



SURVEY: Net Zero Working Group & Post-GLOBE Check In

While we wait for everyone to
get settled in:

<https://survey.zohopublic.com/zs/vZzDgV>

5 minutes

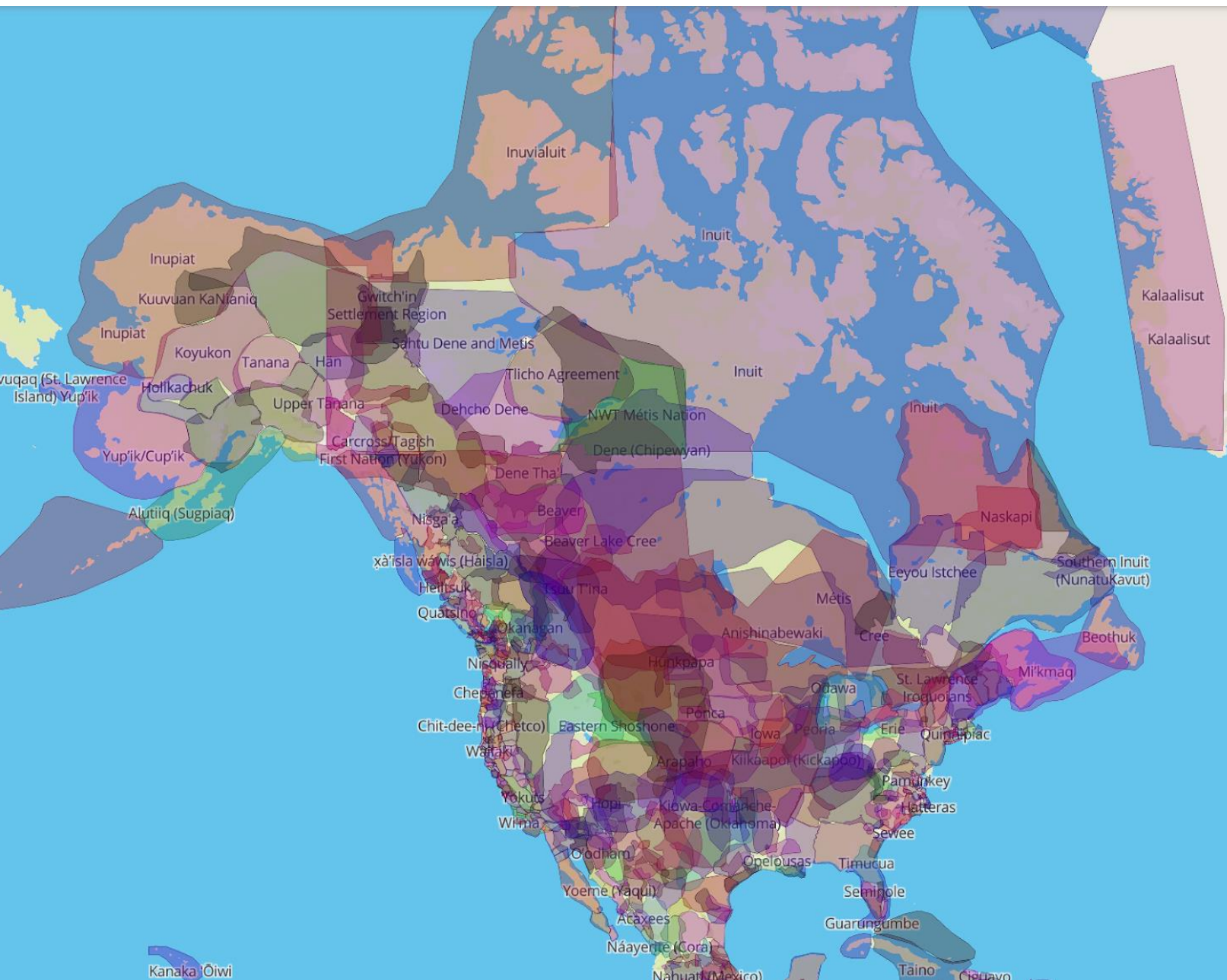
(link in the chat)

Welcome!
CBSR NET ZERO WORKING GROUP

Disclosure & Reporting

Friday, May 6th, 2022





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..."

