investment team will knowingly invest in companies associated with the manufacture and/or production of anti-personnel land mines, cluster munitions, biological weapons, or chemical weapons. These exclusions are applicable for portfolios where RBC GAM controls the investment policy, excluding certain passive investment strategies. * For segregated accounts or products where our clients control the investment policy, excluding certain passive investment strategies, clients may request different exclusions or no exclusions. We have engaged an independent third-party research provider to provide us with a list of companies that should be excluded on the basis of this policy, which is updated monthly.*
 - *Where there are full economic sanctions that prohibit any financial dealings with a foreign state, including investment in entities operating under the authority of the foreign state, we will not invest in securities that fall within the sanctions.*
 - *Beyond these firm-wide investment exclusions, specific portfolios and/or investment teams may apply additional exclusions as part of their investment strategies, as described in the investment mandate.*
 - **These exclusions apply to direct equity or corporate credit holdings, but do not apply to derivatives or other index exposures where our exposure is indirect."*

2023 Annual Report

https://www.rbc.com/investor-relations/assets-custom/pdf/ar_2023_e.pdf

RBC - ESG Investing

<https://www.rbcroyalbank.com/investments/esg.html>

RBC - 2023 ESG Progress Report

<https://www.rbc.com/community-sustainability/assets-custom/pdf/esg-progress-report-2023.pdf>

RBC's Approach to Human Rights - Nov 2023

<https://www.rbc.com/community-social-impact/assets-custom/pdf/human-rights-statement.pdf>

RBC Global Asset Management - Approach to Responsible Investment

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

SCOTIABANK / BANK OF NOVA SCOTIA

- With regard to weapons, Scotiabank's 2023 ESG report mentions:
 - *"ESG Equity Guided Portfolio - This fossil fuel-free global equity guided portfolio excludes companies with material exposure to weapons, tobacco or alcohol. ESG rankings are applied to securities included in the Scotia Wealth Management Global Portfolio Advisory Group's core equity guided portfolios."*
 - *Tangerine's Socially Responsible Global Portfolios - Excludes companies that are involved with controversial business activities, rank in the top 25% of carbon intensity, are noncompliant with established international norms, do not have female representation in decision-making positions, or have verified involvement with controversial weapons."*
- Scotiabank's 2022 Stewardship and Responsible Investment Report includes the following:
 - For Tangerine Socially Responsible Global Portfolios, controversial weapons screening criteria is defined as *"companies with verified ongoing involvement in controversial weapons."*
 - For Scotia Responsible Investing ETFs, a set of responsible investment criteria defines controversies as the following:
 - *"Norms-based screen excludes companies with alleged or verified failure to respect international norms (e.g., human rights, environmental challenges, corruption)"*
 - *Activity-based screen eliminates companies with material exposure to a range of controversial business activities (e.g., controversial weapons, gambling, alcohol, tobacco)"*
 - *Excludes companies with no female representation in key decision-making positions"*
 - No definition is provided for controversial weapons, or the criteria for verification.

2023 Annual Report

https://www.scotiabank.com/content/dam/scotiabank/corporate/quarterly-reports/2023/q4/Annual_Report_2023_EN.pdf

Scotiabank - ESG Strategy

<https://www.scotiabank.com/ca/en/about/responsibility-impact/esg-strategy.html>

2023 Scotiabank ESG Report

https://www.scotiabank.com/content/dam/scotiabank/corporate/Documents/Scotiabank_2023_ESG_Report_Final.pdf

2022 Stewardship and Responsible Investment Report

https://www.scotiafunds.com/content/dam/scotiafunds/documents/21SCB017_StewardshipReport2022_EN_V1_19_DOP0523_MRC4768_WEB.pdf

Scotiabank Global Human Rights Statement

https://www.scotiabank.com/content/dam/scotiabank/canada/common/documents/Scotiabank_Human_Rights_Statement.pdf

TD BANK

- TD Bank's 2022 ESG Report and 2023 Sustainability report do not include the term "weapon".
- TD Asset Management's ESG Investing report includes ESG focused mutual funds and ETFs, created in collaboration with Morningstar and screened based on ratings by Sustainalytics.
 - Controversial weapons are excluded from ETFs and weapons are excluded from sustainability funds.
 - No definition is provided for controversial weapons.

2023 Annual Report

<https://www.td.com/content/dam/tdcom/canada/about-td/pdf/quarterly-results/2023/2023-annual-report-e.pdf>

TD Bank Group - 2022 ESG Report

<https://www.td.com/content/dam/tdcom/canada/about-td/pdf/esg/2022-esg-report.pdf>

2023 TD Bank Sustainability Report

<https://www.td.com/content/dam/tdcom/canada/about-td/pdf/esg/2023-sustainability-report-en.pdf>

TD Bank Asset Management - ESG Investing

https://www.td.com/ca/en/asset-management/documents/investor/PDF/news-insight/ESG_Investing_at_TDAM-en.pdf

TD Bank Statement on Human Rights

<https://www.td.com/content/dam/tdcom/canada/about-td/pdf/esg/2020/2020-td-bank-group-human-rights-statement.pdf>

SELECTED REFERENCES & FURTHER READING

[Bloomberg](#)

[Canadian Investment Review - Majority of Canadian institutional investors consider climate change a top ESG focus: survey](#)

[Defense News - 2023 Top 100](#)

[Disarmament | United Nations](#)

[Exclusion List –Controversial Weapons - Van Lanschot Kempen](#)

[Financial Exclusions tracker](#)

[Human Rights Watch - Arms](#)

[Morningstar](#)

[Morningstar Special Report - How to Exclude Weapons from Your Portfolio - Feb 2023](#)

[Rothschild & Co Asset Management - Exclusion Policy relating to controversial weapons](#)

[The SIPRI Top 100 arms-producing and military services companies in the world, 2022](#)

[Sustainalytics](#)

[Sustainalytics - Controversial Weapons: Regulatory Landscape and Best Practices](#)

[Sustainalytics to S&P Global Mapping File](#)

[Untenable Investments - Nuclear weapon producers and their financiers - PAX & ICAN 2024 Report](#)

[United Nations - Convention on the Prevention and Punishment of the Crime of Genocide](#)

[United Nations - Universal Declaration of Human Rights](#)

[Wealth Professional Canada - Middle East Conflict brings focus on weapons investing for ESG managers](#)

[Weapon Free Funds](#)

[World Beyond War - Locations of Weapons Manufacturers in Canada](#)

[Yahoo Finance](#)