

By Sustainable Finance
Action Council



Financial Sector Prioritization Survey

Summary of Survey Results

October 2023



Context

In summer 2023, a survey was developed and launched to seek feedback from the Canadian financial sector on the ease of identifying and allocating capital to green and transition activities across industrial sectors. The target for the survey were lenders, institutional investors, and insurance companies.

The purpose of this survey was to: (1) gather feedback on the Prioritization Framework criteria for identifying priority sectors¹ and activities; and (2) gather input from the financial sector on priority sectors and activities as additional input to the prioritization process. The information gathered in this survey will help to ensure that the Canadian Taxonomy is priority-based, practical and useable by the financial sector. Our work will help the Taxonomy Council get a running start on both taxonomy development and implementation.

Please see Annex A for an executive summary of the sustainable finance taxonomy.

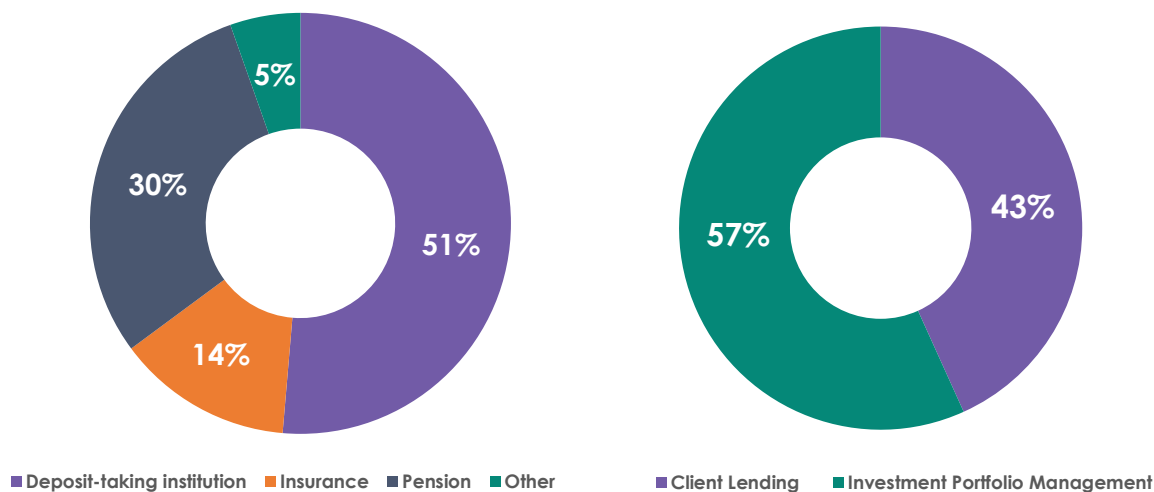
Survey Methodology & Participation

The survey was designed by the Smart Prosperity Institute with input from the Sustainable Finance Action Council (SFAC)'s Taxonomy Technical Experts Group (TTEG) members from PSP Investments and TD Bank, and with oversight from the TTEG. The survey, deployed from August 3 to September 15, 2023, consisted of 18 questions which collected a mix of qualitative and quantitative input. A copy of the survey is provided in Annex B.

The survey was distributed to 28 financial institutions comprising 26 SFAC members and two invited institutions. Participating institutions represented deposit taking institutions, institutional investment managers and insurance companies; the mandates of these organizations were either client lending or investment portfolio management. Chart 1 and Chart 2 provide an overview of the participating institutions by function.

¹ In this summary, the terms "sector," "sub-sector," and "industry group" correspond to first, second, and third level classification groupings in the [North American Industry Classification System](#) (NAICS), respectively.

Charts 1 & 2. An overview of participating institutions by function.



Response Rate

Each institution was invited to share the survey with relevant teams within their organizations. In total, 37 individual responses were received from 26 institutions. Given the 93% response rate², we attribute high confidence to the findings of the survey.

Key takeaways

- Sector's environmental impact should be the primary consideration for prioritizing the sector for inclusion in a sustainable finance taxonomy.
- Other criteria to consider include the sector's contribution to Gross Domestic Product (GDP), Foreign Direct Investment (FDI), Canadian Employment and potential of sector to mitigate climate change.
- Inclusion in other major taxonomies, strategic importance to Canada and other factors such as indigenous opportunities are important factors to consider in identifying priority activities for inclusion in the taxonomy.
- Across all industrial sectors, a sustainable finance taxonomy created in the Canadian context would support the identification of green and/or transition activities in support of investment decisions.

² The survey was distributed to 28 institutions; responses were received from 26 institutions.

- Mining, quarrying and oil & gas and agriculture, forestry, fishing & hunting were selected as difficult sectors to identify green and transition opportunities for capital allocation by the most number of respondents.
- Utilities and real estate were selected as sectors with high opportunity for green and transition investments by respondents and already represent high investment areas for both lenders and investors.
- Enabling sectors of professional, scientific and technical services, and information and cultural industries, ranked low for green and transition investment opportunity. This is likely because these sectors could benefit from clearer definition and a better understanding of their contribution to the transition (e.g. role for data and technology services to enable the transition). Moreover, when compared with industrial sectors, enabling sectors are generally not as capital intensive which may see them fall lower in the list of investment priorities.
- Several sub-sectors in the agriculture, forestry, fishing and hunting sector (crop production, animal production & aquaculture), as well as the mining & quarrying (except oil & gas) sub-sector, were considered high opportunity by respondents. However, identifying green and transition investments within these sub-sectors were considered challenging. Sub-sectors such as these, with a combination of high opportunity and high challenge, could be particularly interesting and beneficial areas of focus for Canadian taxonomy development.
- Green and transition investment in the oil and gas sub-sector could be highlighted as being particularly difficult for a host of reasons. There is a higher rating of opportunity from the client lending respondents than investment portfolio management respondents. Potentially, client lending (the “sellers”) sees investment opportunities from their clients. Investment portfolio management (the “buyers”) provided a lower rating of opportunity. In short, there may be more sellers than buyers. Ensuring credibility was seen as pivotal to bringing buyers to this sub-sector.
- The survey results also identify some quick wins sectors (such as, Transit and ground passenger transportation, Electric power generation, transmission and distribution, Construction of buildings, see Chart 12 & Appendix C) that pose high opportunity with relatively low difficulty in identifying green and transition activities. These sectors may offer immediate opportunities for green and transition investments.
- The results presented in this summary are compiled from the survey responses and provide considerable insight into focus sectors and sub-sectors. Continued engagement with the financial institutions as well as other stakeholders is encouraged to provide the latest insights.

Detailed Findings

Sector Prioritization Criteria

There was overwhelming agreement by 94% of respondents that a sector's environmental impact under a climate change mitigation objective (as defined by GHG emissions) should be the primary consideration in prioritizing the sector for inclusion in the sustainable finance taxonomy. There was also strong agreement by 89% of respondents that the sectors' share of Gross Domestic Product (GDP), Foreign Direct Investment (FDI) and Canadian Employment, were additional important criteria for sector prioritization. The perspective among client lenders and portfolio investors was aligned on this issue with 87% and 90% of respondents agreeing, respectively.

Chart 3 (left) shows the response when asked if sector GHG emissions should be the primary consideration in prioritizing a sector for inclusion in the taxonomy.

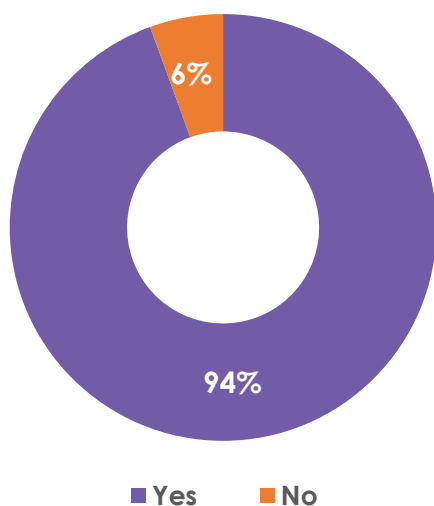
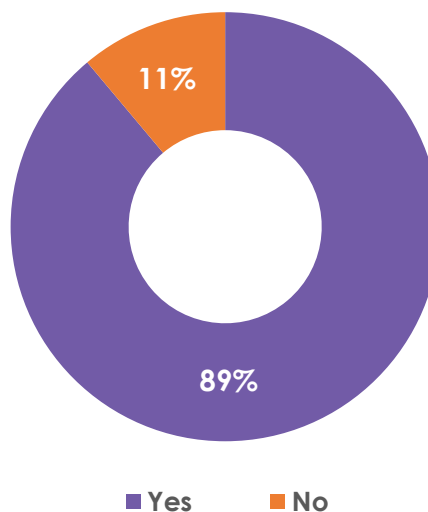


Chart 4 (right) shows the response when asked if other economic criteria should also be used for sector prioritization.