Rules of Engagement

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



AGENDA (Corporate)



Timing (EST)	Agenda Item
1:30 – 1:40 PM	Introductions
1:40 – 1:45	TCFD Disclosures & Net Zero Target Setting <ul style="list-style-type: none">• Transparency & Increased Rigour
1:45 – 2:15	Member Spotlight and Q&A <ul style="list-style-type: none">• Loblaws
2:15 – 2:35	Disclosure & Reporting: <ul style="list-style-type: none">• Regulatory Update: Sensitivity to Scenario Analysis<ul style="list-style-type: none">• Contextualize federal & CSA boundaries on mandatory disclosures• Discussion Questions• Scenario Analysis & TCFD Disclosure Reporting<ul style="list-style-type: none">• Explore how scenario analysis can translate into effective TCFD Disclosure reporting• Discussion Questions
2:35 – 2:55	Breakout Rooms: <ul style="list-style-type: none">• Discussion (10 min)• Report back (10 min)
2:55-3:00	Closing & next steps

Corporate Member Net Zero Working Group



Don't see your logo?

Let us know you want to become a NZWG member by email!

Very Quick Hellos Around the "Table"

How does ESG Disclosure Help to Achieve Net Zero?



Demonstrate your Climate Resilience

- Communicating your climate resilience to investors, lenders and other key stakeholders is growing in importance
- Integrate material elements into business strategy and financial planning.

The TCFD process prompts you to ask:

- **How are we managing our climate risks?**
- **How are we taking advantage of transition-related opportunities?**

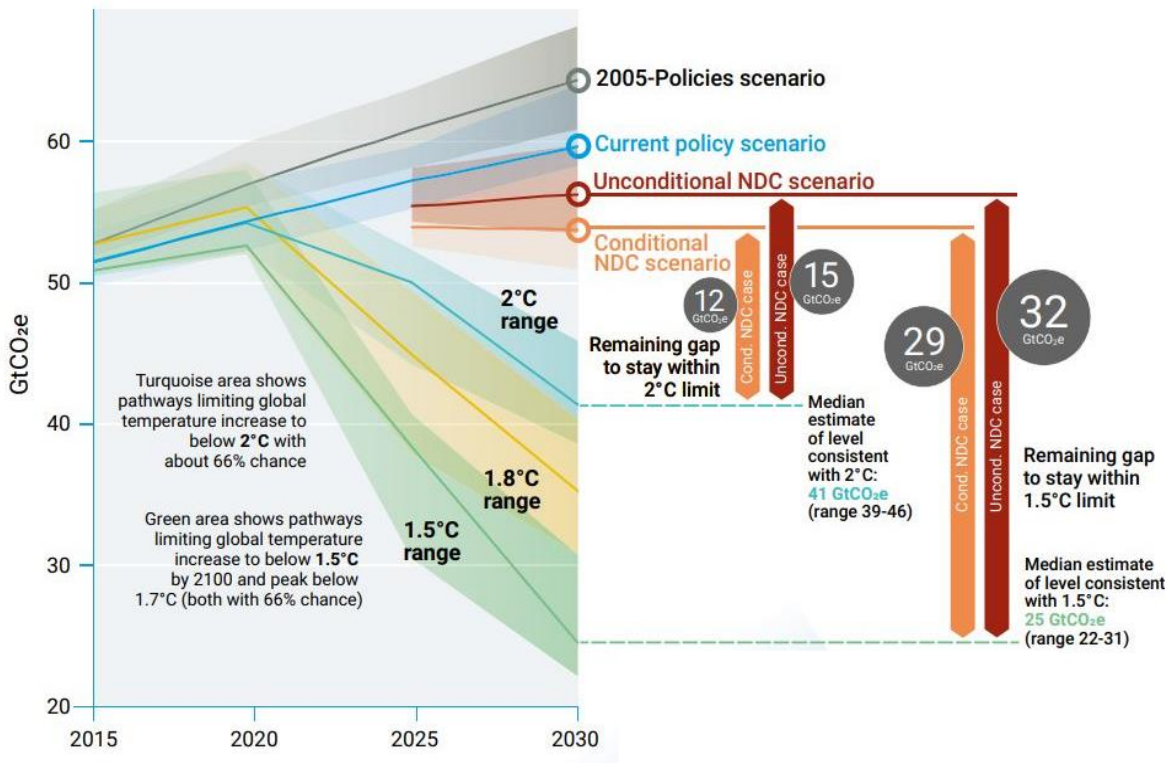
Keep Pace with Industry Standards

Industries are demanding increased transparency and more rigorous reporting:

- A strong disclosure can improve your organization's score on leading sustainability rankings.
- CDP Climate, UN PRI, and SASB have aligned their reporting and disclosure frameworks to the TCFD.
- Regulation is changing to reflect this: **The Bank of Canada is requiring mandatory climate disclosure** starting in **2024**

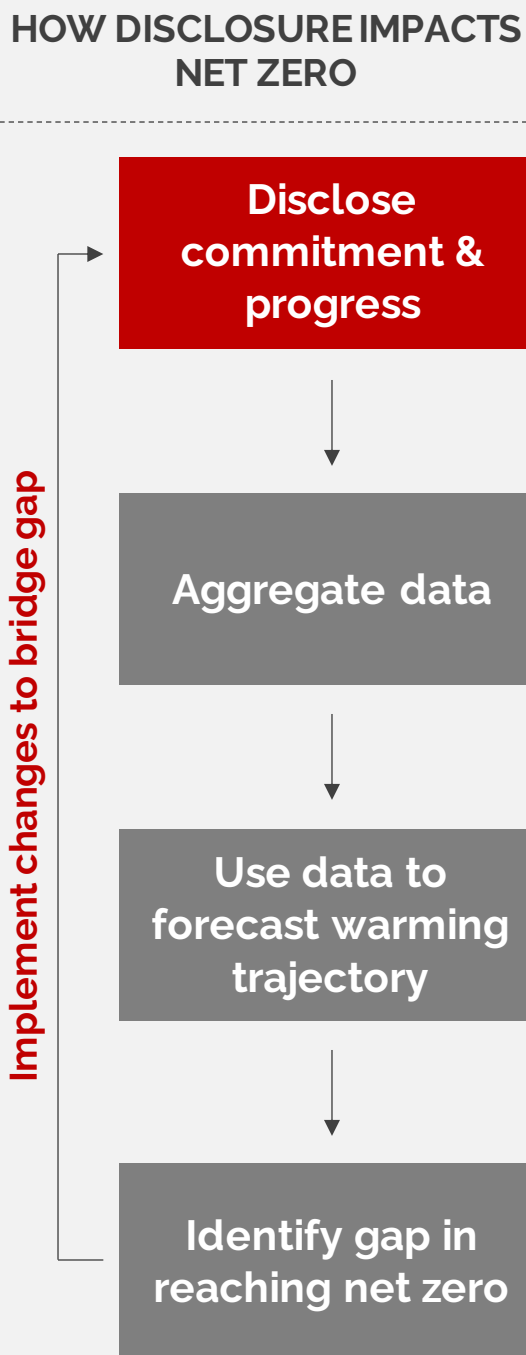
Once you've identified these risks and opportunities, a TCFD disclosure provides a streamlined way to demonstrate how you're assessing and managing them.

Help Close the Gap



There is a significant gap between national climate commitments and a 1.5°C warming target.

- The Paris Agreement led to national commitments (Nationally Determined Contributions) to reduce GHGs.
- The current policy scenarios lead to a warming exceeding both the 1.5°C and 2°C scenarios.
- Current ambitions by countries that are signatories to the Paris Agreement are not enough to avoid greater than 2°C in warming and associated risks.





