

# CBSR: NET ZERO WORKING GROUP **ORGANIZATIONAL CHANGE MANAGEMENT**

Friday, November 10, 2023  
1:30 – 3:30 pm EST

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- Do your homework – whose land are you on? Check here.
- Learn more about the land you inhabit and the history of the land:  
<https://native-land.ca/>

- How does the history of that land interact with you? What did you learn while doing your homework?

- What actions are you going to do to support the Indigenous communities around you?
- Read about the Truth and Reconciliation Commission of Canada and its 94 Calls to Action.

# VIRTUAL HOUSEKEEPING



Adjust your Zoom display name to show:  
[Your Name, Pronouns, Company Name]



Encouraged to switch on video & actively  
participate in the chat box and discussions



Chatham House Rule is in place



**Tech questions?** You can also ask them in the **CHAT**

# AGENDA

Timing (EST)	Agenda Item
<b>1:30 – 1:35 PM</b> (5 min)	<b>Welcome remarks</b>
<b>1:35 – 1:45 PM</b> (10 min)	<b>Leading to Achieve Net Zero</b>
<b>1:45 – 2:05 PM</b> (20 min)	<b>Breakout Group Discussion 1</b> Discussion questions: <ol style="list-style-type: none"><li>1) How embedded is climate action in your organization right now?</li><li>2) How did your organization get to this position?</li><li>3) What has been the biggest win or biggest barrier to date?</li></ol>
<b>2:05 – 2:15 PM</b> (10 min)	<b>Laying the Foundation for success</b>
<b>2:15 – 2:35 PM</b> (20 min)	<b>Member Spotlight:</b> Wheaton Precious Metals
<b>2:35 – 2:45</b> (10 min)	<b>Partnerships &amp; Innovation: Building New Capabilities</b>
<b>2:45 – 3:05 PM</b> (20 min)	<b>Breakout Group Discussion 2</b> Discussion questions: <ol style="list-style-type: none"><li>1) What new partnerships are your firm pursuing to advancing your climate strategy? Are they working so far?</li><li>2) How is your firm organizing to innovate on critical dimensions of your climate strategy?</li><li>3) How are balancing risk and opportunity?</li></ol>
<b>3:05 – 3:20 PM</b> (15 min)	<b>Ivey's New Research</b>
<b>3:20 – 3:30 PM</b> (10 min)	<b>Next Steps &amp; Final Words</b>

# Introducing Our Guest Speakers



**Robert D. Klassen**

Ivey Business School



**Matthew Lynch**

Ivey Business School

# Leading to Achieve Net Zero

# What is net zero?

- Conceptually define net zero
  - **Cut** GHG emissions from our activities to as close to zero as possible...  
*then* we are *carbon neutral* if we **balance** the remaining GHG emissions that we **release** into the atmosphere with an equal amount **absorb or remove** from the atmosphere.
- Primary emphasis is countries and sectors.





# Net Zero Readiness Index

## 1. National preparedness

- contribution to global Net Zero
- reducing emissions intensity
- policies

## 2. Sector score

- electricity and heat
- transport
- buildings
- industry
- agriculture & forestry

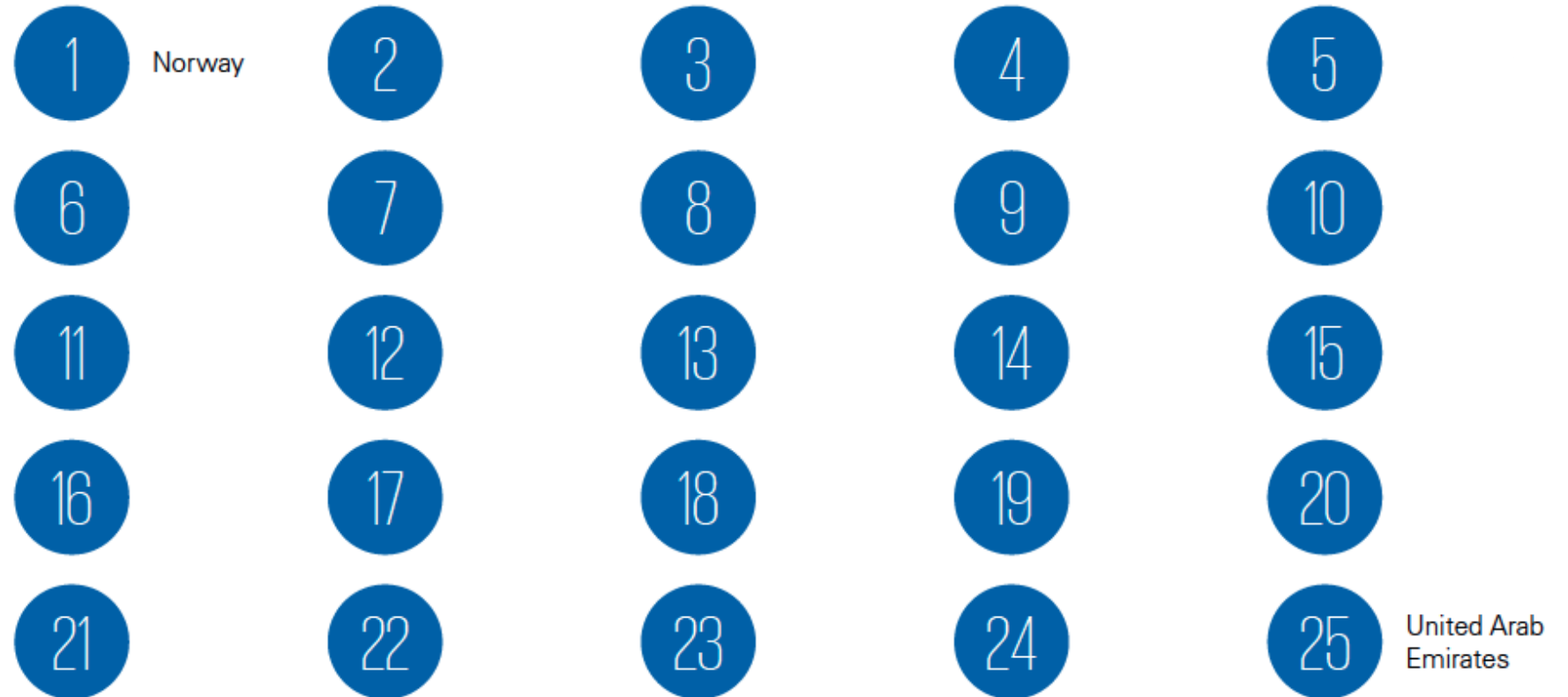


# KPMG: Net Zero Readiness index

What rank  
is Canada?

*...please  
respond to  
the poll*

Top 25 countries



# KPMG: Net Zero Readiness index

What rank  
is Canada?

## Top 25 countries



# Net zero: What is so complicated?

- Massive investment expected, but by whom?
- How might firms navigate?
  - redesign supply chains.
  - plan for multiple future generations of managers.
- What managerial actions are needed?
  - key risks: competitiveness, operations and financial.

