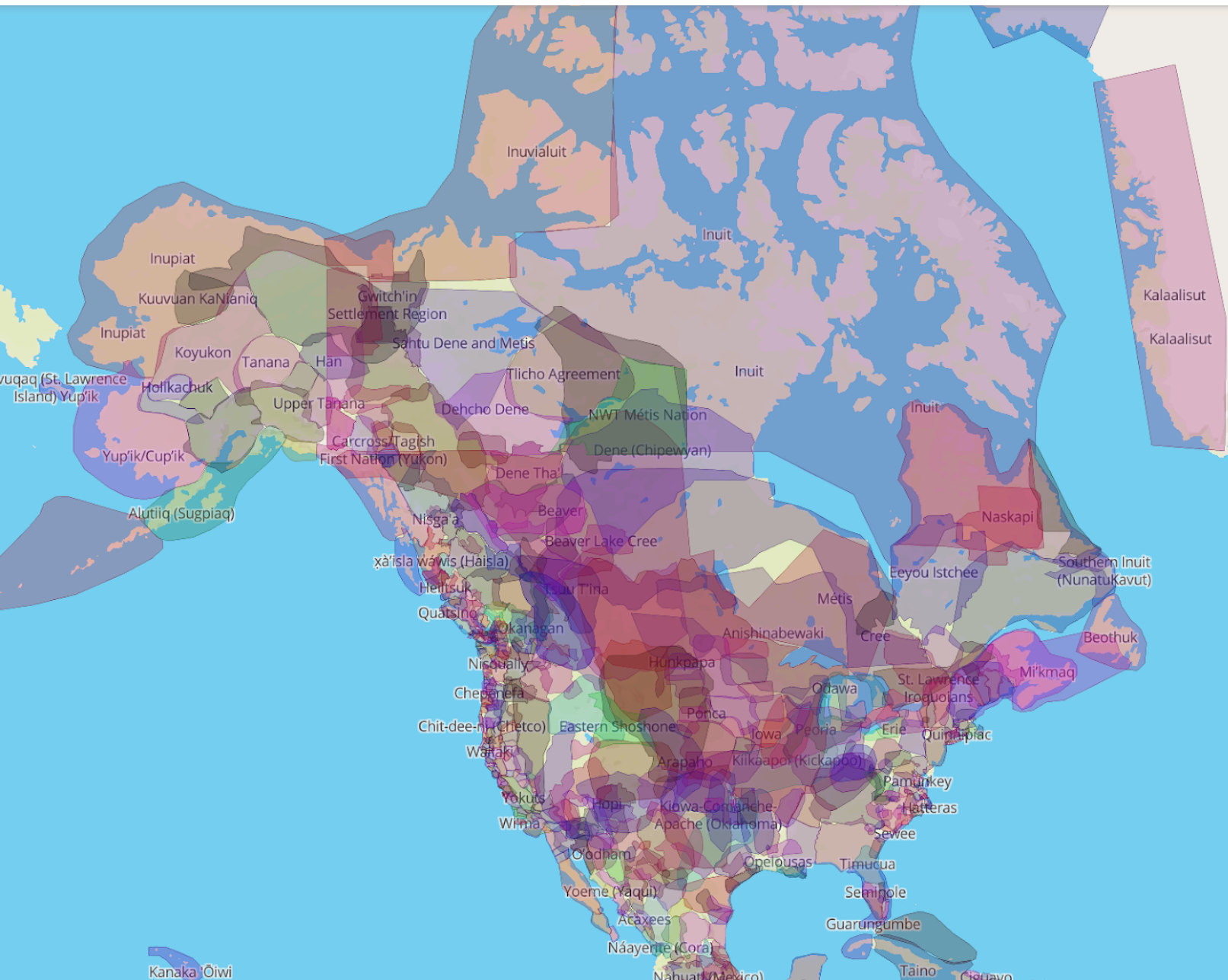


CBSR: CORPORATE NET ZERO WORKING GROUP

An Equitable and Socially Just Transition to Net Zero

Friday, September 16th, 2022
1:30 – 3:30 pm EST





Read the 94 Calls to Action in the Truth and Reconciliation

Commission: https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/indigenous-people/aboriginal-peoples-documents/calls_to_action_english2.pdf

Call to Action #92 is directed to corporations:

"...adopt the United Nations Declaration on the Rights of Indigenous Peoples..."