Activity Prioritization Criteria

As illustrated in Chart 5, there was overwhelming agreement by 94% of respondents that activities should first be prioritized for inclusion in the sustainable finance taxonomy by considering their potential to contribute to climate mitigation. Client lending and portfolio investors were aligned on this perspective, with 94% and 95% agreeing, respectively.

As shown in Chart 6, 82% of respondents agreed that “quick wins” activities (i.e. activities already included in other major taxonomies, such as the EU Taxonomy) should be given early consideration in prioritization, as well as activities that hold strategic potential for Canada in the low carbon transition and/or present opportunities to advance key national social and economic objectives including Indigenous participation.

While client lenders and investment portfolio managers were largely aligned on this point, some respondents felt that activities already defined in major international taxonomies should not automatically be an area of priority focus for Canada, especially considering that priority activities in other taxonomies were already green activities. Instead, there was an interest in prioritizing transition activities where greater financial investment may accelerate efforts.

Chart 5 (left) shows the response when asked if activities should first be prioritized by considering their potential to contribute to climate change mitigation.

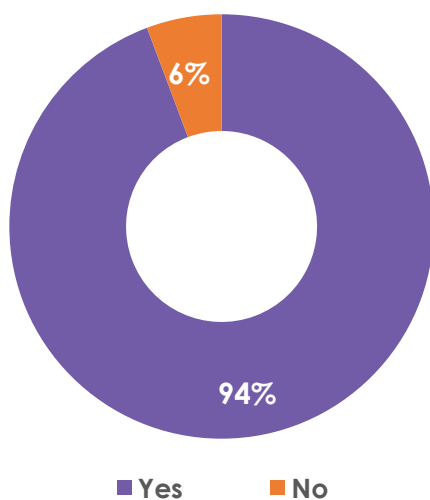
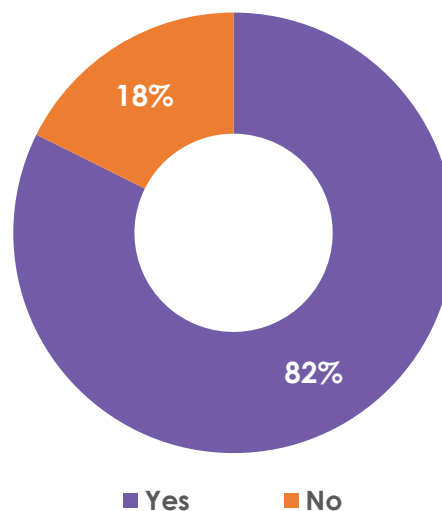


Chart 6 (right) shows responses when asked if quick wins (as per other taxonomies), strategic considerations for Canada, and Indigenous opportunities should be additional considerations for activity prioritization.

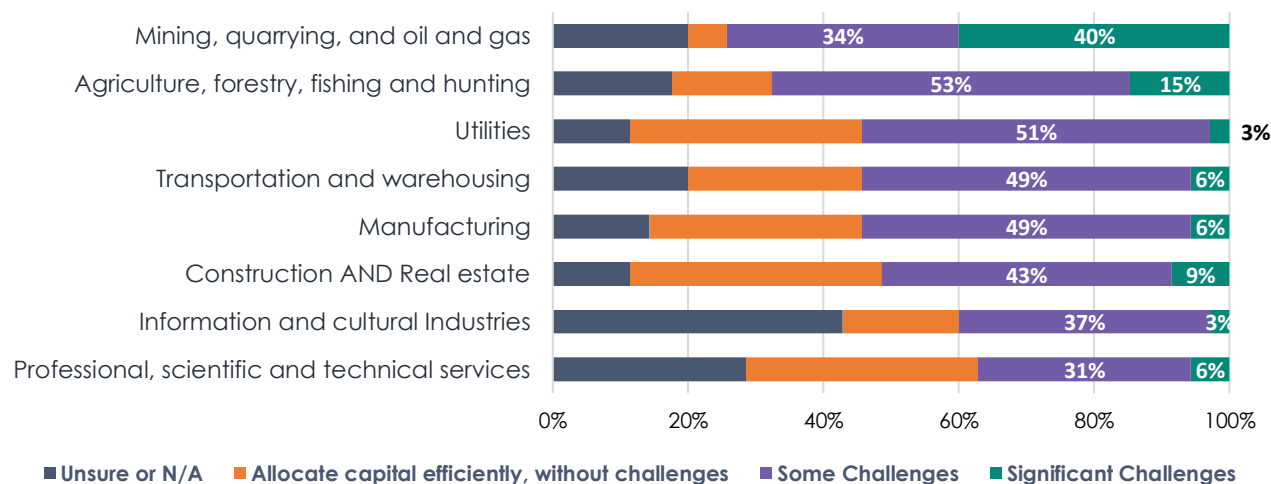


Allocating Capital to Priority Sectors

One of the key purposes of the survey was to understand the complexity in allocating capital to key industrial and enabling sectors in the absence of a Canadian sustainable finance taxonomy. Respondents were presented with six industrial sectors³ and two enabling sectors⁴ (Information and cultural industries, Professional, scientific, and technical services) and asked to evaluate the ease of capital allocation.

More than 50% of respondents indicated that they faced significant or some challenges in allocating capital to the industrial sectors presented, with the mining, quarrying, and oil and gas sector (74%) and agriculture, forestry, fishing and hunting (68%) ranking as the most difficult for capital allocation. While there were some differences faced by lending organizations and portfolio investors, there was general alignment around the challenges faced with the exception of the manufacturing sector and information and cultural industries sector where the portfolio investment community indicated a greater degree of challenge.

Chart 7 illustrates challenges in allocating capital to green and transition investments across sectors. Sectors are ranked by share of responses indicating significant and some challenges.



³ The industrial and enabling sectors included in this survey were identified through a preliminary analysis of the 20 sectors of the NAICS, considering GHG emissions, GDP, FDI, and employment. This approach was informed by a review of sector prioritization approaches followed or proposed by six taxonomy development efforts globally. The included sectors represent the five highest emitting NAICS sectors, the Construction & Real Estate sectors as a proxy for buildings, and two sectors commonly identified by international taxonomy efforts as enabling. Collectively, they represent 91% of Canada's 2020 industry GHG emissions and 56% of 2022 GDP.

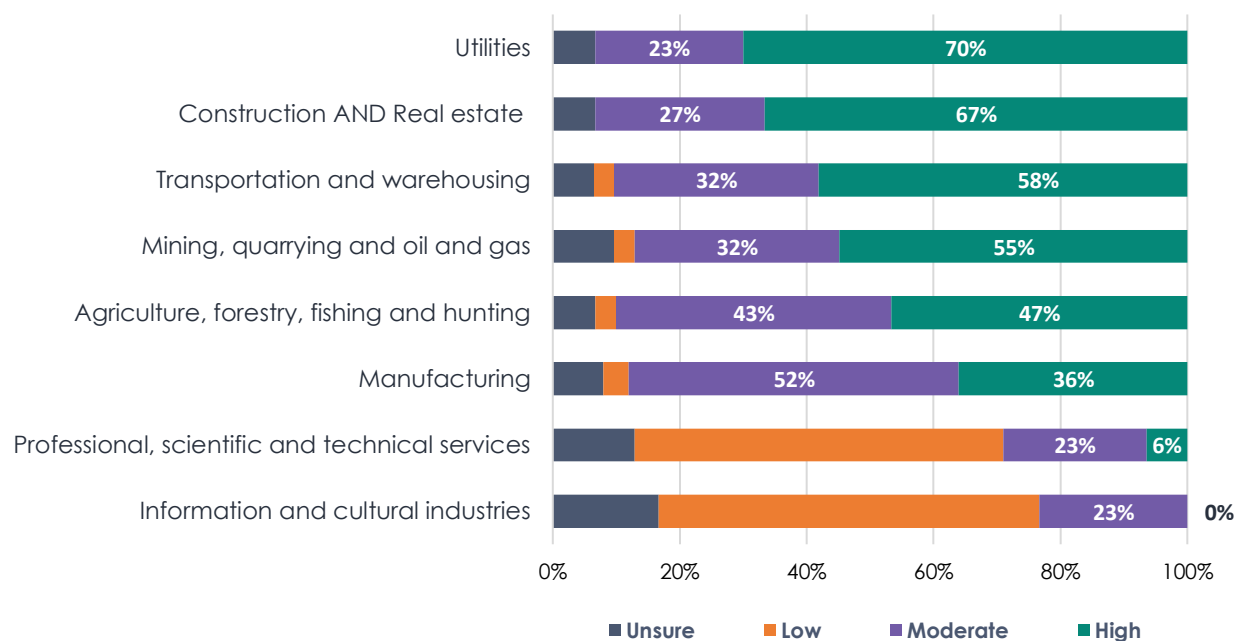
⁴ Enabling sectors: sectors with economic activities that are essential for facilitating GHG emissions reductions in other activities – e.g., the manufacture of solar panels.