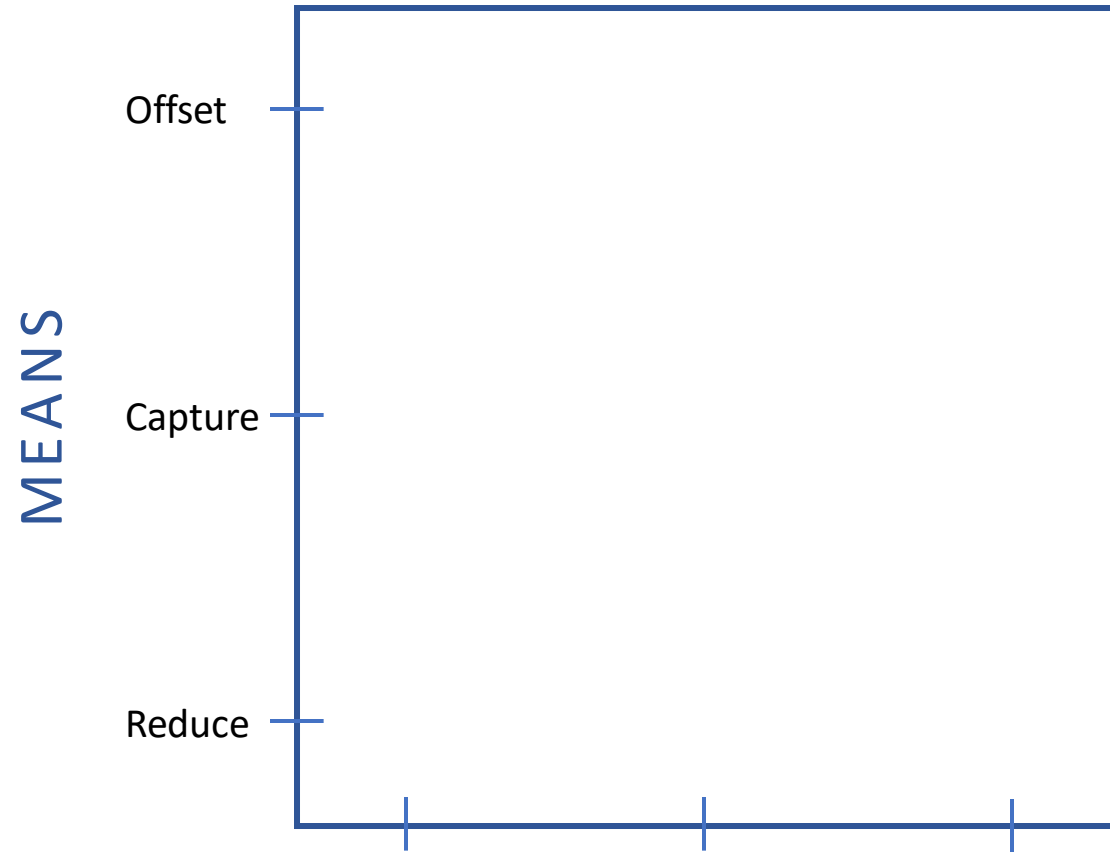
# *Corporate Strategies for Net Zero* Research Design

- Case studies of 10 leading firms
  - confirmed or committed SBTi targets (except energy sector)
  - primarily Canadian headquartered, many have international operations
- Primary and secondary data collection
  - 26 interviews, typically one hour in length
  - archival data focused on commitments and action
  - interviews focused on background, process and organization

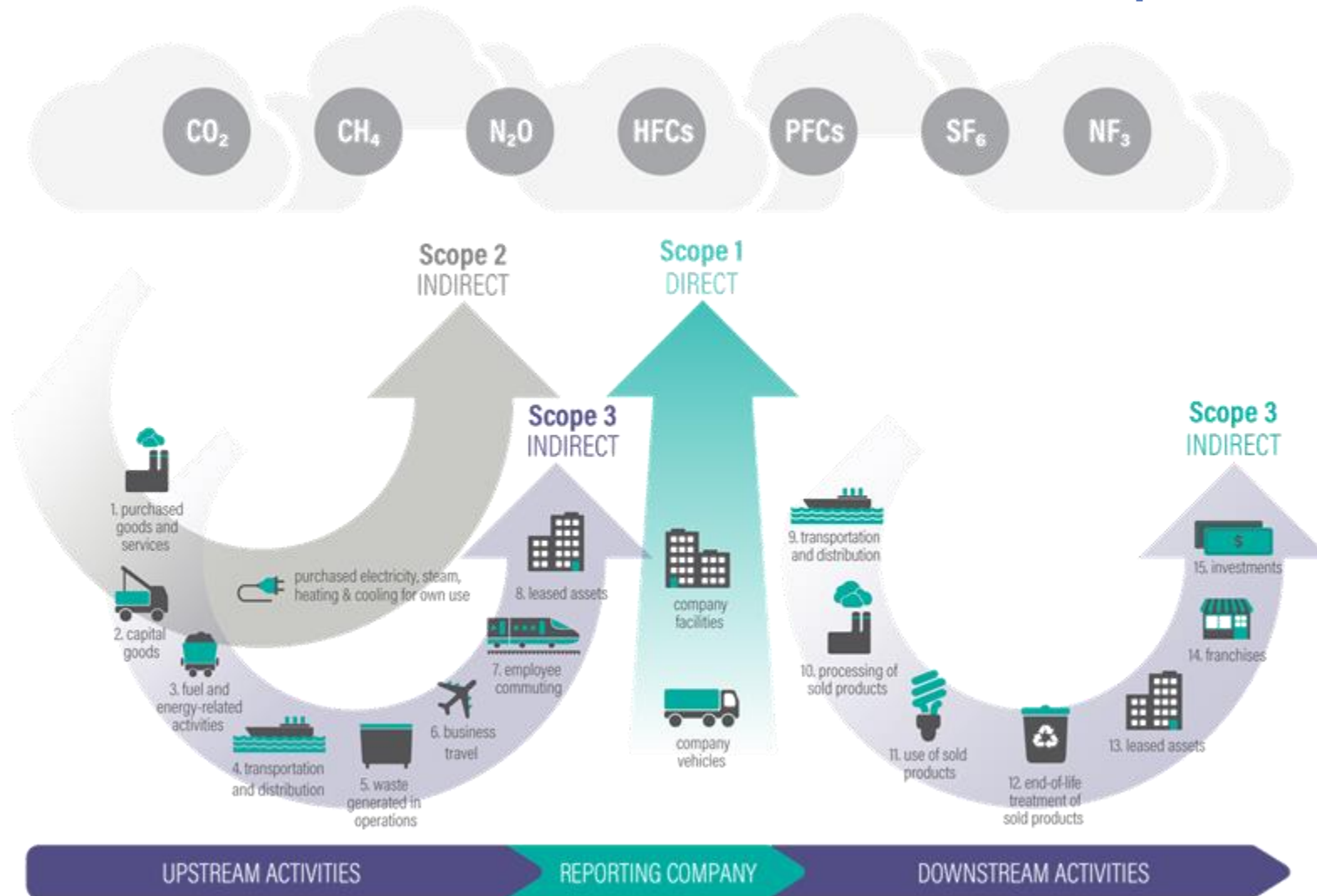
# What is net zero?

Combine three  
key dimensions:

1. How?



# Firm to value chain: Three Scopes

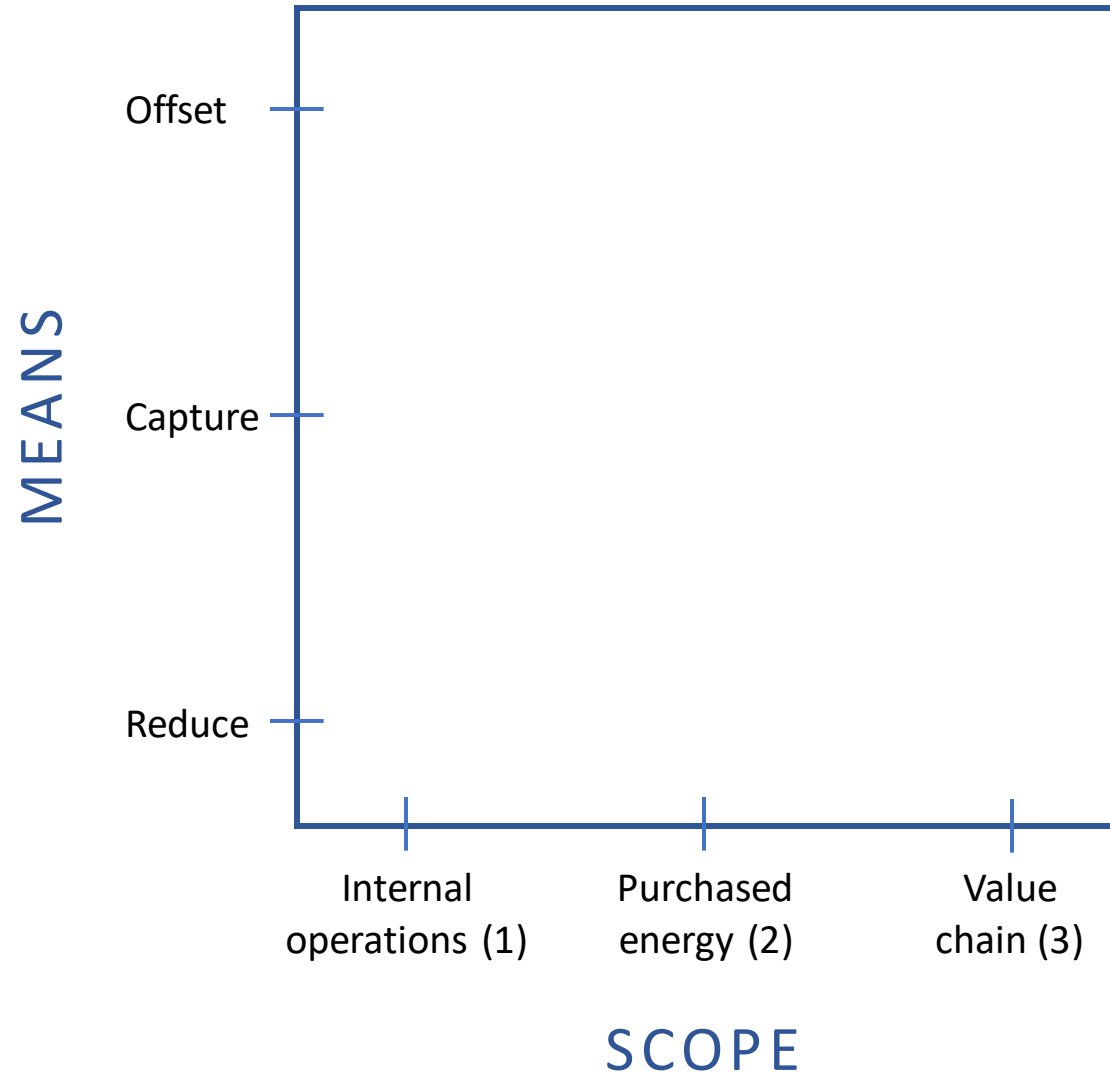




# What is net zero?

Combine three  
key dimensions:

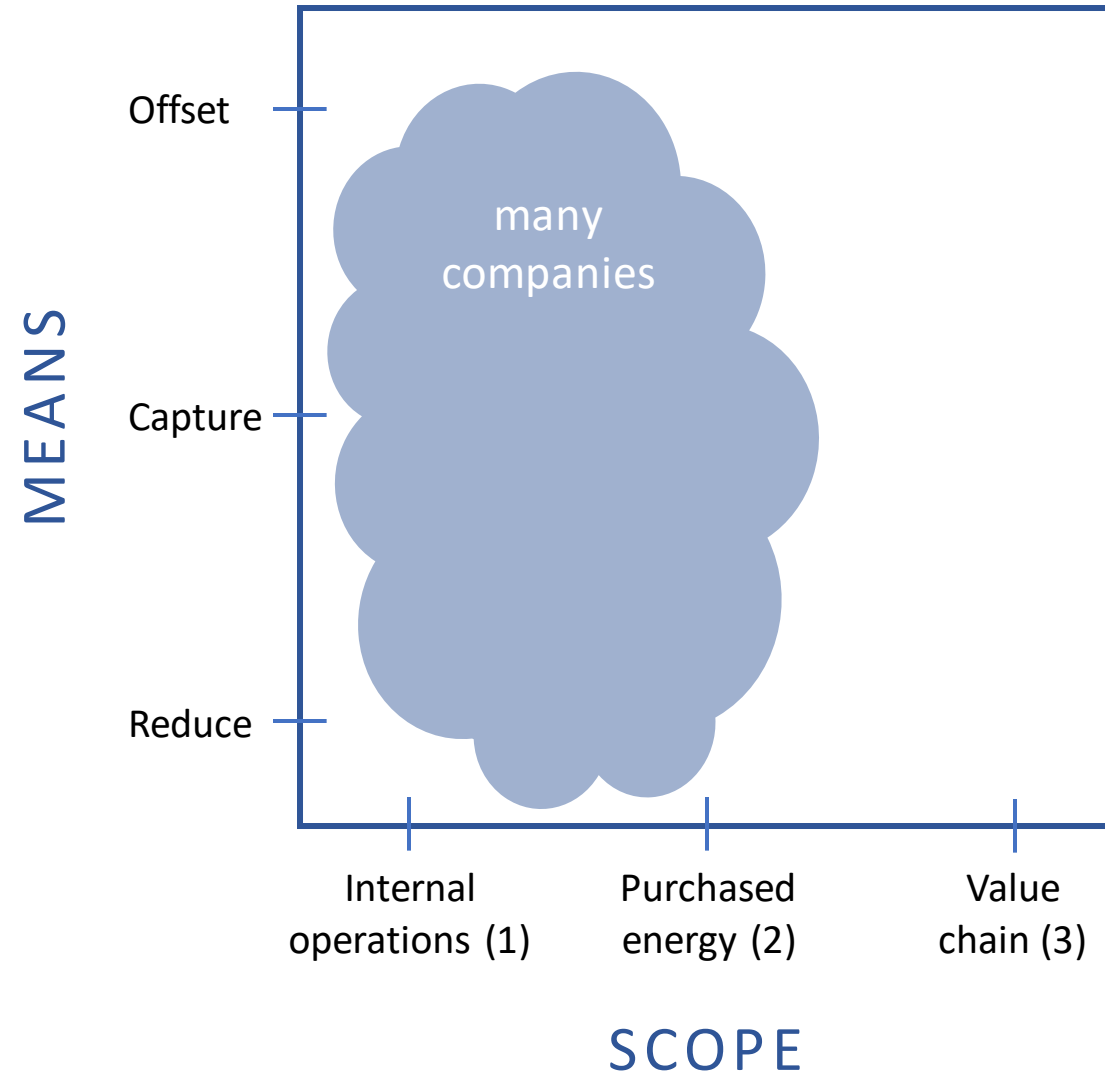
1. How?
2. Where?



# What is net zero?

Combine three key dimensions:

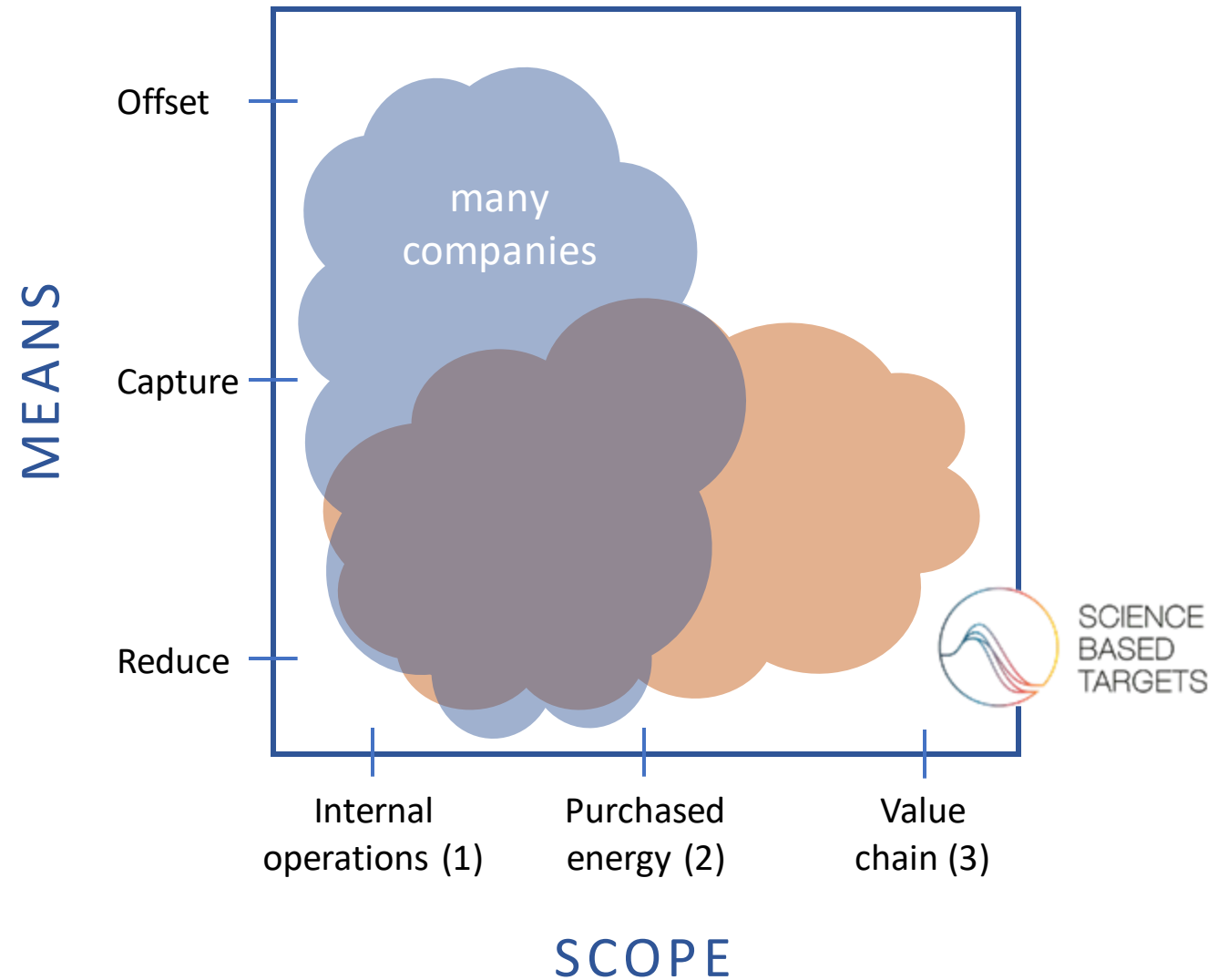
1. How?
2. Where?



# What is net zero?

Combine three key dimensions:

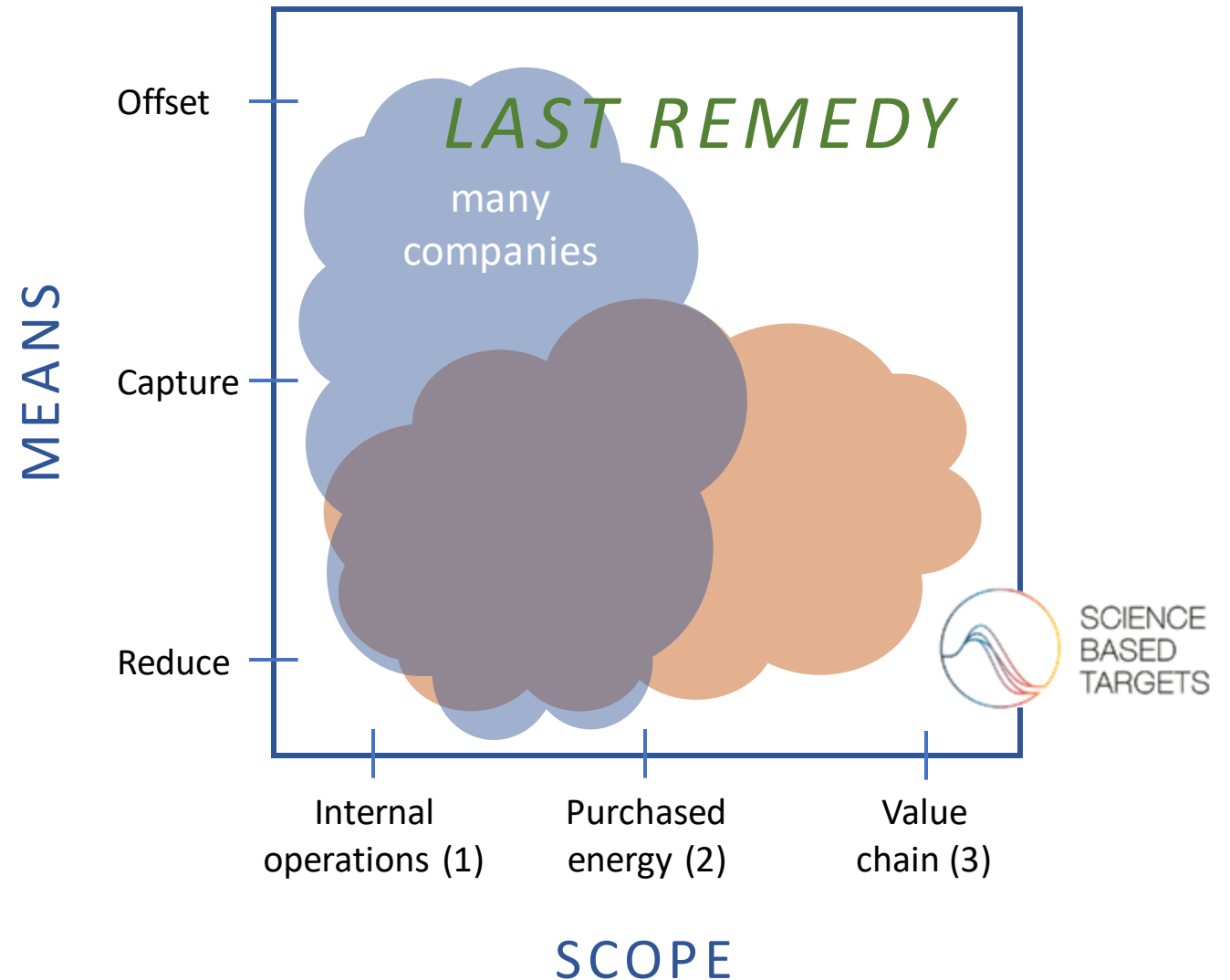
1. How?
2. Where?



# What is net zero?

Combine three key dimensions:

1. How?
2. Where?
3. When?



## Breakout #1: Discussion Questions

20 minutes

*Poll: How embedded is climate action in your organization right now?*



1) How did your organization get to this position?