Delivering on our Purpose

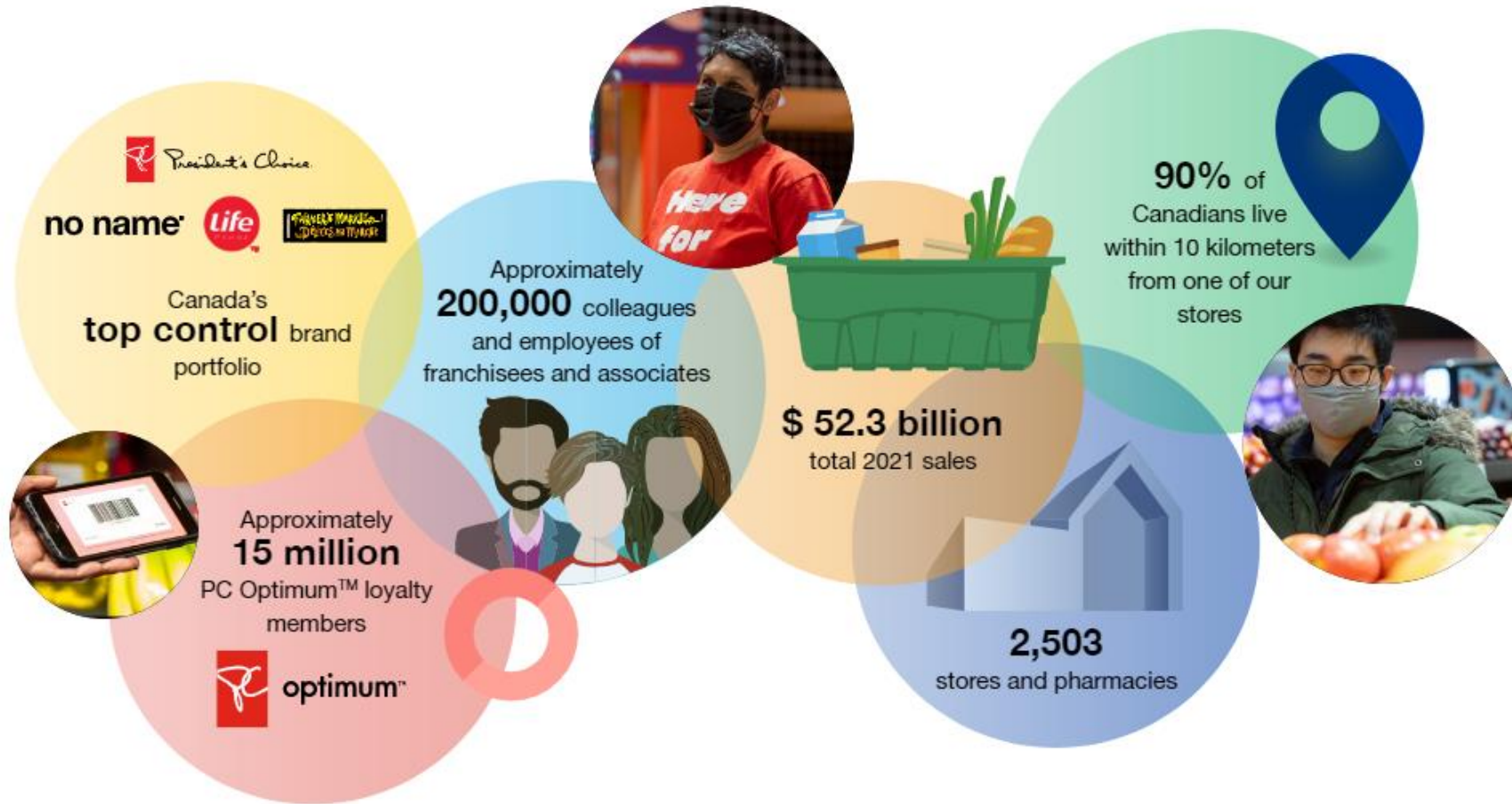
Making an impact & strengthening our ESG performance

Tonya Lagrasta

Sr. Director, Sustainability & Social Impact

**Loblaw
Companies
Limited**

As one of Canada's largest and most influential companies, we have the opportunity and responsibility to make a positive impact in the communities we serve.



We serve **millions of Canadians**, employ **hundreds of thousands of our neighbours**, support **thousands of smaller businesses**, invest **billions into the economy**, and speak directly to **most Canadian families**.

We are a **family business** that is over a century old. This gives us the **benefit of a long view**, tackling business challenges and national issues with the knowledge that we will be here to **see the problem through**.

Pre -
2020

- Longstanding Corporate Social Responsibility efforts
- No strategic focus or alignment to company purpose
- Self defined targets and annual reporting

2021

- Leadership transition
- Enhanced ESG disclosure
- Established Purpose Led: Social Impact Strategy



