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## Brookfield Corporation's Fossil Fuel Investments Undermine Climate Commitments

*Report exposes Brookfield's fossil fuel investments and emissions reality*

*Facts do not square with promises touted by former central banker and net-zero advocate Mark Carney*

Private equity giant Brookfield Corporation's vast fossil fuel investments undermine its stated commitment to tackle climate change, according to a report released today by the Americans for Financial Reform Education Fund (AFREF), Global Energy Monitor (GEM), and the Private Equity Stakeholder Project (PESP). With over \$850 billion in assets under management—and despite a declared goal of achieving net-zero emissions by 2050 or sooner—the Canadian investment firm finances emissions that raise serious questions about the credibility of its climate goals.

The report, linked [here](#), highlights a stark discrepancy between Brookfield's reported emissions and its actual carbon footprint. Its current fossil fuel investments emit nearly 159 million metric tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) a year, much of that through its ownership of Oaktree Capital, a private equity firm with \$183 billion in assets. This emissions figure is nearly 14 times higher than the figures Brookfield discloses in its most recent sustainability report and greater than the CO<sub>2</sub> emissions produced by burning 178 billion pounds of coal. The firm's intricate corporate structure and use of private equity models allow it to exploit regulatory loopholes, thereby escaping stringent reporting and accountability, the report shows.

Through partnerships and subsidiaries like Oaktree, Brookfield has built a considerable oil and gas empire, currently invested in at least 215 different assets through 31 portfolio companies. Its portfolio includes significant stakes in oil and gas drilling, fossil fuel storage, and transportation, as well as dirty power generation, which significantly contribute to global greenhouse gas emissions.

"After carefully examining Brookfield's fossil fuel portfolio, it stretches the limits of credulity to view these assets as part of an orderly clean energy transition or that the assets can be decarbonized in any meaningful way short of retirement," says **Alex Hurley, Project Manager at GEM**. "Rather, it appears that Brookfield is simply capitalizing on investment opportunities up and down the fossil fuel value chain."

Particularly concerning is the role of Brookfield Asset Management Chair and Head of Transition Investing Mark Carney, a prominent former central banker. Despite being a prominent advocate for financial sector commitments to net-zero targets, including acting as Co-Chair of the Glasgow Financial Alliance for Net Zero (GFANZ), Carney oversees investment decisions that starkly contrast with sustainable and transparent practices.

“Brookfield embodies the definition of greenwashing,” said **Amanda Mendoza, Senior Climate Campaign and Research Coordinator at PESP**. “BAM chair Mark Carney has frequently called on the financial industry to disclose emissions and decarbonize its dirtiest emitters, and is likely bringing this same message to the COP28 climate conference right now. Carney’s own firm refuses to transition completely away from fossil fuels, and the firm has deliberately omitted its dirtiest investments from its disclosures. Brookfield cannot continue to enjoy outsized profits while shirking the environmental consequences of its own fossil fuels investments. Mark Carney and Brookfield must lead by example: disclose all of the firm’s emissions and clean up its energy portfolio.”

This [report](#), *Brookfield’s Climate Paradox: Climate Pledges vs. Fossil Fuel Reality*, is part of the Private Equity Climate Risks project, a collaborative effort investigating private equity’s impact on the climate crisis. Read more at: <https://www.peclimaterisks.org>. It was released alongside a [report](#) by Investors for Paris Compliance, which further builds on the data provided by the consortium.

#### Among the report’s key findings:

- The combined current fossil fuel investments of Brookfield and Oaktree emit an estimated **159 million metric tons (mt) of CO2 equivalent (CO2e)** annually, an order of magnitude more than the **11.8 million mt CO2e** disclosed in Brookfield’s sustainability reports.
- Brookfield’s acquisition of a majority stake in Oaktree Capital Management brought with it substantial fossil fuel assets, responsible for emitting an estimated **82 million mt CO2e** per year. Yet Brookfield’s sustainability reports in 2021 and 2022 conspicuously **omitted Oaktree’s emissions data**. Notably, Oaktree’s investments include [top methane polluters](#) like Caerus Oil & Gas.
- Brookfield’s net-zero commitment is dubious in light of its **incomplete accounting of Scope 3** emissions, which are the [largest component](#) of a financial institution’s carbon footprint.
- Mark Carney’s role as a high-profile advocate for net-zero commitments is undermined by Brookfield’s heavily fossil fuel-inclined investment strategy.

The report highlights Brookfield’s global fossil fuel investments, including an investment in ADNOC Gas Pipeline Assets. Covering roughly 600 miles across the United Arab Emirates, these pipelines are estimated to emit over 9.5 million mt CO2e per year, an amount equivalent to burning more than 10.6 billion pounds of coal. This ownership, and Brookfield’s control of Oaktree Capital, showcases the far-reaching nature of Brookfield’s fossil fuel empire and its considerable contribution to global emissions.

“Brookfield follows a trend among major private equity firms of undercounting their planet-warming emissions and placing polluting assets behind a labyrinth of corporate structures and shell companies,” said **Oscar Valdés Viera, Research Manager at AFREF**. “Without strong regulatory oversight and real transparency, Brookfield and its private equity peers will continue pumping greenhouse gasses to the atmosphere while promoting themselves as green transition leaders.”

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### **About Americans for Financial Reform Education Fund**

Americans for Financial Reform Education Fund (AFREF) is a nonpartisan, nonprofit coalition of more than 200 civil rights, community-based, consumer, labor, business, investor, faith-based and civic groups, along with individual experts. AFREF fights to eliminate inequity and systemic racism in the financial system in service of a just and sustainable economy. Follow AFREF at [www.ourfinancialsecurity.org](http://www.ourfinancialsecurity.org) and on Twitter @RealBankReform.

### **About Global Energy Monitor**

Global Energy Monitor (GEM) develops and shares information in support of the worldwide movement for clean energy. By studying the evolving international energy landscape, creating databases, reports, and interactive tools that enhance understanding, GEM seeks to build an open guide to the world's energy system. Users of GEM's data and reports include the International Energy Agency, United Nations Environment Programme, the World Bank, and the Bloomberg Global Coal Countdown. Follow GEM at [www.globalenergymonitor.org](http://www.globalenergymonitor.org) and on Twitter @GlobalEnergyMon.

### **About the Private Equity Stakeholder Project**

The Private Equity Stakeholder Project (PESP) is a nonprofit organization with a mission to identify, engage, and connect stakeholders affected by private equity with the goal of engaging investors and empowering communities, working families, and others impacted by private equity investments. Follow PESP at [www.pestakeholder.org](http://www.pestakeholder.org) and on Twitter @PEstakeholder.