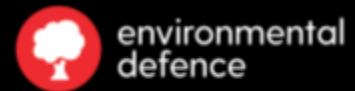


Environmental Defence G7 Backgrounder

Expectations for Canada hosting the G7

**MEDIA
BACKGROUNDER**
June 2025



Canada is presiding over this year's G7 Leaders' Summit, which is scheduled to take place in Kananaskis, Alberta, from June 15 to 17. The summit will convene leaders from G7 members—Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States—along with the European Union and invited guests including Australia¹ and Ukraine².

Canada's government has committed to global leadership to support stability, co-operation and open trade. Climate change and environmental crises undermine these efforts. Canada's G7 presidency is a prime opportunity to work with key allies and trade partners to build economic and security relationships that are reinforced through co-operation to protect the environment and tackle climate change.

G7 countries have major responsibilities on climate and environment

G7 countries collectively emit about one-fifth of the world's greenhouse gases, and have been historically some of the largest contributors to climate change. As advanced economies with control over a large share of global wealth, technology, and investment capital, they are also well placed to embrace the transition to clean energy. The International Energy Agency (IEA) projects that global demand for coal, oil, and natural gas will [peak before 2030](#)³, clearly denoting the sunseting of the fossil fuel era. The renewable energy sector presents a substantial investment opportunity, with global clean energy investments reaching \$2.1 trillion USD in 2024⁴, nearly doubling the \$1.1 trillion USD invested in fossil fuels. This G7 Summit is a chance for members to build towards the future and accelerate the global energy transition, simultaneously bringing down emissions while protecting energy security, affordability and territorial integrity.

¹https://timesofindia.indiatimes.com/india/canada-invites-australia-ukraine-for-g7-meet-but-no-call-for-india-yet/amp_articleshow/121398906.cms

²<https://www.ndtv.com/world-news/canada-prime-minister-mark-carney-invites-ukraine-president-volodymyr-zelensky-to-g7-summit-in-june-7944630>

³<https://www.iea.org/reports/world-energy-outlook-2024>

⁴<https://www.iea.org/reports/renewables-2024>

2025 is a critical year for G7 countries to demonstrate meaningful climate leadership by eliminating all fossil fuel subsidies⁵, including petrochemical subsidies. In 2009, G7 countries agreed to eliminate “inefficient” fossil fuel subsidies by 2025⁶, and in 2016 they reaffirmed that commitment⁷. The Canadian government has claimed to have phased out fossil fuel subsidies, but they haven’t even published an inventory of subsidies as promised. In addition, the methodology that Canada is using to identify fossil fuel subsidies is deeply flawed by giving a pass to financing and efforts to reduce emissions, both of which would count as subsidies using internationally recognized definitions, such as the one offered by the World Trade Organization.

Fossil fuel subsidies undermine climate action, distort markets and prop up carbon-intensive industries. Phasing them out is essential to meet both domestic climate targets and international obligations, while freeing public funds to invest in clean technologies and climate-resilient infrastructure. As the host of this year’s G7 Summit, the Government of Canada must ensure this summit addresses climate accountability and propels a decisive shift towards a clean energy future.

This is also a pivotal year for concerted global action on plastic pollution. Talks toward a global Treaty to end plastic pollution will resume in Geneva in August, and a majority of G7 members (Canada, Germany, Italy, France and the UK) support strong measures and a fair financial mechanism to ensure the least developed nations can implement those measures.⁸ The G7 presidency presents an important opportunity for Canada to lead discussions with its allies on how to close the deal on a plastics treaty in Geneva. Recent polling confirms that the vast majority of people in Canada (86 per cent) support federal efforts on both domestic and global fronts to tackle plastic pollution.⁹

What Prime Minister Carney must deliver: picking the right path for Canada

Prime Minister Carney will need to make a defining choice for Canada: firm up alliances with G7 members committed to building sustainable economies based on international co-operation, or follow the backsliding led by US President Donald Trump and promote destructive fossil fuel expansion, leading to worsening climate change and global instability. Trying to do both is not a winning strategy. Supporting both fossil fuel

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<https://www.iisd.org/articles/deep-dive/how-g7-can-advance-action-fossil-fuel-subsidies-2025#:~:text=Sixteen%20years%20ago%2C%20the%20G7,to%20do%20this%20by%202025>

⁶

<https://g7g20-documents.org/database/document/2009-g20-united-kingdom-finance-track-ministers-language-communication-1#section-1>

⁷ <https://g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.pdf>

⁸ <https://www.bridgetobusan.com/sufa>

⁹

<https://environmentaldefence.ca/2025/04/23/fresh-public-polling-confirms-that-people-across-canada-strongly-support-federal-action-on-plastic-pollution-and-forever-chemicals/>

expansion and climate leadership is counter productive and wastes public dollars, and sends mixed signals to private markets at a time where private capital is essential to scaling Canada's clean industries to strengthen our economy. A lack of clarity on Canada's position also risks damaging its international credibility, potentially leading to a diplomatic backlash or trade penalties like EU carbon border adjustments if Canada fails to follow through on its G7 climate commitments.