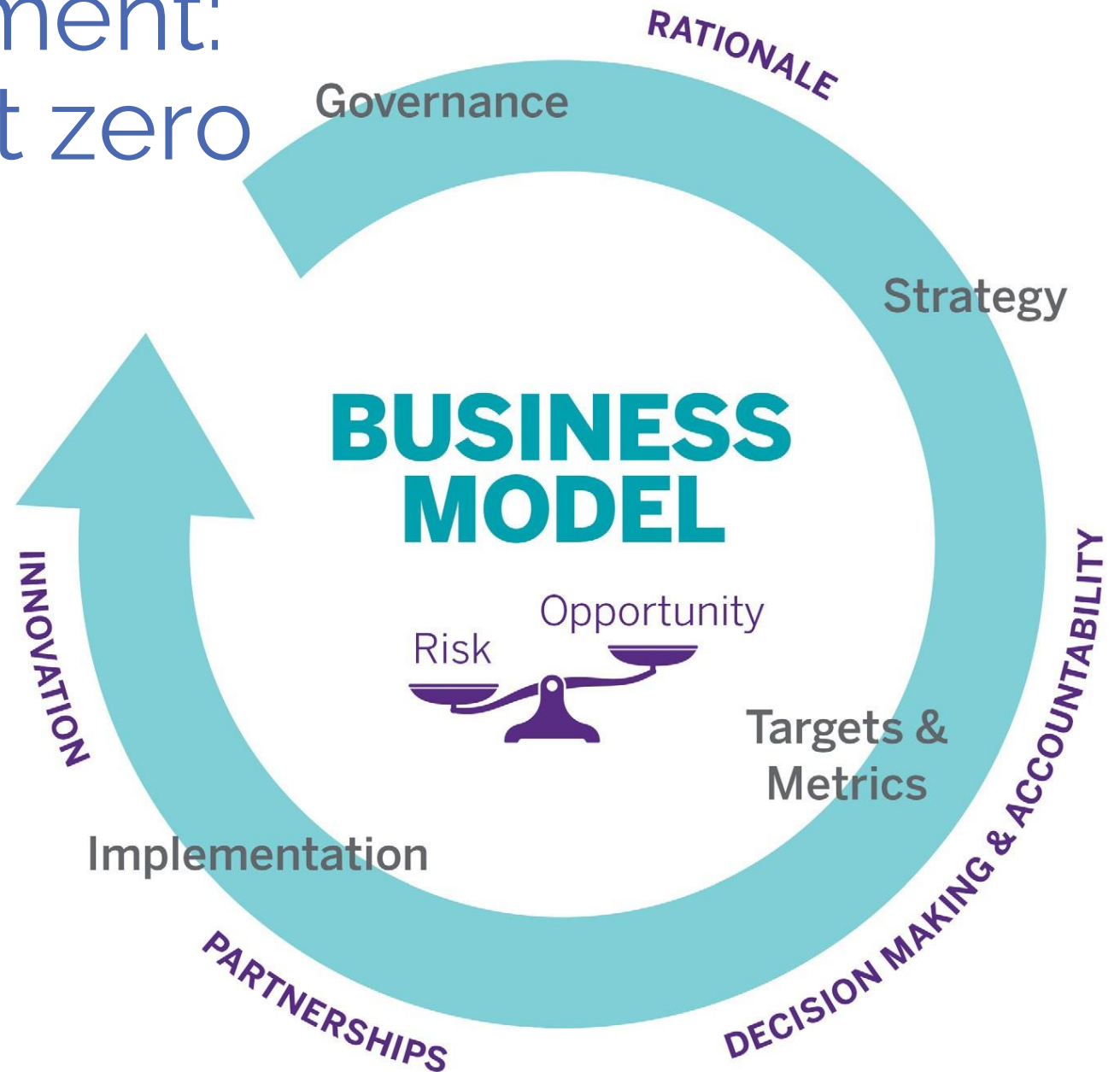
2) What was the biggest win or biggest barrier to date?



# Laying the Foundation for Success



# Change management: Organizing for net zero



# Four guiding questions



## Rationale

Specify and detail why your firm is committing to and pursuing net zero.



## Decision-making

Develop decision-making processes and assign accountability for progress.



## Partnerships

Pursue novel partnerships with new and current supply chain partners to expand opportunities.



## Innovation

Balance efforts to reduce risk with innovative technologies and practices that reshape the business model.

# RATIONALE

**What is your firm's rationale for reducing GHG emissions, and if truly ambitious, committing to net zero?**

- Why? ...drives many other decisions.
- Assess who bears the costs and who receives the benefits, and key factors that influence those outcomes.
- Consider the engagement of key stakeholders:
  - investors
  - customers
  - employees

# DECISION-MAKING

**What is your firm's rationale for reducing GHG emissions, and if truly ambitious, committing to net zero?**

- How is your organization thinking about decision-making and accountability with a 30-year horizon?
- What are the roles planned for:
  - Areas of excellence
  - Sustainability group
  - C-suite
- Balancing: risk (e.g., TCFD) and innovation



# Member Spotlight

# Meet our Speaker

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## **Andrea De Paoli**

Director, Sustainability  
*Wheaton Precious Metals*

As Director, Sustainability for Wheaton Precious Metals, Andrea is responsible for leading the implementation and evolution of the company's ESG initiatives, including Wheaton's sustainability and climate strategy and reporting, as well as conducting ESG due diligence and ongoing monitoring of the company's investments. Prior to Wheaton, Andrea worked with EY's Climate Change and Sustainability Services practice and at Teck Resources. She has a MSc. In Social Responsibility and Sustainability from Aston University in the U.K., and a BA in International Relations from the University of Calgary.