Significance of Green and Transition Investment Opportunities

Respondents were asked to indicate the opportunities for green and transition investments among the eight sectors that were included in the survey.

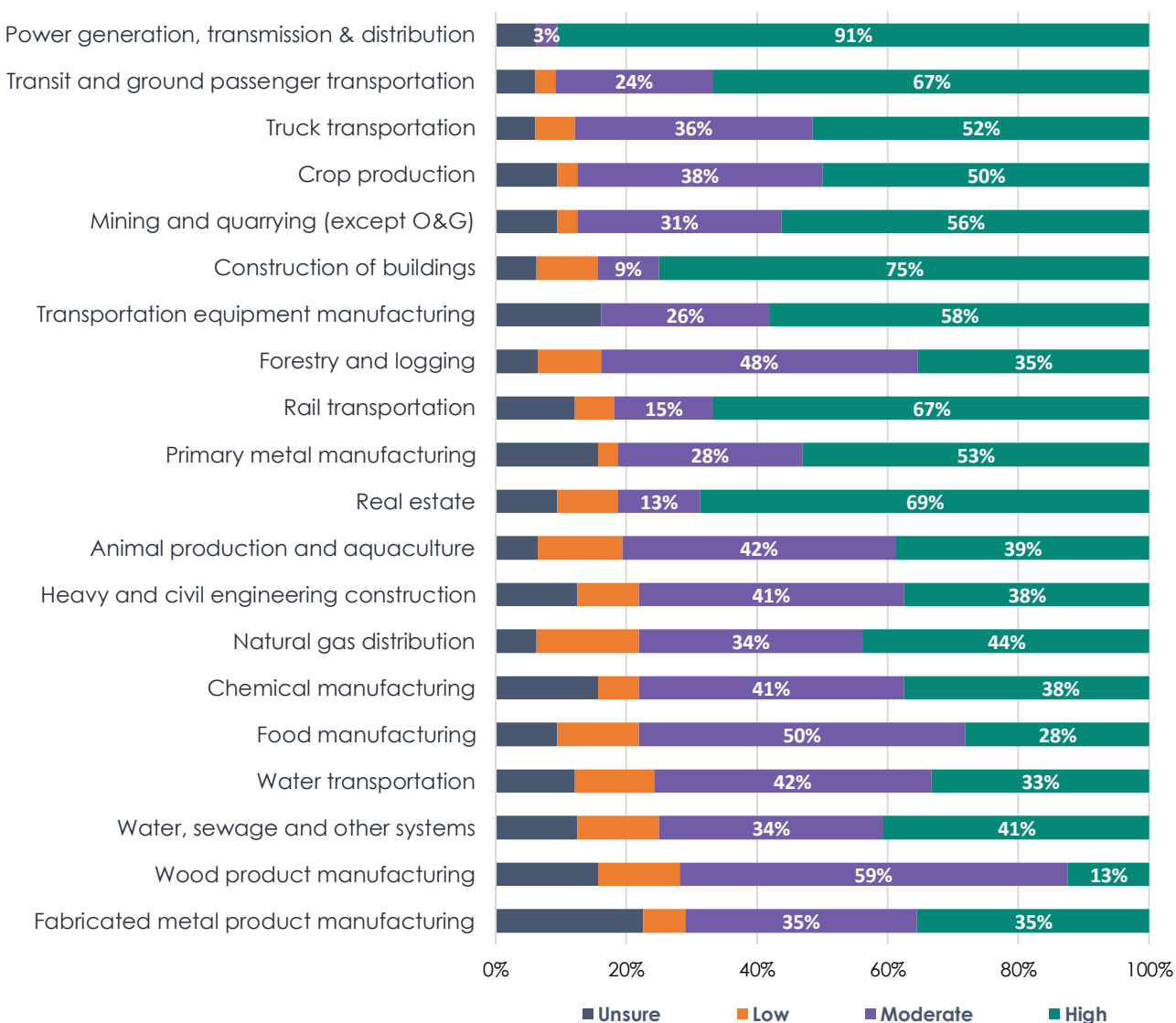
As illustrated in Chart 8, respondents indicated that all industrial sectors posed high to moderate opportunity for green and transition investments. An analysis of the responses revealed that the sub-sectors having the most responses with high opportunities for green and transition investments were utilities (70% of respondents indicated high), construction & real estate (67% of respondents indicated high). In contrast, respondents ranked the professional, scientific, and technical services and information and cultural industries low in opportunity.

Chart 8 illustrates opportunity for green and transition investments by sector, ordered by highest opportunity sectors.



Respondents also assessed sub-sectors and/or industry groups within each sector for opportunities for green and transition investment. Seventy percent or more of respondents identified the sub-sectors listed in Chart 9 as having high or moderate opportunity for investment. The sub-sectors identified as having the highest opportunity were electric power generation, transmission & distribution, and transit & ground passenger transportation. In contrast, 56% of respondents indicated that oil and gas extraction had moderate or high opportunity for investment, ranking 29th out of 45 sub-sectors and industry groups.

Chart 9 shows sub-sectors and industry groups with a combined 70% or more of respondents indicating moderate or high opportunity for investment, ranked by opportunity for investment.



There were 15 sub-sectors / industry groups where less than 40% of respondents indicated moderate or high opportunity. In some instances, this is due to a large number of respondents viewing the sub-sector / industry group as having low investment opportunity, for instance: legal services (61%), broadcasting (56%), and publishing industries (52%). However, many respondents were unsure of opportunity level in a number of sub-sectors / industry groups, for instance: lessors of non-financial intangible assets (59%), scenic and sightseeing transportation (48%), and specialty trade contractors (42%).

Also notable when considering opportunity level at the sub-sector / industry group level are the divergences between the client lending and portfolio investment perspectives, as shown in Table 1. While the two groups were generally aligned on opportunity at the sector level, there are 18 sub-sectors / industry groups where the share of respondents indicating moderate or high opportunity differed by at least 15 percentage points. In some cases, this divergence is due to a much larger number of unsure responses in one group.

However, there are several instances where the two groups have differing opinions on opportunity level. While this should be investigated further, early observations attribute these differences to difficulties in differentiating between decarbonization and transition activities in certain sub-sectors among both lenders and investors, and secondly, the inherent differences between lenders and investors in assessing risks over the differing time horizons⁵.

Table 1 Sub-sectors / industry groups with notable differences between respondent groups in terms of investment opportunity. (CL = Client Lending, IPM = Investment Portfolio Management)

Sub-Sectors / Industry Groups	Low		Mod. + High	
	CL	IPM	CL	IPM
Architectural, engineering and related services	62%	17%	31%	67%
Computer systems design and related services	62%	22%	23%	39%
Management, scientific and technical consulting services	77%	22%	15%	50%
Oil and gas extraction	15%	47%	69%	47%
Petroleum and coal product manufacturing	31%	58%	54%	37%
Pipeline transportation	8%	37%	69%	47%
Real estate	23%	0%	69%	89%
Rental and leasing services	46%	5%	31%	74%
Scientific research and development services	77%	22%	15%	56%
Telecommunications	46%	21%	46%	68%

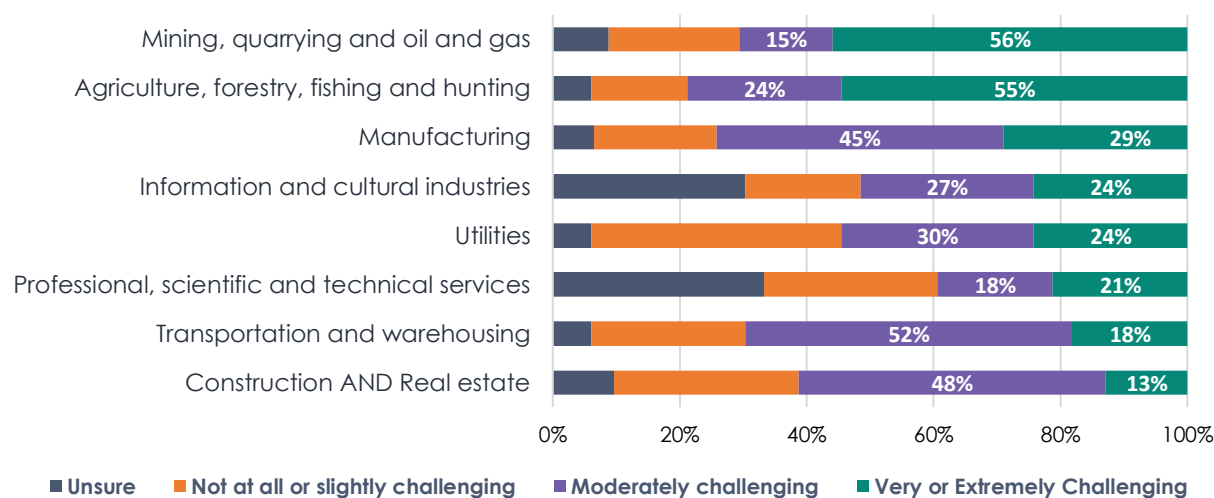
Ease of Identifying Green and Transition Activities

Respondents were asked to rate the difficulty of identifying activities for green or transition investment within sectors and sub-sectors/industry groups. At the sector level,

⁵ Investors (e.g. pension plans) tend to have long time horizons, where lenders are likely shorter.