DISCOUNT

JOE FRESH



MARKET



financial

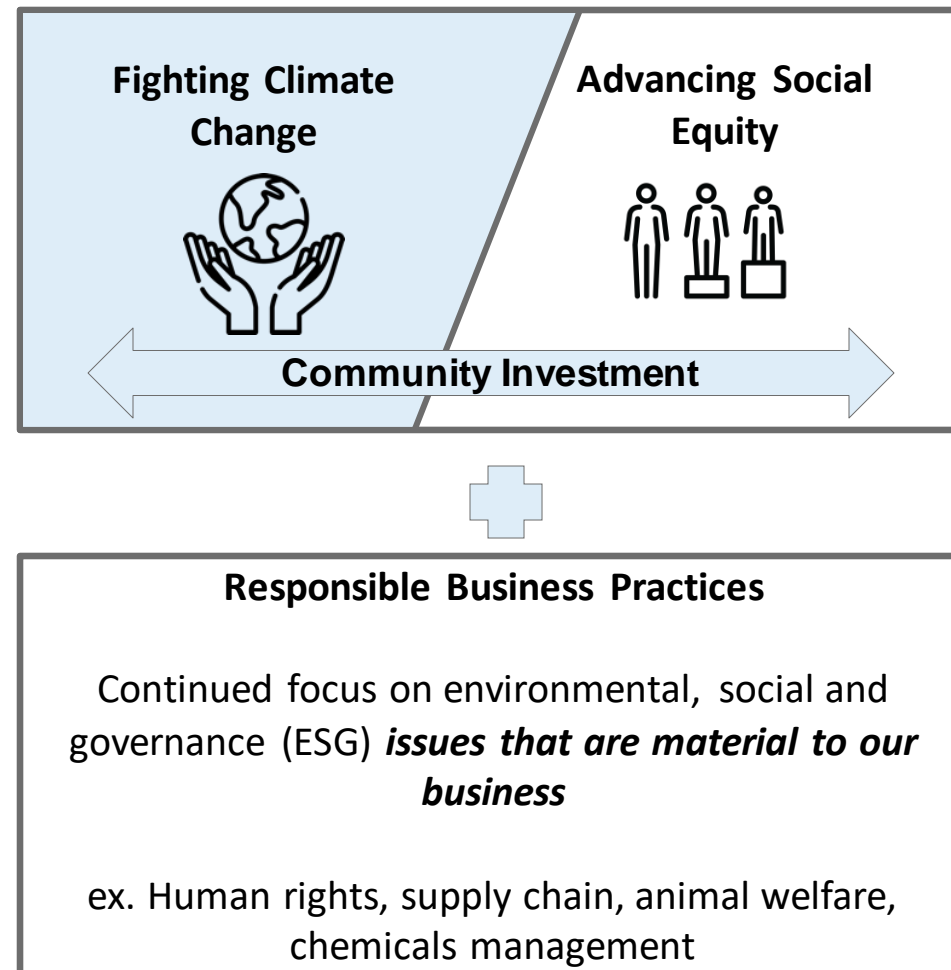
SHOPPERS
DRUG MART



Our enterprise framework for leadership...

1. Starts with our purpose
2. Focuses on priority areas we can make a difference
3. Embedded in the business
4. Reflected in our reputation & our ESG ratings

We have established an impact platform that is
Purpose Led, Stakeholder Recognized



Outcomes:

Delivers on our **purpose**.

Favourable **reputation** with customers, colleagues & in our communities.

Strong **ESG performance** recognized by investors, lenders and insurers.

NET-ZERO by 2040



Pre -
2020

- Longstanding Corporate Social Responsibility efforts
- No strategic focus or alignment to company purpose
- Self defined targets and annual reporting
- Achieved corporate emission targets early + set new ones

2021

- Leadership transition
- Enhanced ESG disclosure
- Established Purpose Led: Social Impact Strategy

2030

- Achieve 50% reduction of operational emissions
- Zero-emissions fleet

2040

- Achieve net-zero (Scope 1 & 2)

2050

- Achieve net-zero (Scope 3)