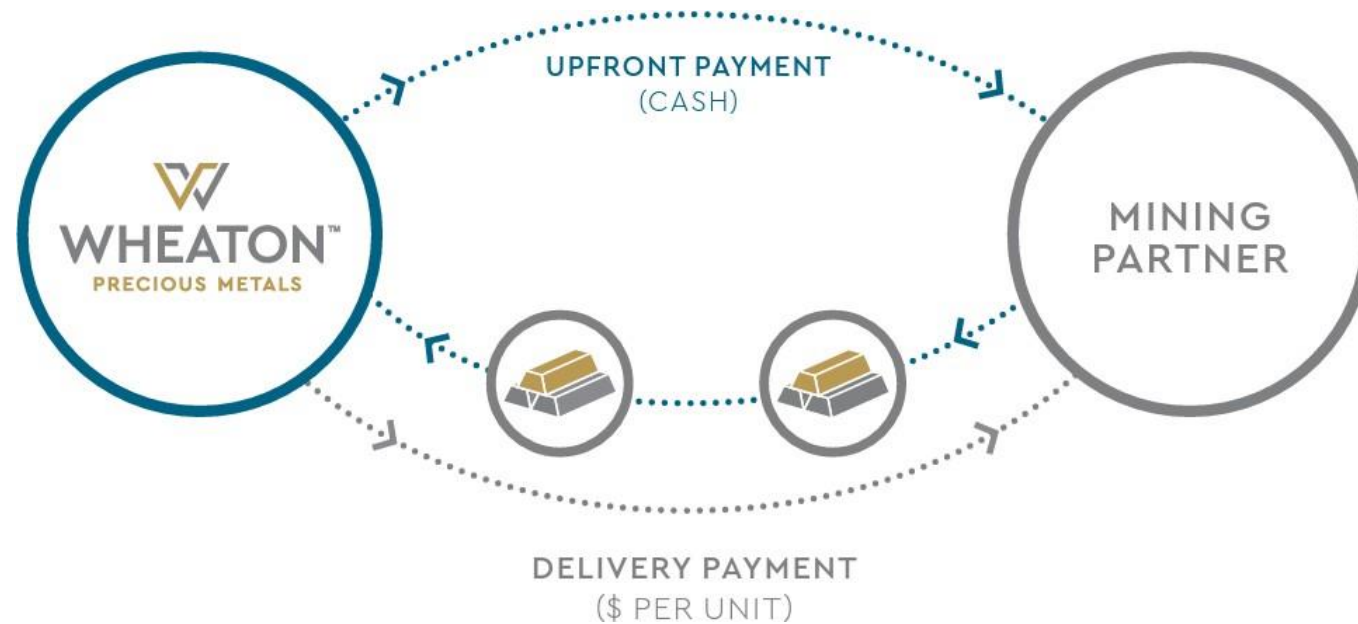
## **CBSR NET ZERO WORKING GROUP**

8 November 2023

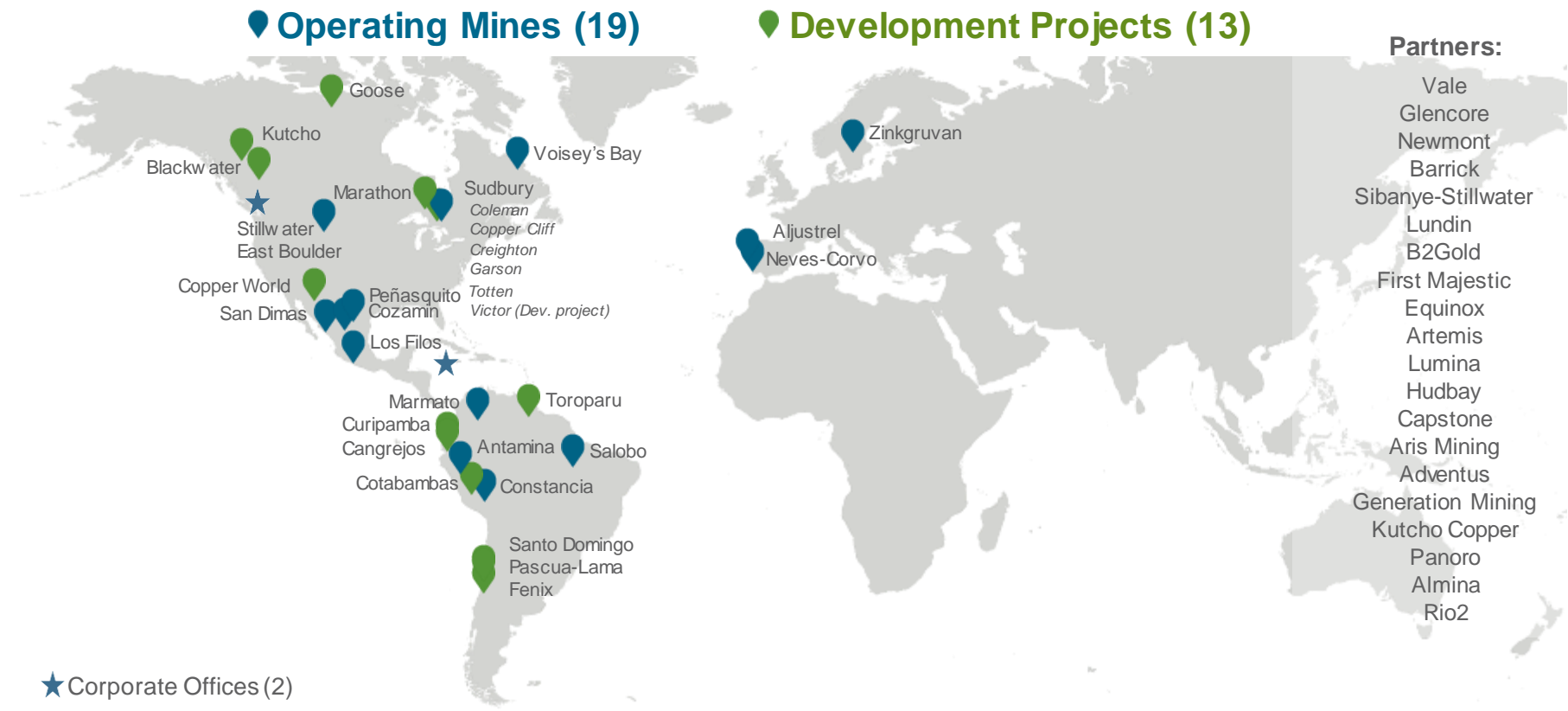
Value through streaming.

# WHAT IS STREAMING?

A stream is a long-term contract for the purchase of refined metal produced by a mine



# WHEATON'S MINING PARTNERS



# WHEATON'S NET ZERO GOAL

- Wheaton is the first metals streamer to set a net zero 2050 goal which covers all scopes, including Scope 3
- Underpinned by three goals/targets:

- **Reduce Scope 1 and Scope 2 emissions by 50% by 2030 from a 2018 baseline [SBTi approved]**
- **80% of Scope 3 financed emissions covered by emissions reductions targets aligned to 1.5°C by 2040\***
- **Support our mine partners' decarbonization and climate solution efforts**

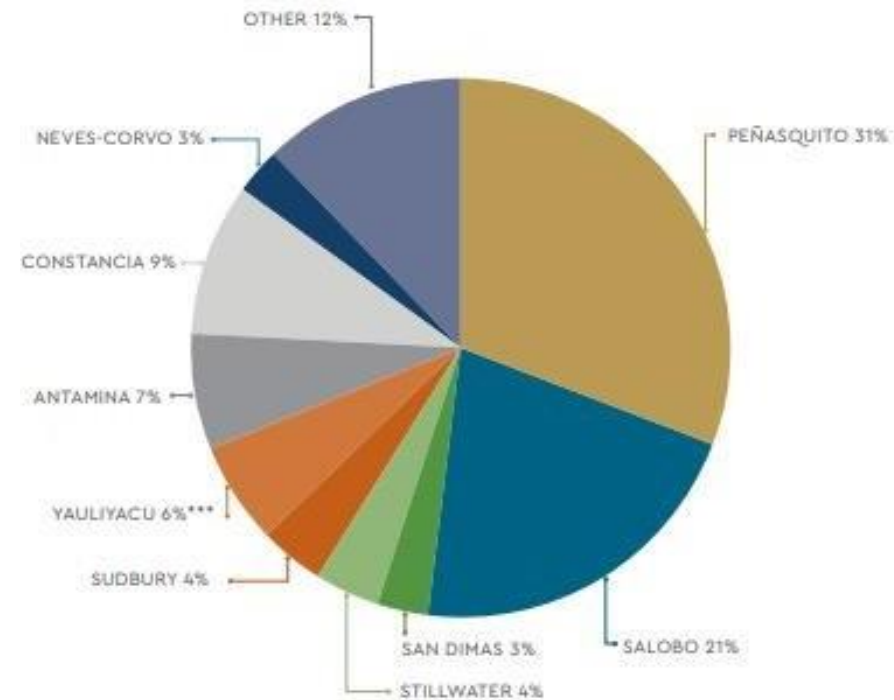
\*Considers the Scope 1 and Scope 2 targets set by our Mining Partners.



# SCOPE 3 EMISSIONS

- Scope 3 emissions account for 99% of our total emissions
- Our Scope 3 emissions engagement target is aligned with the SBTi's guidance for emissions reductions targets for the financial sector
- As of January 2023, 68% of our 2021 Scope 3 financed emissions were covered by emissions reductions targets aligned to 2°C warming or less
- Several mining partners are actively working to decarbonize at the site-level

**2021 Scope 3 emissions – breakdown**



# FINANCIAL SUPPORT FOR DECARBONIZATION

## Considerations:

- Should efforts be focused on sites that contribute the most to total S3 emissions, or where there is most need?
- How can Wheaton's investment have a broad impact and reach?
- How does Wheaton leverage its unique role as a streamer?

## Investment opportunities actively being explored by the Climate Committee

Investment opportunity	Description
<b>Direct investment in projects at mine sites</b>	Wheaton invests directly in emissions reductions projects at mine sites
<b>Capacity building</b>	Wheaton provides funding for capacity building for individual companies or a group of companies
<b>R&amp;D/equity investment in green tech</b>	Wheaton invests in research and development of solutions that have not yet been proven or scaled





# Partnerships & Innovation: Building new capabilities

# PARTNERSHIPS

**How do you foresee external firm relationships changing based on your – or their – strategy for net zero?**

- Scope 3 emissions is the most complex challenge for many firms
- Gap in capabilities is both ambiguous and poorly defined.
- Intrinsically requires external engagement with suppliers, industry peers and customers

# PARTNERSHIPS: NEW CAPABILITIES

## **New partnership requirements**

- Key supplier relationships
- Vertical integration
- Value chain partnerships
- Industry/sector partnerships

## **Significant effort & attention required...but opportunities also emerging:**

- Helping customers solve their scope 3 challenges
- New customer relationships

# INNOVATION

**How might an innovation mindset guide your firm's decision-making and become embedded in your net-zero plan?**

- Climate agenda driven by heightened focus on risks
- However, system-wide transformations and disruptions are also creating compelling opportunities
- How can new approaches to innovation accelerate effective solutions and drive future value creation?