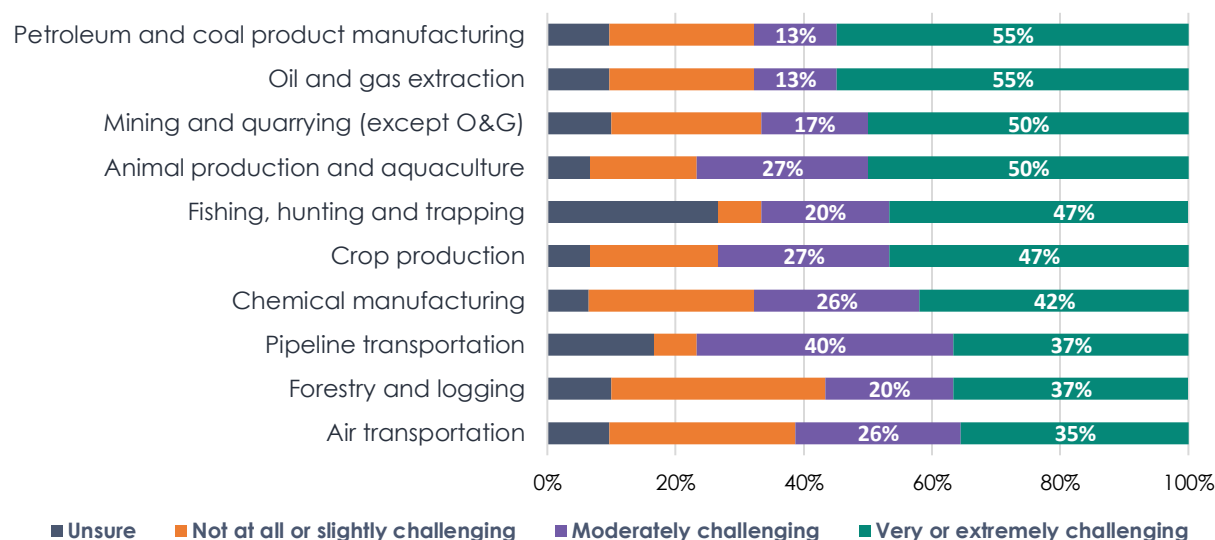
56% and 55% of respondents indicated that it was extremely or very challenging to identify activities in the mining, quarrying and oil & gas sector, and agriculture, forestry, fishing and hunting sectors, respectively. Chart 10 illustrates responses by sector.

Chart 10 illustrates difficulty in identifying green or transition investment activities by sector.



At the sub-sector/industry group level, 50% or more respondents identified oil & gas extraction, mining & quarrying, petroleum & coal product manufacturing, and animal production and aquaculture as being extremely or very challenging to clearly identify green and transition activities for investment. Chart 11 provides the top ten sub-sectors/industry groups that were identified as extremely or very difficult for identifying green or transition appropriate investments.

Chart 11 illustrates difficulty in identifying green and transition investments at the sub-sector or industry group level. Only the top 10 sub-sectors/industry groups (according to combined % indicating very & extremely challenging) are shown.



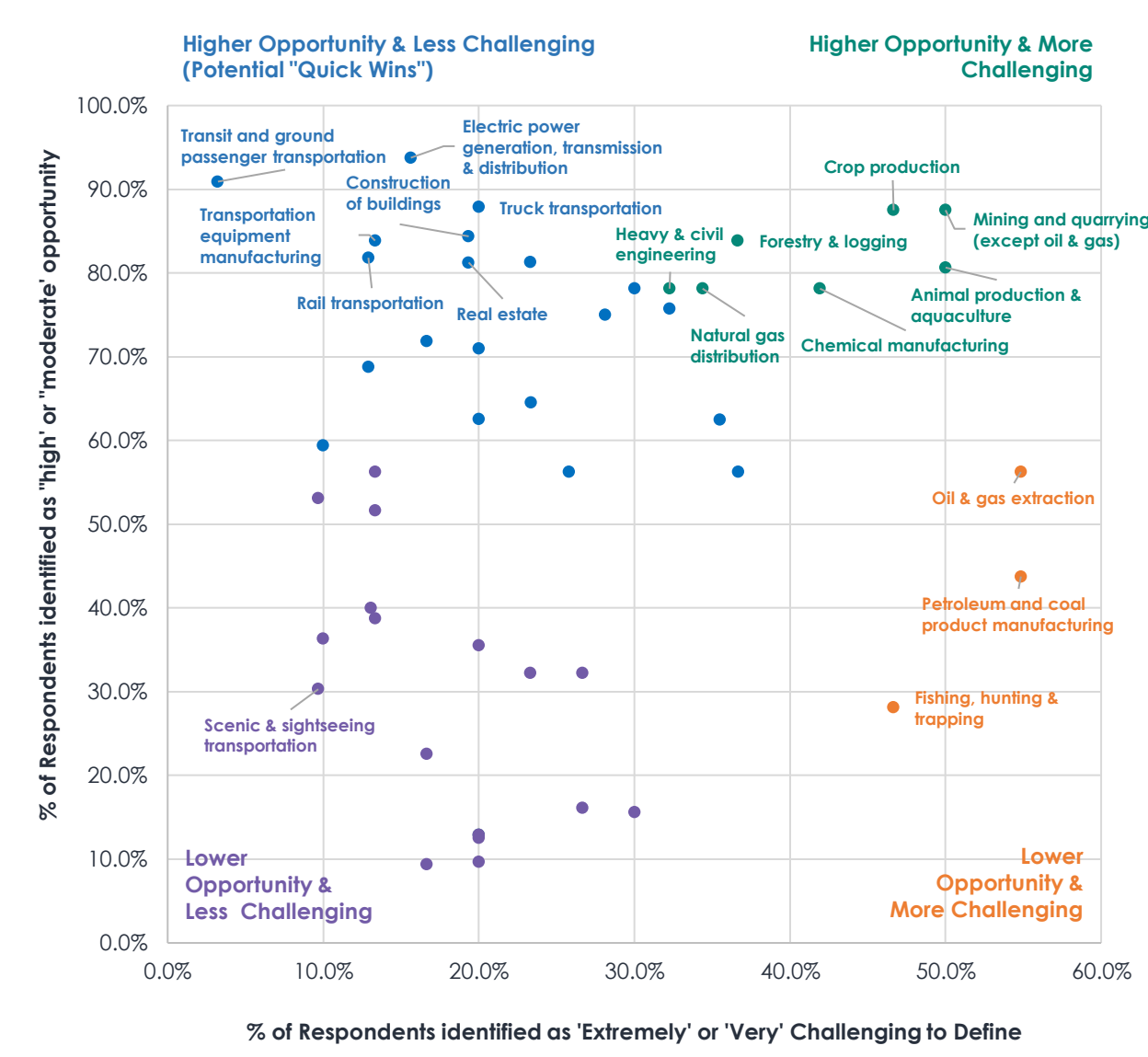
Looking carefully at the survey results, Chart 12 shows the sub-sectors/industry groups that respondents identified as having high or moderate opportunity for investment plotted against the sub-sectors/ industry groups that respondents identified as being very or extremely challenging to identify green or transition investments.

The results show some important trends:

- A cluster of sub-sectors / industry groups (top left corner of Chart 12) are identified as posing high opportunity with relatively easy ability to identify green and transition investments. These include but are not limited to: transit and passenger ground transportation, transportation equipment manufacturing, construction and electric power generation. Importantly, these sectors could pose **quick wins** for accelerating investments in the short term.
- A cluster of sub-sectors/industry groups (top right corner of Chart 12) are identified as posing high opportunity but also considered by respondents to be very or extremely difficult to identify green and transition investment opportunities. These include, but are not limited to: crop production, mining and quarrying (except oil and gas) and animal production & aquaculture. These sub-sectors would likely benefit the most from early inclusion in the taxonomy to bring greater certainty to investment decisions.
- Lastly, two important sub-sectors/industry groups -- oil and gas extraction and petroleum and coal product manufacturing were identified by respondents as

having moderate opportunity but being very or extremely difficult to identify activities for green or transition investments. While these sectors will also benefit from inclusion in the taxonomy, additional analysis will be required to further analyze these findings.

