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The Carbon Bankroll 2.0: From Awareness to Action

The breakthrough report illuminates the huge and untapped climate impact of the U.S. financial system, how it is undermining leading companies' climate action, and why companies' financial management may be their greatest lever for climate progress.

WASHINGTON – Companies have historically treated their banking and investing as a climate-neutral activity, but as Topo Finance's new report reveals, companies' financial management may be both their largest source of emissions and their most powerful lever for climate action.

"The Carbon Bankroll 2.0: From Awareness to Action" report, which builds on the pioneering research published in "The Carbon Bankroll 1.0," illuminates that these overlooked emissions are larger and more ubiquitous than previously reported. As a result, companies have an even greater responsibility and opportunity to leverage their financial management to drive exponential emissions reduction.

"During my time leading sustainability for Salesforce, we leveraged the full power of the company to meet the climate emergency. But it wasn't until I met with Topo Finance that I ever thought about our banking as a lever for climate progress," said Patrick Flynn, corporate climate action lead at Topo Finance. "Knowing what I know now, I believe companies' greatest opportunity to catalyze climate progress at a speed and scale that matches the urgency of the climate crisis is by working with their financial partners to decarbonize their banking and investing."

To quantify the scope of these emissions and hidden climate power, Topo Finance undertook extensive research and developed a series of critical insights, including:

- If the largest banks and asset managers in the U.S. were a country, they would be the **third-largest** emitting country in the world, behind China and the U.S.

- Nonfinancial companies in the U.S. cumulatively hold about **\$7 trillion** in cash and investments, and the total indirect emissions enabled by this money represents more than an estimated **20% of the country's total gross emissions**.
- For many of the world's most climate-conscious companies, including Apple, Google, and Microsoft, the emissions stemming from their cash and investments likely either represent **their largest source of emissions** or are **larger than all their other emissions combined**.

"As this report shows, through their lending and investing powers, financial firms will play a critical role in determining our collective climate fate," said Rebecca Self, Topo's sustainable finance analytics lead and former CFO of sustainable finance at HSBC. "By helping businesses understand how financial firms are channeling their money toward a carbon-intensive future, we aim to help companies understand why they need to work with their financial firms to decarbonize their finances and rapidly shift investments away from climate drivers and into climate solutions at scale."

In addition to its findings, the report also provides guidance on how to embrace this new climate power, and it highlights the work companies such as Atlassian, Patagonia, and Seventh Generation are doing to transform their financial management into a catalytic climate lever.

"Since we published 'Carbon Bankroll 1.0,' a growing wave of companies and institutions have made their financial management a cornerstone of their sustainability work and are driving real impact," said Topo Executive Director Paul Moinester and Sustainable Finance Initiatives Lead James Vaccaro, who co-wrote both reports. "As organizations start taking action, it will be those banks aligning with climate goals that will be the finance partners for a sustainable future. Whereas those not making the necessary change will see themselves left behind by their customers."

"We expect it will soon become standard practice for all companies to integrate their financial management into their core sustainability and social work," Flynn notes. "At Topo Finance, we are here to help everyone navigate this exciting journey, and we hope this report and its guidance inspire action. For any organization that wants some assistance, please reach out and let us know."

"The Carbon Bankroll 2.0" was produced by Topo Finance, in partnership with the World Business Council for Sustainable Development, Exponential Roadmap Initiative, Futerra, Pure Strategies, BankFWD, and Climate Safe Lending Network.

[Click here](#) to see the full list of supporting quotes from our partners as well some of the world's most important climate voices and organizations.

About Topo Finance

Topo Finance is a nonprofit organization dedicated to transforming the financial sector into a powerful force for creating a more just, regenerative world. We work to actualize this future by conducting pioneering research and developing pragmatic solutions that enable all organizations and individuals to maximize the positive impact of their finances.

We are here to help all organizations and individuals leverage this new climate power, so please let us know how we can assist.