# INNOVATION: NEW CAPABILITIES

## **Innovation strategy**

- Aligning & refocusing firm-level innovation
- Strategic relationships to co-develop key technologies

## **Navigating significant long-term uncertainty**

- Evolution of key enabling technologies
- Scenario planning capabilities

## **Business model innovation**

- Top-down: *net-zero strategy as business strategy*
- Bottom-up: *growing net-zero product and service portfolio*



## Breakout #2: Discussion Questions

20 minutes



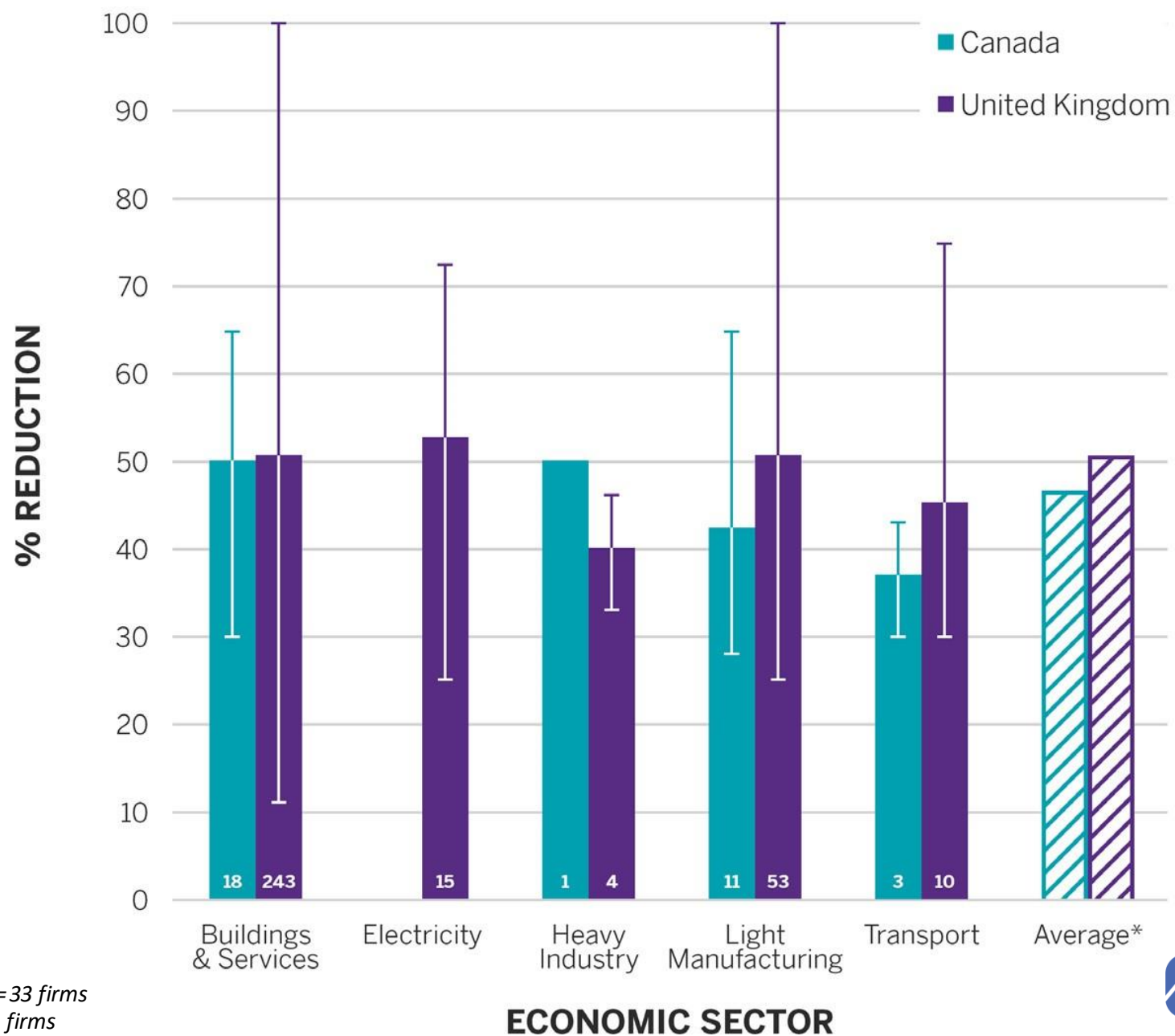
- 1) What new partnerships are your firm pursuing to advance your climate strategy? Are they working so far?
- 2) How is your firm organizing to innovate on critical dimensions of your climate strategy?
- 3) How are you balancing risk and opportunity?

# Ivey's New Research



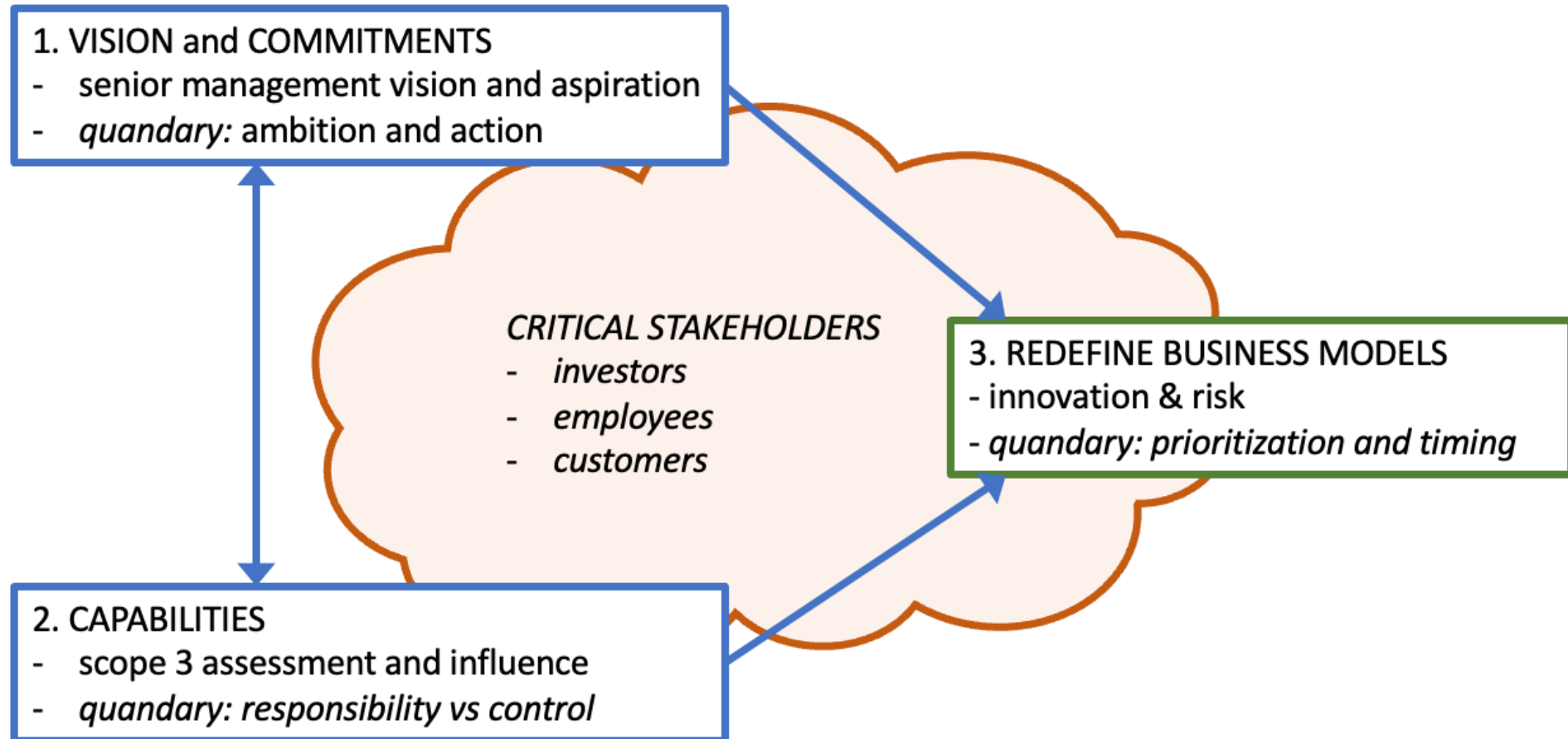
# SBTi targets for firms

*Scope 1&2 by 2030*



Canada = 33 firms  
UK = 326 firms

# Emerging Net Zero Strategic Linkages



# Vision and Commitments

Lots of people have goals and targets and aspirations, not very many companies have an actual plan.