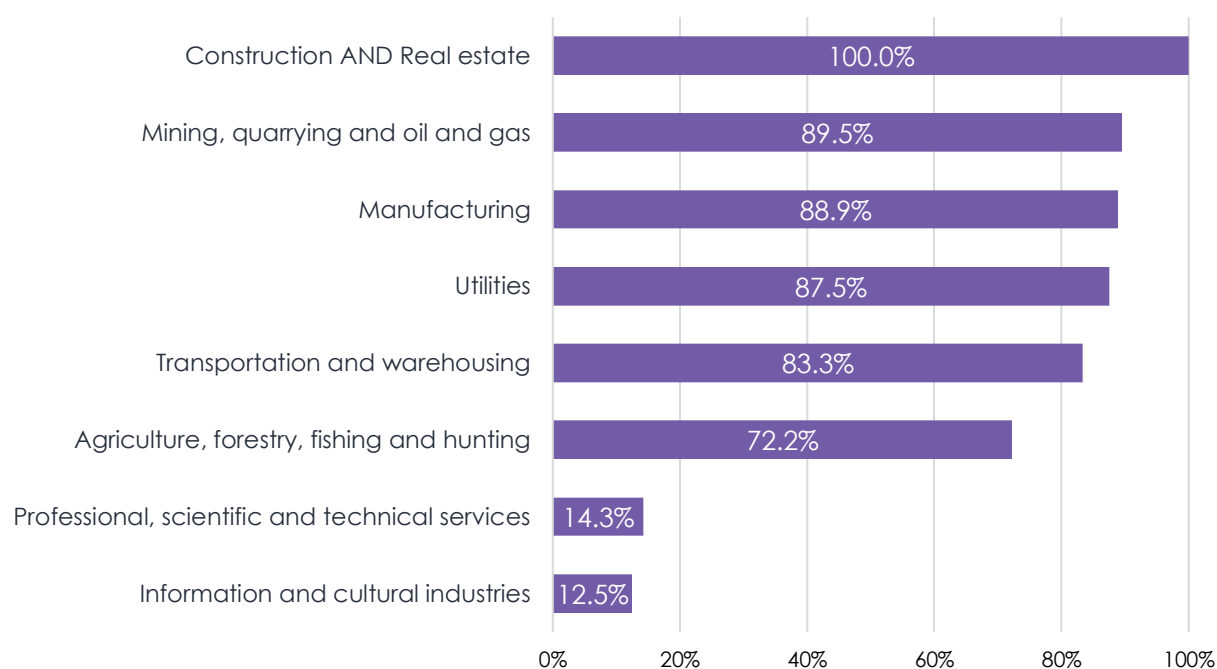
Chart 12 compares level of opportunity and level of challenge for sub-sectors and industry groups.



Need for a Canadian Taxonomy

Not all challenges in identifying and allocating capital towards green and/or transition investments result from a lack of definitions (i.e., coverage in a taxonomy). To understand whether a Canadian Taxonomy would meaningfully improve the financial sector's ability to allocate capital towards green and/or transition investments, respondents were asked to indicate whether this would be the case for sectors they considered to be very or extremely challenging to allocate investment. Over 80% of respondents agreed that, across all industrial sectors, a taxonomy would help them to identify green and transition activities to support investment decisions. Chart 13 illustrates the outcomes by sector.

Chart 13. Sectors that would benefit from a Canadian taxonomy.



Of particular note, 100% of respondents indicated that a taxonomy would support decision making in the construction and real estate sector. Moreover, given that a large number of respondents found that identifying green or transition investments is either very or extremely challenging in both the mining, quarrying & oil and gas sector and the agriculture, forestry, fishing & hunting sector, it is notable that 90% and 72% these respondents respectively felt that coverage of these sectors in a taxonomy would improve their ability to make investment decisions. This is especially relevant given that

both of these sectors are not frequently covered in existing taxonomies globally including in the EU Taxonomy.

Also notable is the high share of respondents indicating that taxonomy coverage would improve their ability to identify green / transition investments in the manufacturing; utilities, transportation & warehousing, and construction & real estate sectors despite the fact that these four sectors are frequently covered in international taxonomies. This underscores the utility of defining these sectors for the Canadian context in a made-in-Canada taxonomy, despite the existence of definitions in other jurisdictions globally.

Annex A: Summary of the Sustainable Finance Taxonomy

Sector, Industry and Activity Prioritization Framework

Introduction & Context

Further to the recommendations of the Taxonomy Roadmap Report, and as part of the workflow for Phase I, we agreed to advance technical specifications to support both the development of an initial Canadian taxonomy and a prioritization framework. This document presents an overview of the Framework for the Prioritization of Sectors and Activities ("prioritization framework"), developed in partnership between the Institute for Sustainable Finance (ISF) and Smart Prosperity Institute (SPI).

Sustainable finance taxonomies are designed to scale up investments in priority sectors, industries and activities to achieve stated environmental objectives, doing so in a way that brings market clarity, transparency and confidence to the investment process. Within this context, prioritization frameworks identify and filter the highest priority sectors, industries and activities (from the broader universe of economic activities) that offer the greatest potential to reach the objective(s) set out by the taxonomy.

In the Canadian context, an optimally designed prioritization framework will also be mindful of the unique make-up and size of the Canadian economy, align with the climate commitments made by the Government of Canada, and take into account other economic and public policy priorities that are material for our country.

Environmental Objective of the Taxonomy

As per Recommendation 5 of the Taxonomy Roadmap and to align with the climate commitments made by the Government of Canada⁶, climate change mitigation is the primary environmental objective of the initial taxonomy and reflected in the design of the prioritization framework. Our focus on one overarching environmental objective will help to accelerate development of the taxonomy and kick-start its implementation to mobilize private capital in support of Canada's net-zero transition pathways.

We acknowledge that other taxonomies (e.g. EU Taxonomy) cover multiple environmental objectives including mitigation, adaptation and pollution prevention among other objectives. We will lever international work to address other environmental objectives in future iterations of the taxonomy.

⁶ The Government of Canada has identified targets to reduce emissions by at least 40-45% below 2005 levels by 2030 and net zero GHG emissions by 2050 ([Canada's Climate Plans and Targets](#)).

Design of the Prioritization Framework

Informed and inspired by international best practices⁷, our prioritization framework sets out criteria and a systematic process for gathering information on where to initially focus the taxonomy for greatest and fastest impact. An overview of the Prioritization Framework is illustrated in Annex 1 and elaborated on in this document.

Levering the expertise of the Canadian financial sector, our prioritization framework is being designed to:

- Identify priority economic sectors, and narrow down the sub-sectors, industries and activities within them that are urgent for decarbonization.
- Broadly identify the types of priority activities – green, transition, enabling – needed for net-zero transition and bring clarity to how these activities will be defined for investment purposes.
- Identify activities/projects from priority sectors and industries that offer a combination of high environmental potential and economic growth opportunity.

Criteria for Priority Sectors and Industries

The prioritization framework uses a series of criteria to identify and filter priority sectors, sub-sectors, industries and activities.

First and foremost, to ensure the taxonomy supports climate mitigation and aligns with Roadmap recommendations, the principal criteria for selecting priority sectors will be GHG emissions. Sectors, and industries within them, that account for the largest share of GHG emissions will be prioritized for further development within the taxonomy.

Secondly, to ensure economic value is captured, the significance of sectors and industries to the economy as measured by its contribution to GDP, FDI and employment will be used to further narrow down or identify priorities.

Lastly, a sector/industry/activity's potential for market growth & innovation and alignment with public policy priorities will also be considered. A number of studies (e.g. Smart Prosperity Institute, Transition Accelerator, Pacific Institute for Climate Solutions, Climate Institute, BCG and RBC)⁸, demonstrate how activities that contribute to climate change mitigation also provide economic growth opportunities by way of market potential, competitive/national advantage and potential for Indigenous participation. These activities may include, for example, carbon capture, alternative protein production, biofuel production and renewable energy storage among others.

⁷ The following taxonomies were reviewed: EU, Singapore, Chile, ASEAN, Australia, Thailand

⁸ (1) [Canada's Future in a Net-Zero World: Securing Canada's Place in the Global Green Economy](#), Smart Prosperity Institute, Transition Accelerator and Pacific Institute for Climate Solutions. (2) [Sink or Swim: Transforming Canada's economy for a global low-carbon future](#). (3) [BCG. 2021. Canada can Lead the World](#) (4) [RBC Economics. 2021. Trading Places: Canada's place in a changing global economy](#).