Canada currently lags behind its G7 partners on numerous environment and energy fronts, including having:

- The least ambitious 2030 target for renewable energy installation¹⁰;
- The lowest penetration of wind and solar power¹¹;
- Low levels of climate-related financial regulation and supervision.

While in Alberta, Prime Minister Carney must resist the traps laid by the fossil fuel lobby and echoed by Premier Smith—policies that would isolate Canada from its allies and deepen our dependence on an increasingly unreliable United States. Instead, the Prime Minister must galvanize support for peace, stability, and cooperation to address the urgent crises of climate change, pollution, and biodiversity loss.

What the Leader's Summit must deliver: ending all fossil fuel subsidies, investing in clean energy, shifting private finance to align with climate action, setting the stage for a successful Plastics Treaty

Every G7 Summit concludes with a leaders' communiqué, a formal statement outlining shared commitments and policy directions. The 2025 G7 leader's communiqué must affirm the members commitment to:

- **Eliminating all fossil fuel subsidies**, including subsidies for petrochemical production. The 2009 commitment¹² to end "inefficient" fossil fuel subsidies has come due, and the limited scope needs to be expanded to include *all* fossil fuel subsidies. G7 members must also commit to developing an annual fossil fuel subsidy inventory with an action plan to phase out remaining subsidies. Finally, it is essential that Canada expand on its commitment to end international finance for fossil fuels to include ending domestic financing as well, while calling on its G7 allies to do the same.
- **Ensuring clean energy security**. Renewable energy investment is outpacing fossil fuel investment globally, while at the same time, renewables have emerged as the lowest cost source of new electricity generation. Canada has abundant wind and

¹⁰ <https://ember-energy.org/latest-insights/the-g7-should-set-a-goal-to-triple-their-renewable-capacity/>

¹¹ <https://ember-energy.org/latest-insights/the-g7-should-set-a-goal-to-triple-their-renewable-capacity/>

¹² <https://g7g20-documents.org/database/document/2009-g20-united-kingdom-finance-track-ministers-language-communique-1#section-1>

solar potential, and the surest path to energy security is through a fulsome build out of renewable generation. G7 countries, including Canada, committed to net-zero grids by 2035. Policy is essential to meeting this target. G7 countries must:

- Ensure strong markets for renewable energy products by reinforcing domestic clean electricity mandates and investments in renewable energy projects, in line with the G7's past commitment of achieving net zero emissions electricity grids by 2035
 - Identify each member's advantages along the renewable energy supply chain (e.g. mineral refining, wind tower and heat pump manufacturing, solar glass manufacturing, solar panel and wind turbine assembly, and material recycling) and develop a strategy to ensure resilient supply chains amongst allied nations
 - Eliminate barriers to trade for renewable energy and energy storage components between G7 members
- **Ending plastic pollution.** Plastic pollution is an increasing threat to the world's environment and human health, and something the G7 has led on in the past via its 2018 Ocean Plastics Charter. Now, seven years later, G7 members must commit to finalizing an ambitious Global Treaty to end plastic pollution that addresses the full lifecycle of plastics, supported by the majority of countries in the world. G7 members further recognize the role we must play to ensure funding for the least developed and small island nations to implement effective control measures to curb plastic pollution.
 - **Align the financial system with climate action.** There is a significant climate finance investment gap. Members of the G7 have individually advanced new policies to align private financial systems with climate action, particularly in the European Union and the United Kingdom. Climate-related transition plan requirements have been considered and advanced by various G7 nations. This goal should be taken up by the G7, given the integrated nature of financial markets. G7 members have an opportunity to commit to aligning – not just mobilizing – the financial sector for climate action, including by advancing climate-related transition plan rules, and should express this in the communique.



ABOUT ENVIRONMENTAL DEFENCE: Environmental Defence is a leading Canadian environmental advocacy organization that works with government, industry and individuals to defend clean water, a safe climate and healthy communities. Visit environmentaldefence.ca for more information.

For more information or to request an interview, please contact: media@environmentaldefence.ca