*Sustainability executive, Energy2*

[A competitor] just came out this last week with the commitment to hit net zero by 2050, which was a first for industry. I don't know how they intend to get there, or how they reconcile that for themselves...

That's our ambition. We see that is where we want to be, but we can't commit to it because we don't know how we're going to do it...

*Director of Sustainability, Transportation*

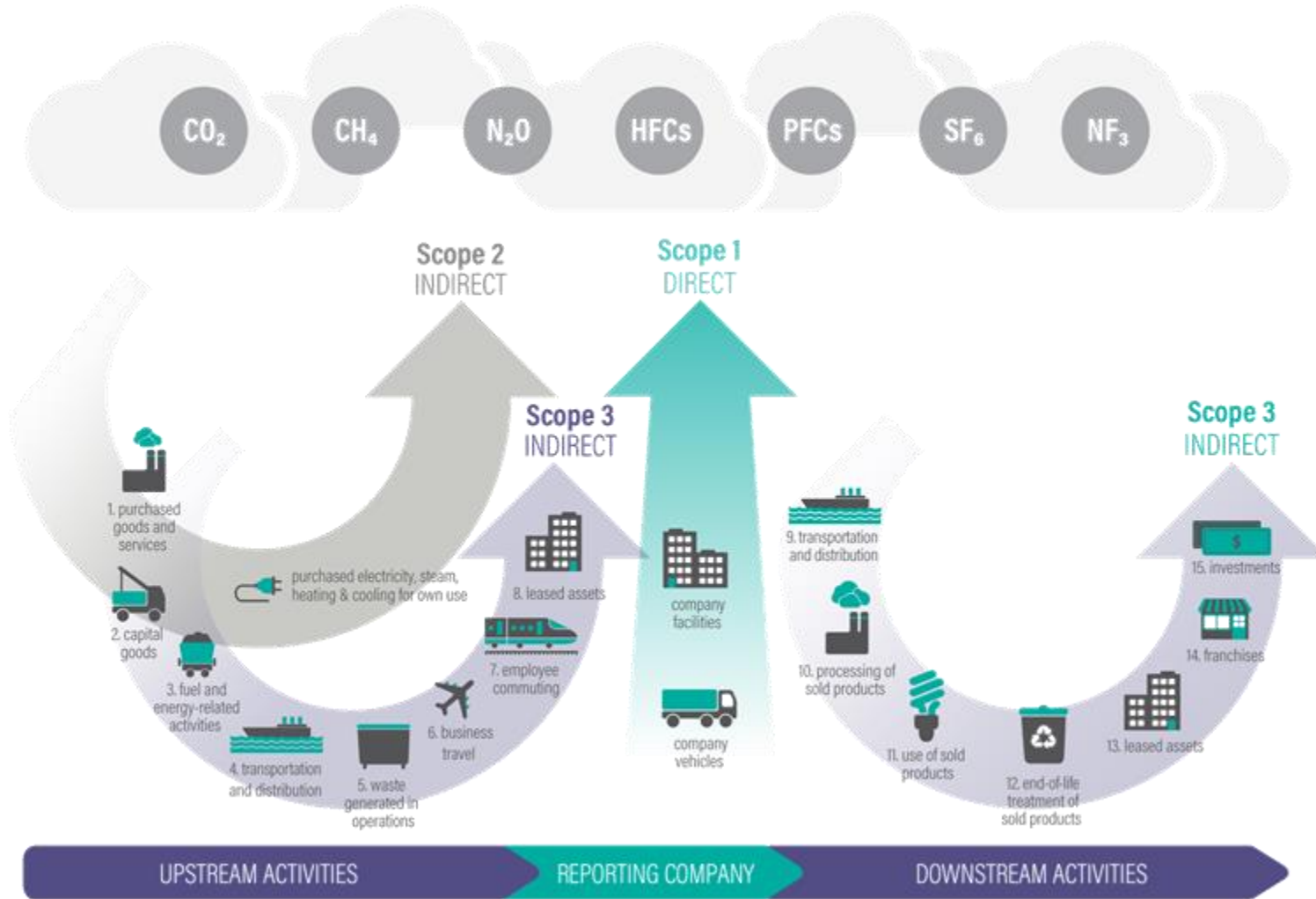
We took a deep dive and went 'Okay if we threw out this level of ambition by 2030...Can we get there? What does the project queue look like?'

*VP Sustainability, Agricultural products*

# Vision and Commitments

- *Quandary*
  - **Ambition: Very ambitious vision**  
potentially viewed with strong skepticism with less detail for implementation
  - **Action: Detailed achievable strategy and implementation**  
potentially criticized as low ambitious by stakeholders

# Capabilities: recall the complexities of scope



# Capabilities linked to scope

- *Quandary*
  - Responsibility: Need to report and reduce Scope 3
    - supply chains change and evolve; location, regulation and incentives
  - Control: Vertical integration
    - direct influence, less flexibility; expands Scopes 1 & 2

# Redefine business models

- *Quandary*
  - **Prioritization: risk and innovation**
    - varies by Scope and investments in collaborative partnerships
    - varies based on pressure from stakeholders
  - **Timing: innovation**
    - reduce, capture, offset



# Key Takeaways

By learning from Canadian climate leaders, Ivey's *Corporate Strategies for Net Zero* research is to help empower all firms set and progress towards ambitious climate targets.

Key insights:

1. **Vision & Commitments:** balance ambition with a robust plan for delivery.
2. **Capabilities:** Identify and build new capabilities for collaboration and innovation.
3. **Redefine business models:** Focus on risk but the opportunities for new customer relationships and models for value creation.





# Next Steps

## **Q4 Roundtable: Equity Partnerships & Effective Indigenous Collaboration**

- (Corporate) Friday, November 24 from 1–3 PM ET
- (EXCEL) Friday, December 1 from 1– 3 PM ET

## ***COMING SOON***

- *CBSR Annual Member Survey*
- *2024 New Program Package*
- *GLOBE Passes*
- *Sustainable Procurement Fellowship Program*

If you have an interesting case study to share with the group,  
please reach out to us!

[Info@cbsr.ca](mailto:Info@cbsr.ca)



## *Time for a Poll*

# **Are you interested in joining a short workshop to engage further in the Ivey research?**


*The workshop will be an opportunity to engage with the findings in more depth and contribute to the research outcomes. It will be a light time commitment (< 2 hours).*

- 1) Yes, I am interested and would like to be contacted with more information about this opportunity.
- 2) I may be interested in this opportunity but need more information before agreeing to participate.
- 3) No, I am not interested at this time.

# Join CBSR's Net-Zero Leaderboard

CBSR is the proud home of Canada's only Net-Zero Leaderboard which is the definitive source of information on Canada's climate targets.

The Leaderboard supports Canadian business to move from ambition to action, establish the value of benchmarking ambition and standardize language and align strategies

<< Download data as spreadsheet >>						
Company	Industry	Target	Scope	Interim Targets	Science-Based Targets Initiative	Data Source
5T Sports Group	Professional Services	Net zero emissions by 2030	Unclear	No	No	<a href="#">BCorp Climate Collective</a>
 Accenture	Professional Services	Net zero emissions by 2025 Science-based target by 2025	Scope 1, Scope 2, Scope 3*	No	Validated, 1.5°C	<a href="#">Accenture Net Zero</a>
AccertaClaim Servcorp Inc.	Professional Services	Net zero emissions by 2030	Unclear	No	No	<a href="#">BCorp Climate Collective</a>
Active Impact Investments	Banking & Finance	Net zero emissions by 2030	Unclear	No	No	<a href="#">BCorp Climate Collective</a>
AET Group Inc.	Professional Services	Net zero emissions by	Unclear	No	No	<a href="#">BCorp Climate</a>

Learn more about the CBSR Net-Zero Leaderboard and how to apply [here](#).

# Thank you for attending!

We will see you soon.

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