Based on our preliminary analysis, 20 sectors⁹ were ranked using the following criteria: GHG Emissions, GDP, FDI, Employment. Using this methodology, the top sectors, accounting for 90% of GHG emissions (2020) and almost 46% of GDP (2022), are:

- Mining, quarrying, and oil and gas extraction
- Manufacturing
- Agriculture, forestry, fishing and hunting
- Utilities
- Transportation and warehousing
- Buildings (construction and real estate, rental & leasing)

Informed by the financial sector, additional analysis will be conducted to further refine industries and activities within these sectors for final consideration by the Taxonomy Council.

Green, Transition and Enabling Activities

Within priority sectors and industries, a range of activities or projects can be identified for fast-track investment to support Canada's transition pathway. These activities are broadly categorized as:

- green activities (net negative emission or low carbon activities that replace higher impact activities);
- transition activities (higher emitting activities that enable the transition of a sector/industry to a lower carbon pathway); and
- enabling activities (goods and services that are essential to enable other activities to follow Paris aligned decarbonisation pathways)¹⁰

Input and feedback from the financial sector will help to further refine and build out the definitions of green, transition and enabling activities for greater investment clarity.

Survey & Next Steps

To inform the development of the prioritization framework, we will conduct a survey of the financial sector, starting with the SFAC. The survey design will be informed by the TTEG and socialized with SFAC's disclosure and data workstream technical leads. The purpose of the survey is to receive feedback and input on:

- proposed approach and criteria for identifying priority sectors, industries and activities
- the most critical sectors and industries for decarbonization
- identify the ease of translating the definitions of green, transition and enabling activities into an investment context

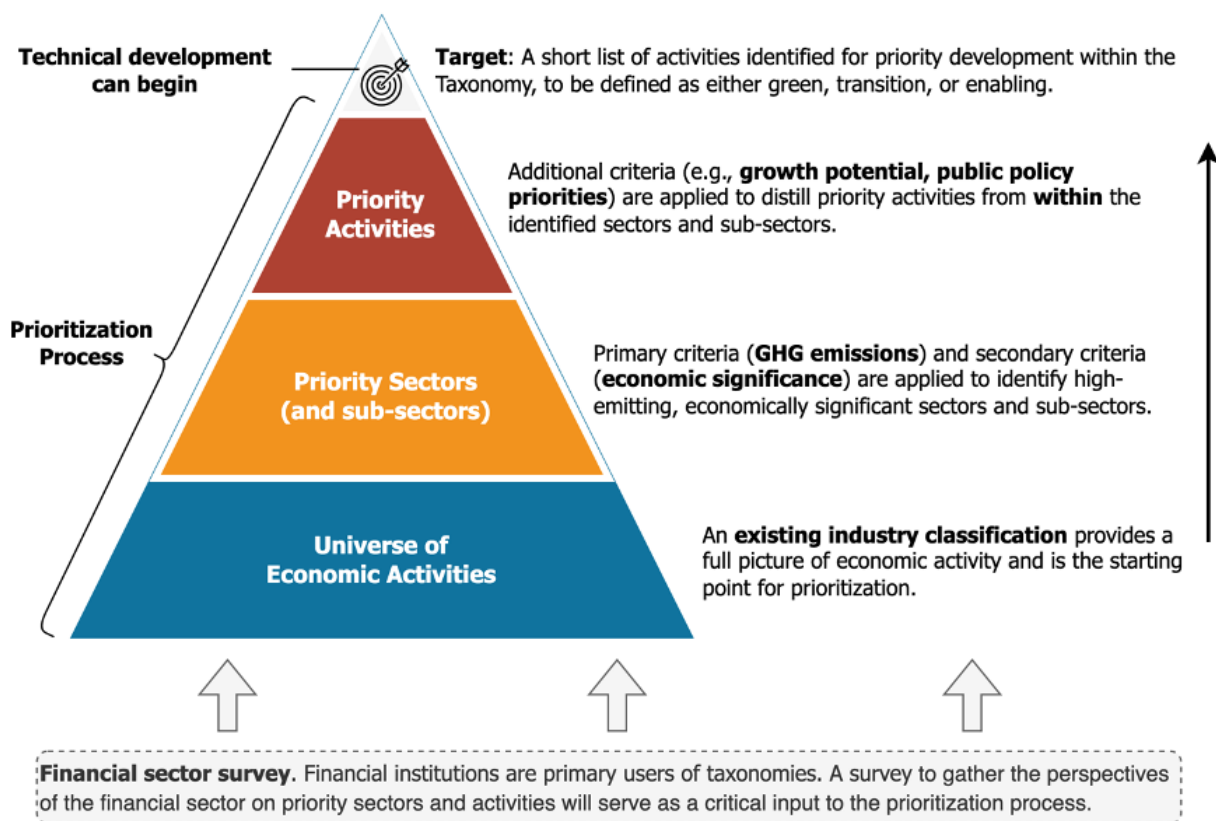
⁹ Sectors are classified using the North American Industry Classification System (NAICS) which is a common statistical framework for analysis across Canada, the US and Mexico.

¹⁰ Adapted from the Climate Bonds Initiative paper entitled [Financing Credible Transitions: How to Ensure the Transition Label has Impact](#)

- greatest areas/opportunities for growth through green, transition and enabling investments
- “view from the ground” to understand where the financial sector has clarity and where additional clarity is needed to facilitate investments

The survey will be conducted starting in late-July with a four-week window for completion. Organizations will receive instructions and context to support their teams in completing the survey. Large organizations are encouraged to distribute the survey to all relevant departments. Thank you to Caelan Welch and Geoff McCarney at SPI for leading this work and to colleagues at TD and PSP Investments for allocating resources.

The Prioritization Framework and its Components



Annex B: Financial Sector Prioritization Survey

Survey Information

Please contact Caelan Welch (cwelch@smartprosperity.ca) for questions related to this survey.

Thank you for your participation in the Financial Sector Prioritization Survey.

As primary users of sustainable finance taxonomies, feedback from financial institutions is a critical input to the taxonomy development process. Accordingly, the Smart Prosperity Institute (SPI) is conducting this survey to gather insights from the financial sector in relation to the prioritization process that will be undertaken to identify sectors and economic activities for priority inclusion in a future Canadian green and transition finance taxonomy.

Purpose

The purpose of this survey is two-fold. (1) Gather feedback on the Prioritization Framework's proposed criteria for identifying priority sectors and activities. (2) Gather input from the financial sector on priority sectors and activities themselves, as an additional input to the prioritization process.

How Will Survey Responses be Used?

A proposed prioritization framework for a future Canadian taxonomy will eventually be published by SPI. As an input to the ongoing work on prioritization, the results of this survey will be reported by SPI in the published Prioritization Framework and shared with the Sustainable Finance Action Council. Reported results will be aggregated in a manner that does not allow for the identification of individual respondents nor for the attribution of responses to respondents. Individual responses will only be accessible to members of the SPI research team responsible for the collection of this survey and for the development of the Prioritization Framework.

Question Themes

The survey questions focus on the following four areas:

- Proposed criteria for identifying priority sectors and activities

And, across each sector covered in this survey, respondent's views on:

- Their organization's current ability to allocate capital towards 'green' and / or 'transition' activities.
- Significance of investment opportunities during the low-carbon transition.
- Existing level of definitional clarity - how challenging it is to identify 'green' and / or 'transition' activities.

Respondent Skill Set

Respondents (individuals or teams) to this survey should:

- Have a strong understanding of sustainable finance.
- Have a basic understanding of sustainable finance taxonomies (some context on taxonomies is provided on the following page for your reference).
- Anticipate being a user of a Canadian sustainable finance taxonomy.

Background Context

What is a Sustainable Finance Taxonomy?

A sustainable finance taxonomy is a classification system that identifies economic activities or assets, and defines the conditions under which the activities or assets can be considered to be contributing to specific sustainability objectives. In doing so, taxonomies improve financial market participants' ability to credibly identify sustainability-aligned investment opportunities. Internationally, notable examples of taxonomies include the [European Union Taxonomy for Sustainable Activities](#) and the [Climate Bonds Taxonomy](#).

What Types of Activities are Identified (Covered) by Taxonomies?

To date, taxonomies have primarily focused their coverage on the identification of 'green' activities, and activities that directly enable them. However, taxonomies are increasingly extending their coverage to consider 'transition' activities as well. The [Sustainable Finance Action Council's Taxonomy Roadmap Report](#) recommends that the Canadian Taxonomy cover both green and transition activities (as well as enabling activities).

These different activity types can generally be understood, in the context of a climate change mitigation objective, as:

- **Green:** low- or zero-emitting activities. Such as: solar and wind energy generation, or afforestation.
- **Transition:** decarbonizing emission-intensive activities that are critical for sectoral transformation and consistent with a net-zero, 1.5 °C transition pathway. Such as: installing lower-emitting (electric) furnaces to produce steel.
- **Enabling:** activities that contribute to climate change mitigation not due to their own emission levels, but by directly enabling decarbonization elsewhere. Such as: the manufacture of electric vehicle batteries, or the construction of electricity transmission lines.