"...equitable access to jobs, training, and education opportunities..."

"Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools..."

AGENDA

Timing (EST)	Agenda Item
1:30 – 1:40 PM	Welcome, Land Recognition & Introductions
1:40 – 2:00	What is a Just Transition <ul style="list-style-type: none">• Why is it critical for achieving net-zero• Update on national action
2:00 – 2:20	Breakout Rooms: <p>Discussion Questions:</p> <ol style="list-style-type: none">1. What do you see as the main economic opportunities associated with the transition to a low-carbon economy?2. What are the greatest challenges preventing businesses from transitioning to sustainable, prosperous and socially just business models?3. How will the low carbon transition impact your organization? How will it impact your workers and employees?
2:20 – 2:45	Member Spotlight and Q&A <p>Capital Power</p>
2:45 – 3:00	Why is the just transition important for business? <ul style="list-style-type: none">• Workers, suppliers, communities, customers and investors• Climate disclosures & scenario analysis: A tool for a Just Transition
3:00 – 3:20	Breakout Rooms: <ol style="list-style-type: none">1. Training and capacity for employees2. Supply chains3. Customers & Community partnerships and engagement4. Investment & Financing
3:20-3:30	Closing & next steps

VIRTUAL HOUSEKEEPING



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



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



**Chatham House Rules
Take care of your needs**



Tech questions? Ask them in the **CHAT**



**Proud to Represent 70+ Members
Across All Sectors & Regions of Canada**



The purpose of this session

Engage with an open heart. To not be experts but be curious.

This is a brave space to share challenges and discuss opportunities to overcome

The term *Just Transition* may trigger negative reactions, fairness is another useful framing

Turn CAMERA ON

Rename yourself to
indicate
NAME / COMPANY

Be PRESENT

Be
CURIOUS

Nurture TRUST
through COURAGE

Practice
CHATHAM HOUSE
RULES

Be RESPECTFUL
with each other

Challenge IDEAS
not people

What is a just transition?

The Paris Agreement

The Paris Agreement recognizes the need for “a Just Transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities.”

A Just Transition would provide equitable support to workers and communities to minimize the impact of a transition to a low-carbon economy while sharing the costs across society.

Stricter definition: Workers and communities whose livelihoods will be lost because of an intentional shift away from fossil fuel-related activities should receive support from the state.

A Just Transition on a national scale:

On a national or regional scale, a Just Transition is an economy-wide process that produces the plans, policies and investments that lead to a future where all jobs are green and decent, greenhouse gas emissions are at net-zero, poverty is eradicated, and communities are thriving and resilient.

Broader definition calls for justice in more general terms, not just for workers. It emphasizes the importance of not continuing to sacrifice the well-being of vulnerable groups for the sake of advantaging others. Justice and equity must form an integral part of the transition.

Just Transition is a process of societal transformation to a low carbon economy.

The Term “Just Transition”

Origins of the term

- The concept of 'Just Transition' was developed by North American trade unions to provide a framework for discussions on the kinds of social and economic interventions necessary to secure workers' livelihoods in the shift from high-carbon to low-carbon, climate-resilient economies.
- Just Transition became a widely used term since it was included in the pre-amble of the Paris Agreement in 2015.

Just Transition – a new concept or table stakes?

- Today, the term is widely used, overused and possibly abused. As the term becomes more common, it is also increasingly mis-understood and used in many different ways.
- This is typically followed by a backlash that draws the term's credibility into question, followed by a revival as professionals in climate change focused organizations step in to further define and benchmark the term and enshrine it in best practices.

Why is a Just Transition critical for achieving Net- Zero

- Achieving net zero is an economic—and moral—imperative because the overall costs of unmitigated climate change to society far outweigh the costs of mitigation.
- Investing in a Just Transition ensures widespread support and avoids delays in climate action.
- Reduces the risk of polarizing communities and civil unrest: E.g. Yellow vest protest in France.