What is 'Prioritization?'

Taxonomies aim to support the mobilization of capital towards activities that support sustainability objectives. Many of the objectives they commonly cover (such as climate change mitigation) require urgent action, and it is imperative to proceed expeditiously so that anticipated users have a usable taxonomy to reference in a timely manner. That being said, the development of a well-designed, credible, and science-based taxonomy is a substantial undertaking that requires significant time and resources. Given this, taxonomy development is often undertaken in phases, as opposed to simultaneously developing all intended coverage areas at once. A phased approach necessitates narrowing the focus of the taxonomy's technical development on an initial specification of priority areas. **Prioritization** is the process to identify priority areas for taxonomy development - namely, priority sectors of the economy and activities within these sectors.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

Background Questions

* 1. Which of the following best describes your organization?

- Deposit-taking institution
- Insurance
- Pension
- Other (please specify)

* 2. Which of the following best describes the perspective informing your responses?

- Client lending
- Investment portfolio management
- Other (please specify)

* 3. Please describe your / your team's role at your organization.

* 4. Please provide the below information so that we may contact you if we experience any errors in the collection of your responses. This information will **not** be disclosed as part of the survey results, and responses will **not** be attributed to respondents or their organizations.

Name

Company

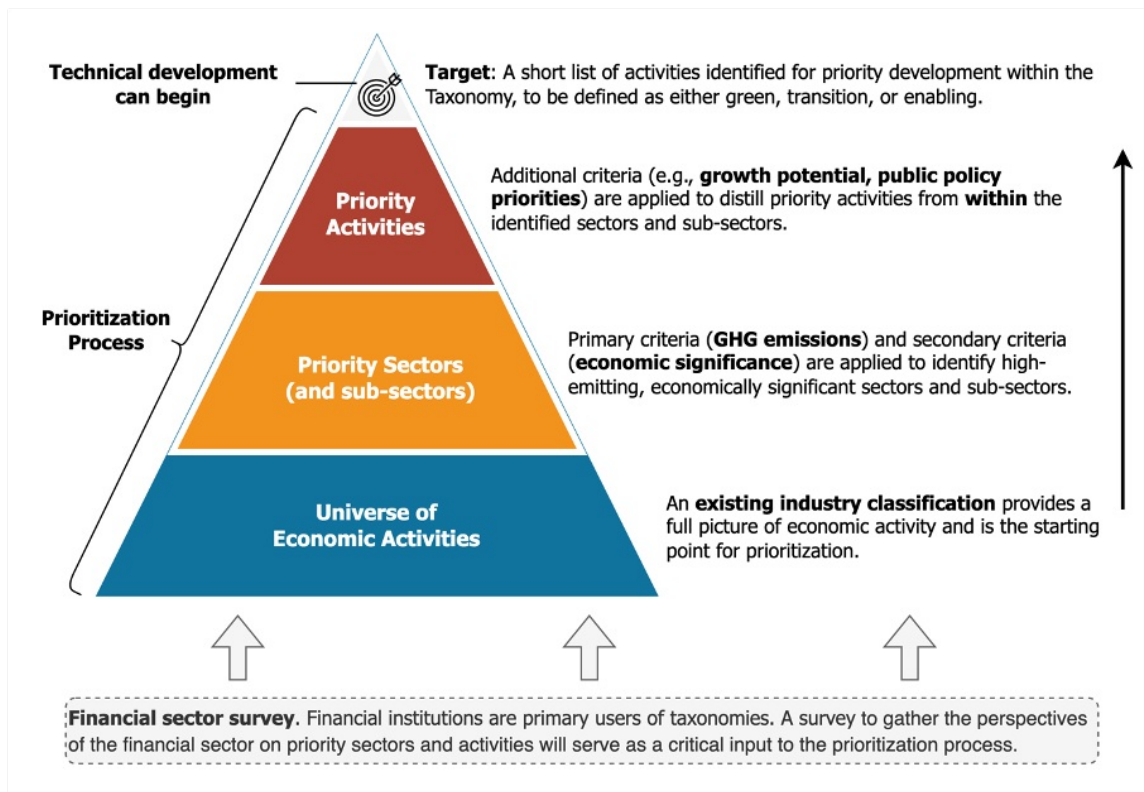
Email Address

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

A Prioritization Framework for a Canadian Taxonomy

A framework to guide the prioritization process for a Canadian taxonomy is currently under development. The below diagram summarizes key considerations in the prioritization process.

Note that the Framework is currently being developed to guide the identification of priority sectors and activities for a **climate change mitigation objective**, which is the sustainability objective that the SFAC Taxonomy TEG has identified in its recommendations as the focus objective for the first phase of taxonomy development in Canada.



Terminology

Sectors refer to the first level of classification in the North American Industry Classification System (NAICS). NAICS is a hierarchical classification system for economic activities, with five classification levels. Sub-sectors and industry groups are also relevant to sector prioritization, and refer to NAICS levels two and three, respectively. The annex accompanying this survey includes a table that lists the 20 sectors covered under NAICS. An economic activity is the use of inputs (e.g., capital, labour, energy and

materials) to produce outputs. Typically, economic activities are what sustainable finance taxonomies ultimately define (develop technical criteria for).

Sector and Activity Prioritization

Sustainable finance taxonomies aim to support the achievement of the environmental or social objectives that they cover, by identifying economic activities that contribute to these objectives. Since the focus for taxonomy development will, at this time, be climate change mitigation, the prioritization of sectors and activities should be based on their relevance to decarbonization.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

Prioritization Framework: Proposed Approach for Sector Prioritization

Prompt 1 identifies key considerations proposed in the Prioritization Framework to guide the identification of priority sectors.

Prompt 1

The following should be considered when determining which sectors / sub-sectors should be prioritized for development within a Canadian taxonomy:

(A) A primary focus on sector environmental impact (greenhouse gas (GHG) emissions) on the focus objective (climate change mitigation).

(B) Additional factors of economic significance, considering:

- Share of gross domestic product (GDP)
- Foreign Direct Investment (FDI) in Canada
- Employment

5. Consider Prompt **1 (A)** above.

Do you agree that a sector's environmental impact (GHG emissions) on the focus objective (climate change mitigation) should be the primary consideration? *If you select 'yes' to this question but wish to provide feedback, you may include your comments in the space provided for question 7.*

Yes

No (please explain)

6. Consider prompt **1 (B)** above.

Do you agree with the proposed additional indicators for considering the economic significance of sectors / sub-sectors? *If you select 'yes' to this question but wish to provide feedback, you may include your comments in the space provided for question 7.*

Yes

No (please explain)

7. If you have any additional comments related to the activity prioritization approach you may include them here.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

Prioritization Framework: Proposed Approach for Activity Prioritization

Prompt 2 identifies key considerations proposed in the Prioritization Framework to guide the identification of priority economic activities.

Prompt 2

The following should be considered when determining which economic activities should be prioritized for initial inclusion within a Canadian taxonomy:

(A) By first identifying activities capable of contributing to the focus objective (climate change mitigation).

(B) And then further considering:

- 'Quick wins:' activities that have already been defined in other major taxonomies internationally. For example, the European Union Taxonomy or the Climate Bonds Taxonomy.
- Strategic considerations for Canada: e.g., growth opportunities in the low-carbon transition, competitive advantage.
- Indigenous opportunities.

8. Consider Prompt **2 (A)** above.

Do you agree? *If you select 'yes' to this question but wish to provide feedback, you may include your comments in the space provided for question 10.*

Yes

No (please explain)

9. Consider Prompt **2 (B)** above.

Do you agree? *If you select 'yes' to this question but wish to provide feedback, you may include your comments in the space provided for question 10.*

Yes

No (please explain)

10. If you have any additional comments related to the activity prioritization approach you may include them here.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

The remaining questions in this survey reference specific NAICS sectors and their sub-sectors or industry groups. For your reference, the full NAICS [is available here](#), on Statistics Canada's website. The following sectors are covered in this survey:

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Manufacturing
- Transportation and warehousing
- Construction AND Real estate and rental and leasing (represents a 'buildings' sector)
- Information and cultural industries
- Professional, scientific and technical services

An annex accompanying the link you received to this survey includes additional information that you may view if you think it will assist with your responses. It includes the following information:

- Sector-level (all sectors) and sub-sector-level (for sectors in this survey) overviews of proposed sector indicators: GHG, GDP, FDI, employment.
- Priority sectors identified in a selection of international taxonomies.
- Mapping of EU Taxonomy activities to NAICS sectors covered in this survey.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

Current Ability to Allocate Capital

11. How would you describe your organization's current ability to allocate capital towards green and/or transition investments in each of the sectors below?