Proposed Federal Legislation on Just Transition

1

People-centred Just Transition Principles

- The government is considering establishing just transition principles in line with international best practices. ☐
- Developing mechanism(s) to apply these principles in federal policy and decision-making processes. ☐
- Explaining how new climate change action proposals and policies are expected to affect different sectors of the Canadian economy and different regions of the country.

2

Just Transition Advisory Body

- Establishing a Just Transition Advisory Body, which would be mandated to: ☐
 - engage in ongoing consultations with Canadians and stakeholders; and
 - ☐provide independent advice to the government, with practical, realistic and affordable recommendations.
- ☐Currently, there is no permanent, independent body charged with focusing exclusively on employment opportunities and the impacts of climate change action on workers and communities.

Canada needs a much broader understanding of Just Transition, that recognizes the full scale and scope of the transition ahead. The concept should be:

- **Bigger than coal, and encompasses other major sectors of the economy such as auto manufacturing and agriculture**
- Integrating support for workers
- Incorporate the fact that 70% of Canada's good exports are vulnerable to the low carbon transition – these sectors employ 800,000 – more than 4% of Canada's entire workforce
- Just Transition requires dialogue between government, communities, businesses, workers (and their unions) focusing on shared socio-economic goals.

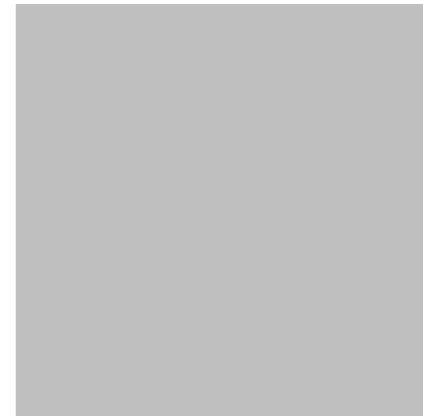
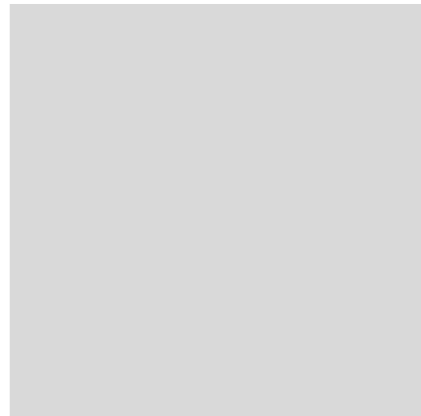
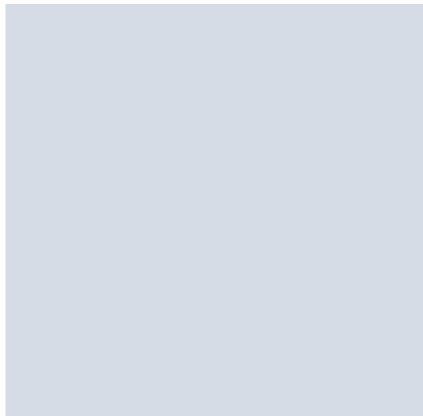
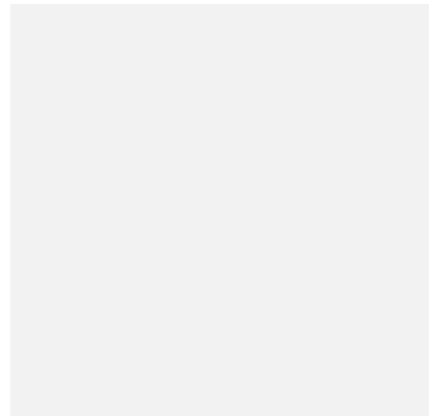
Industries impacted by Just Transition

Auto-
manufacturing

Oil & gas
extraction,
processing,
transportation
and refining

Agriculture &
food processing

Forestry



Break Out Discussion Questions:

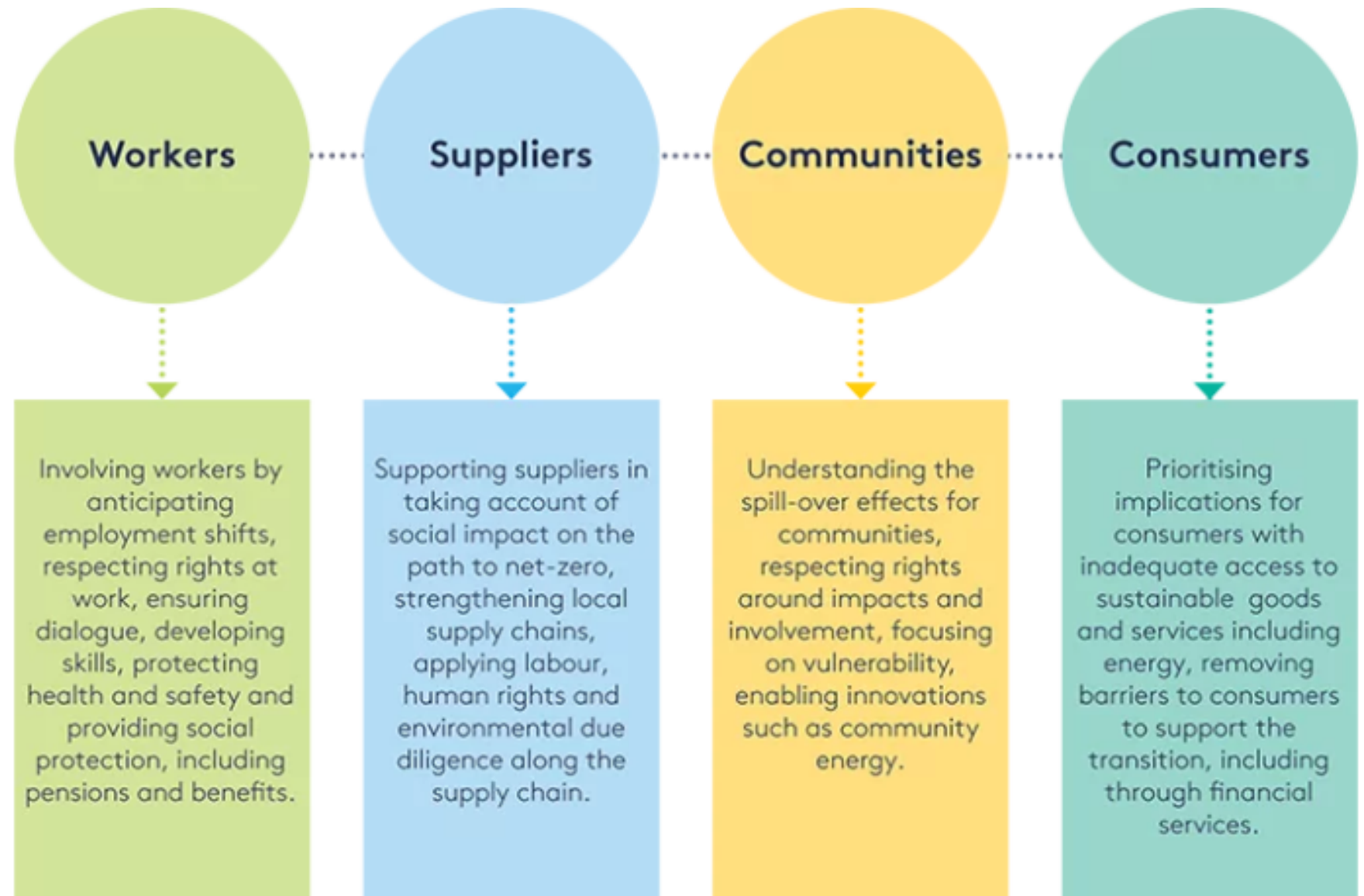


1. What do you see as the main economic opportunities associated with the transition to a low-carbon economy?
2. What are the greatest challenges preventing businesses from transitioning to sustainable, prosperous and socially just business models?
3. How will the low carbon transition impact your organization? How will it impact your workers and employees?



Capital Power Member Spotlight

What can business do to enable a Just Transition:

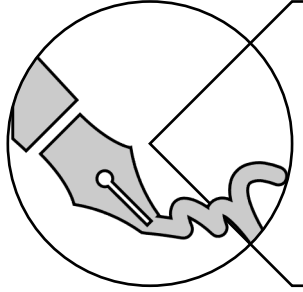


CLIMATE DISCLOSURES role in a just transition to net-zero

- Investors increasingly require businesses to disclose climate risk and opportunities, including the risks of transition.
- Workforce is a critical, and yet often underestimated element for full disclosure
- Labour planning and workforce planning are increasingly more material to a company's overall performance.
- Internal education and capacity on company sustainability issues and decarbonizing initiatives is critical.
- Employee engagement through the TCFD scenario analysis approach to define the impact of the transition and enable the development of a robust plan for the workforce can increase the odds for success.

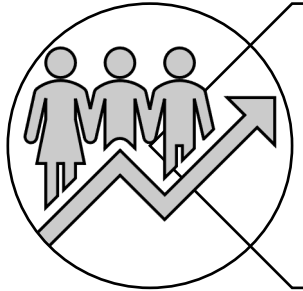


A Just Transition for Companies



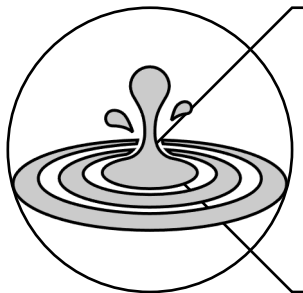
Act

- A Just Transition is an enterprise-wide process to plan and implement companies' emissions reductions efforts, based on social dialogue between workers and their unions (if applicable), and employers.



Enable

- The goal is to reduce emissions and increase resource productivity in a way that retains and improves employment, maximizes positive effects for workers and local communities, and allows the company to grasp the commercial opportunities of the low-carbon transition.



Influence

- Influence emerging climate policy for low-carbon climate resilient and inclusive development.

A Just Transition for Supply Chains

Identify Climate Priorities

- Structured assessment of the supply chain help companies prioritize high-risk areas that offer the greatest opportunities for supply chain resilience.
- Focus on areas of the supply chain that have high GHG emission and areas of significant climate vulnerability.
- Leverage frameworks like TCFD to consider and prioritize supply chain risks.

Take Action & Develop Targets

- Implement proactive supply chain actions: internally with procurement teams, with suppliers, and in broader collaborations.
- Setting measurable, time-bound targets helps companies focus and drive their actions to address their supply chain climate risks.

Evaluate Impact

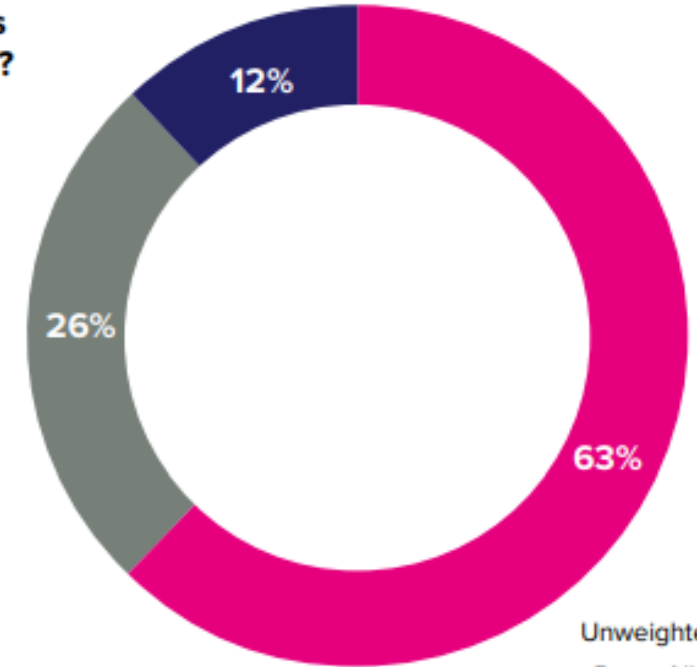
- Monitoring, evaluating and reporting helps a company understand the impact of supply chain actions.
- Adjust actions and targets over time in particular being conscious of unintended consequences which can sometimes be the result of good intentions in this domain.