	Face significant challenges	Face some challenges, but able to allocate capital	Able to allocate capital efficiently, without challenges	Unsure or N/A
Mining, quarrying, and oil and gas extraction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Agriculture, forestry, fishing and hunting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation and warehousing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Construction AND Real estate and rental and leasing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information and cultural Industries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professional, scientific and technical services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. If you have any additional comments related to question 11, you may include them here.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

Investment Opportunities

***Other** includes the following manufacturing sub-sectors: Plastics and rubber products manufacturing; Machinery manufacturing; Beverage and tobacco product manufacturing; Furniture and related product manufacturing; Miscellaneous manufacturing; Printing and related support activities; Textile mills; Textile product mills; Clothing manufacturing; Leather and allied product manufacturing; Electrical equipment, appliance and component manufacturing; Computer and electronic product manufacturing.

13. How significant are the green and/or transition investment opportunities in the following sectors and their respective sub-sectors (or industry groups)?

	Low opportunity	Moderate opportunity	High opportunity	Unsure
Mining, quarrying and oil and gas (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oil and gas extraction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mining and quarrying (except oil and gas)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manufacturing (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wood product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paper manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Petroleum and coal product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Chemical manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-metallic mineral product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Primary metal manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fabricated metal product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation equipment manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Agriculture, forestry, fishing and hunting (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crop production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Animal production and aquaculture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Forestry and logging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fishing, hunting and trapping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utilities (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electric power generation, transmission and distribution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Natural gas distribution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water, sewage and other systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation and warehousing (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Air transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rail transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Truck transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transit and ground passenger transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pipeline transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Scenic and sightseeing transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Postal service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Couriers and messengers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Warehousing and storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Construction AND Real estate and rental and leasing (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Construction of buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heavy and civil engineering construction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specialty trade contractors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real estate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rental and leasing services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lessors of non-financial intangible assets (except copyrighted works)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professional, scientific and technical services (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accounting, tax preparation, bookkeeping and payroll services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Architectural, engineering and related services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specialized design services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Computer systems design and related services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management,				

scientific and technical consulting services

Scientific research and development services

Advertising, public relations, and related services

Information and cultural industries (Sector Overall)

Publishing industries

Motion picture and sound recording industries

Broadcasting (except Internet)

Telecommunications

Data processing, hosting, and related services

14. If there are specific green or transition investment opportunities that you would like to highlight, please identify them here.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

Definitional Clarity

15. How challenging is it to clearly identify green or transition activities for investment in the following sectors and their respective sub-sectors (or industry groups)?

	Not at all challenging	Slightly challenging	Moderately challenging	Very challenging	Extremely challenging	Unsure
Mining, quarrying and oil and gas (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oil and gas extraction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mining and quarrying (except oil and gas)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manufacturing (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wood product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paper manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Petroleum and coal product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Chemical manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-metallic mineral product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Primary metal manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fabricated metal product manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

equipment manufacturing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Agriculture, forestry, fishing and hunting (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crop production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Animal production and aquaculture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Forestry and logging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fishing, hunting and trapping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utilities (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electric power generation, transmission and distribution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Natural gas distribution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water, sewage and other systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation and warehousing (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Air transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rail transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Truck transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transit and ground passenger transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pipeline transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scenic and sightseeing transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Postal service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Couriers and messengers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Warehousing and storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Construction AND Real estate and rental and leasing (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Construction of buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heavy and civil engineering construction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specialty trade contractors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real estate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rental and leasing services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lessors of non-financial intangible assets (except copyrighted works)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professional, scientific and technical services (Sector Overall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accounting, tax preparation, bookkeeping and payroll services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Architectural, engineering and related services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specialized design services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Computer systems design and related services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management, scientific and technical consulting services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scientific research and development services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertising, public						

relations, and related services

Information and cultural industries (Sector Overall)

Publishing industries

Motion picture and sound recording industries

Broadcasting (except Internet)

Telecommunications

Data processing, hosting, and related services

16. If you have any additional comments related to question 15, you may include them here.

SFAC Taxonomy TEG: Financial Sector Prioritization Survey

Where the Taxonomy Would Have an Impact

The previous question (definitional clarity) asked you to rate how challenging it is to identify green and/or transition activities in sectors and their sub-sectors. The next question displays the overall **sectors** that you rated as either 'very challenging' or 'extremely challenging.'

17. Would your ability to allocate capital towards green or transition activities be meaningfully improved if [sector] was covered by a Canadian taxonomy (i.e., green and/or transition activities within the sector had clear definitions articulated)?

If **YES**, check the box next to the corresponding sector.

- Mining, quarrying and oil and gas (Sector Overall)**
- Manufacturing (Sector Overall)**
- Agriculture, forestry, fishing and hunting (Sector Overall)**
- Utilities (Sector Overall)**
- Transportation and warehousing (Sector Overall)**
- Construction AND Real estate and rental and leasing (Sector Overall)**
- Professional, scientific and technical services (Sector Overall)**
- Information and cultural industries (Sector Overall)**

18. If you would like to provide additional comments related to your responses to question 17, you may include them here.

Annex C: Investment Opportunity and Identification Challenges at Sub-Sector Level

Sector ¹¹ or Sub-Sectors	Very or extremely challenging to identify investments	Moderate or high investment opportunities
Mining, quarrying and oil and gas	55.9%	87.1%
Oil and gas extraction	54.8%	56.3%
Mining and quarrying (except oil and gas)	50.0%	87.5%
Manufacturing	29.0%	88.0%
Food manufacturing	30.0%	78.1%
Wood product manufacturing	16.7%	71.9%
Paper manufacturing	20.0%	62.5%
Petroleum and coal product manufacturing	54.8%	43.8%
Chemical manufacturing	41.9%	78.1%
Non-metallic mineral product manufacturing	23.3%	64.5%
Primary metal manufacturing	23.3%	81.3%
Fabricated metal product manufacturing	20.0%	71.0%
Transportation equipment manufacturing	13.3%	83.9%
Other ¹²	13.0%	40.0%
Agriculture, forestry, fishing and hunting	54.5%	90.0%
Crop production	46.7%	87.5%
Animal production and aquaculture	50.0%	80.7%
Forestry and logging	36.7%	83.9%
Fishing, hunting and trapping	46.7%	28.1%
Utilities	24.2%	93.3%
Electric power generation, transmission and distribution	15.6%	93.8%
Natural gas distribution	34.4%	78.1%
Water, sewage and other systems	28.1%	75.0%
Transportation and warehousing	18.2%	90.3%
Air transportation	35.5%	62.5%

¹¹ Sectors were also rated by respondents – values are not averages of their sub-sector ratings.

¹² Other includes the following manufacturing sub-sectors: Plastics and rubber products manufacturing; Machinery manufacturing; Beverage and tobacco product manufacturing; Furniture and related product manufacturing; Miscellaneous manufacturing; Printing and related support activities; Textile mills; Textile product mills; Clothing manufacturing; Leather and allied product manufacturing; Electrical equipment, appliance and component manufacturing; Computer and electronic product manufacturing.

Rail transportation	12.9%	81.8%
Water transportation	32.3%	75.8%
Truck transportation	20.0%	87.9%
Transit and ground passenger transportation	3.2%	90.9%
Pipeline transportation	36.7%	56.3%
Scenic and sightseeing transportation	9.7%	30.3%
Postal service	10.0%	36.4%
Couriers and messengers	13.3%	56.3%
Warehousing and storage	9.7%	53.1%
Construction AND Real estate and rental and leasing	12.9%	93.3%
Construction of buildings	19.4%	84.4%
Heavy and civil engineering construction	32.3%	78.1%
Specialty trade contractors	26.7%	32.3%
Real estate	19.4%	81.3%
Rental and leasing services	25.8%	56.3%
Lessors of non-financial intangible assets (except copyrighted works)	16.7%	9.4%
Professional, scientific, and technical services	21.2%	29.0%
Legal services	20.0%	12.9%
Accounting, tax preparation, bookkeeping and payroll services	20.0%	12.9%
Architectural, engineering and related services	13.3%	51.6%
Specialized design services	16.7%	22.6%
Computer systems design and related services	23.3%	32.3%
Management, scientific and technical consulting services	20.0%	35.5%
Scientific research and development services	13.3%	38.7%
Advertising, public relations, and related services	20.0%	9.7%
Information and cultural industries	24.2%	23.3%
Publishing industries	26.7%	16.1%
Motion picture and sound recording industries	30.0%	15.6%
Broadcasting (except Internet)	20.0%	12.5%
Telecommunications	10.0%	59.4%
Data processing, hosting, and related services	12.9%	68.8%