A Just Transition for Workers

- Professionals in legal and financial services sectors were least likely to think their job would be affected (4% and 8% respectively) and most likely to think they would not need new skills
- TCFD Reporting means there will be much more scrutiny on non-financial risks, and new skills will be needed to analyze and report effectively.
- Finance professionals across all sectors will need to manage and report on climate-related risk to secure access to capital.
- Cumulative number of climate change-related legal cases more than double since 2015, with 'Just Transition' cases, value chain litigation and government support to the fossil fuel industry being a focus for many of them.

Do you think your job will be adversely affected by action taken by governments and businesses to tackle climate change?

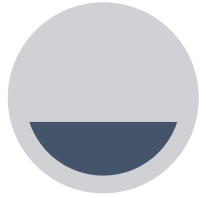
People don't see their working lives changing



Unweighted base 4740

Base: All in work 4583

A Just Transition for Communities

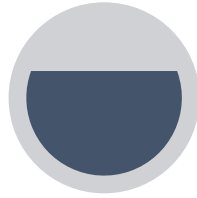


Trust and Creditability Gap

Research shows that most people don't know what businesses are doing to tackle climate change and those who do know, don't trust businesses to keep their promises.

With trust in business to act on climate dangerously low.

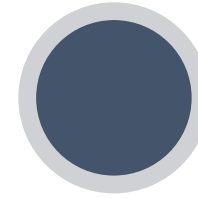
Businesses can build trust by communicating openly and transparently.



Engagement Opportunity

Businesses that operate in communities impacted by climate change have an opportunity to engage to co-create solutions for a regenerative economy.

People want to work for, and buy from, companies that are taking climate action.



Social License to Operate

It is up to business leaders to show rather than tell how they are acting to address the climate crisis.

Through on-going dialogue with communities there is an opportunity to foster a social license to operate.

The top three actions people want businesses to take are:

- using less energy and resources in products and services
- restoring and protecting nature
- cutting greenhouse gas emissions.

A Just Transition for Customers

Only 24% of customers are aware of what businesses are doing on climate action, and of them, 62% don't trust businesses to do what they promise.

- Solutions addressing climate change must be conceived in a way that provides universal access to sustainable goods and services at affordable prices.
- Building Trust with your customers
- Customer concerns can play a role in company Just Transition strategies.
- Ensure that customers and specifically low-income parts of the population have adequate access to affordable and sustainable products, including through financial services.

A Just Transition for Investors

Investment strategy: Assess exposure to the social dimension (including employment impacts) of the transition, pursuing dialogue with key stakeholders, and integrating Just Transition factors into investment beliefs and policies.

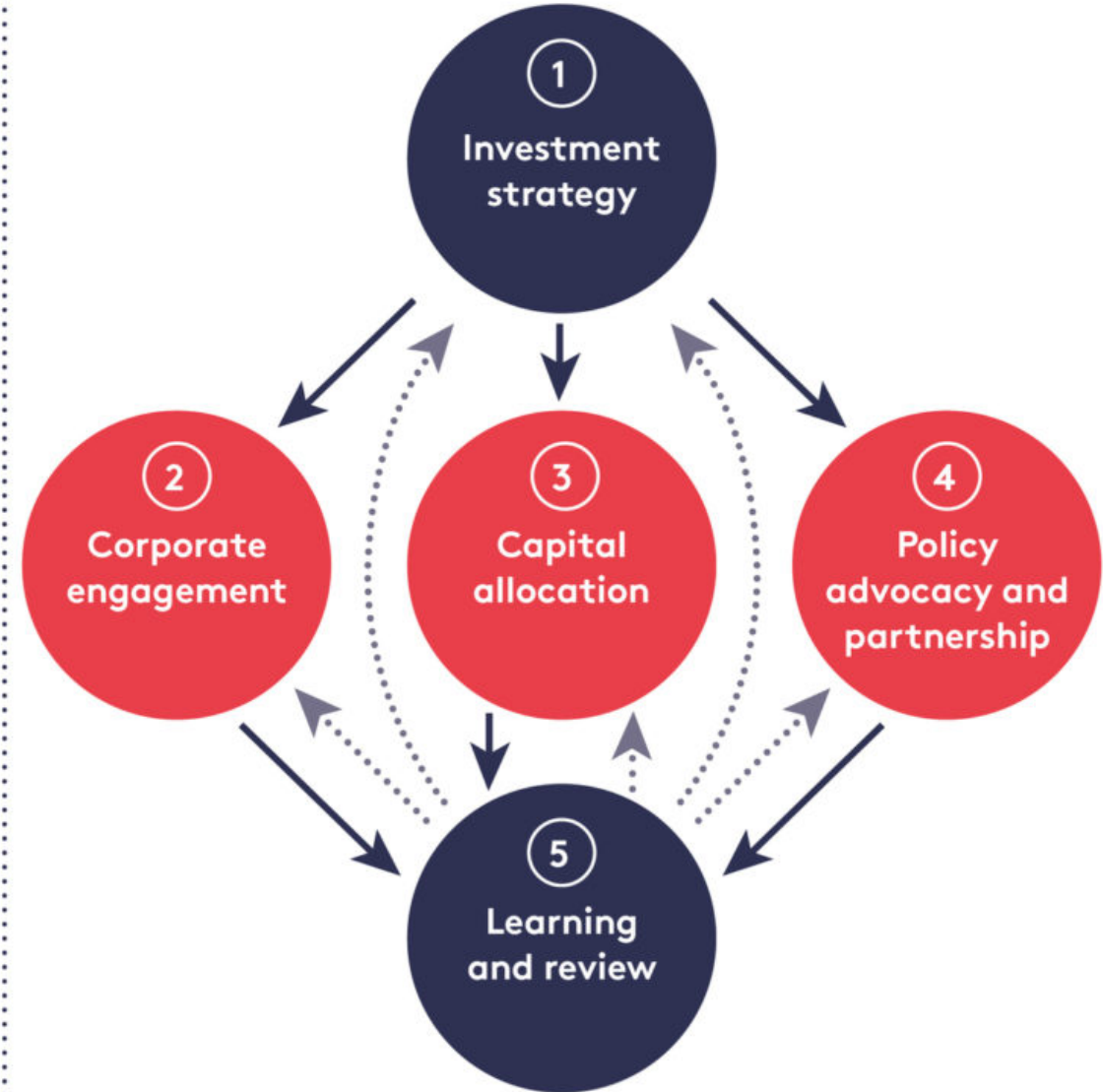
Corporate engagement: Include Just Transition factors in investor expectations, requesting disclosure, benchmarking performance, and pressing for improvement.

Capital allocation: Incorporating the social dimension into strategies for climate investment across all asset classes, including listed equities, bonds, private equity and real assets.

Policy advocacy and partnerships: Making the Just Transition a part of policy dialogue at sub-national, national and international levels as well as taking part in place-based partnerships.

Learning and review: Understanding emerging lessons and disclosing results so that the efficiency and effectiveness of investor action on the Just Transition continue to improve.

The just transition: five action areas for investors





Breakout group discussions

Group 1: Training and capacity building for employees

Group 2: Customers & community partnerships and engagement

Group 3: Investment and financing

Group 4: Supply chains

Thank you!



Resources



[Key takeaway]

- Description

[Key takeaway]

- Description

[Key takeaway]

- Description

[Key takeaway]

- Description

KEY Resources



[Key takeaway]

- Description

[Key takeaway]

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[Key takeaway]

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A Just Transition for Workers

Ending Forced Labour & Modern Slavery

- **Forced Labour Defined:** Forced labour is any work or service performed against a person's will under the threat of punishment.
- Modern slavery is a significant risk present in the supply chains, especially for raw materials, fishing, agriculture and textiles
- Bill S-211 requiring Canadian companies to ensure they are not using forced labour or exploiting child workers overseas. Bill S-211 in Parliament, will now move to the foreign affairs committee for scrutiny, a further parliamentary stage before becoming law.

Upskilling Workers for the Low Carbon Economy

- **Education and Training:** Companies should provide appropriate, continuous training services with financial support to workers so that they can reskill and upskill.
- Appropriate training services include initial learning in green business practices, continuous learning in occupational safety and health and continuous reskilling and upskilling in environmentally friendly technology and innovation.
- A best practice is development of training services through dialogue between the company, and sectoral employers.