DISCOUNT

JOE FRESH



MARKET

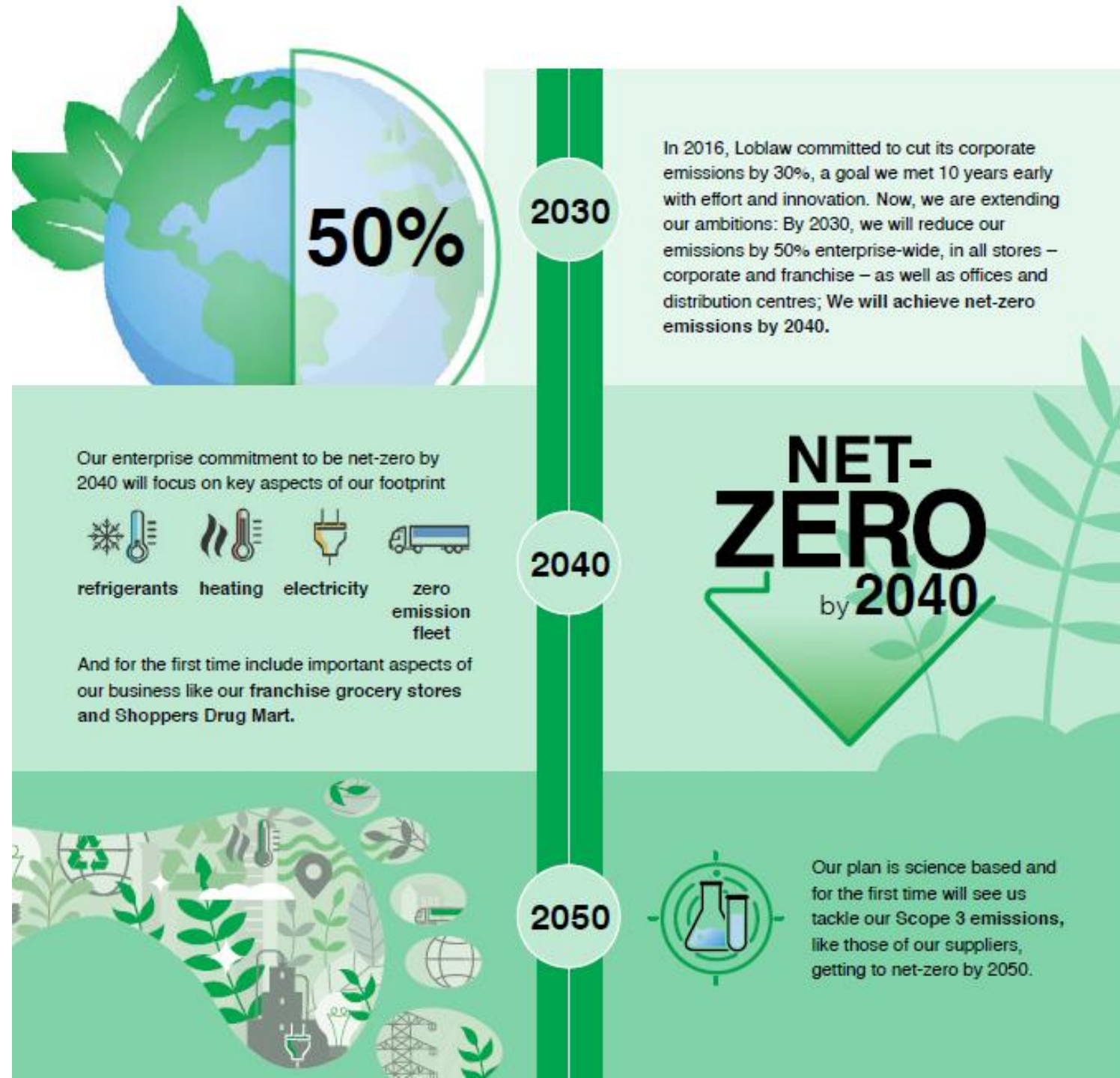


financial

**SHOPPERS
DRUG MART**



Our plan to get to net-zero and help fight climate



Purpose Led, Stakeholder Recognized

How ESG disclosure is enabling action and accountability



What went well

What didn't go well

**Efficiencies gained &
process improved**

Questions for Tonya

Global Action on Mandatory Climate- Related Disclosures

In 2021 the G7 announced their support for mandatory climate-related disclosures

On March 21, 2022, the US SEC released proposed disclosure requirements for publicly traded US companies.

The UK, New Zealand, Brazil, Mexico, South Africa, Hong Kong & Switzerland are all pursuing mandatory disclosures

Actions Towards Mandatory Disclosures in Canada



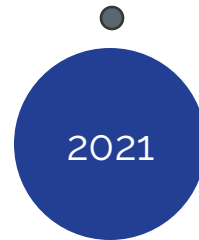
Expert Panel on Sustainable Finance **recommended implementing TCFD**, starting with 'comply-or-explain' requirement for large companies and Crown corps

June 2019



CSA **publishes proposed National Instrument 51-107** to ensure more "consistent and comparable" information from issuers in financial reports

October 2021



The Bank of Canada is requiring **mandatory climate disclosure** beginning in 2024

April 2022



May 2020
Canadian government makes some pandemic supports **conditional on climate-related disclosures** for businesses with revenue > \$300 million

December 2021
Prime Minister Trudeau includes **implementation of climate-related disclosures** within the mandate letters for his cabinet



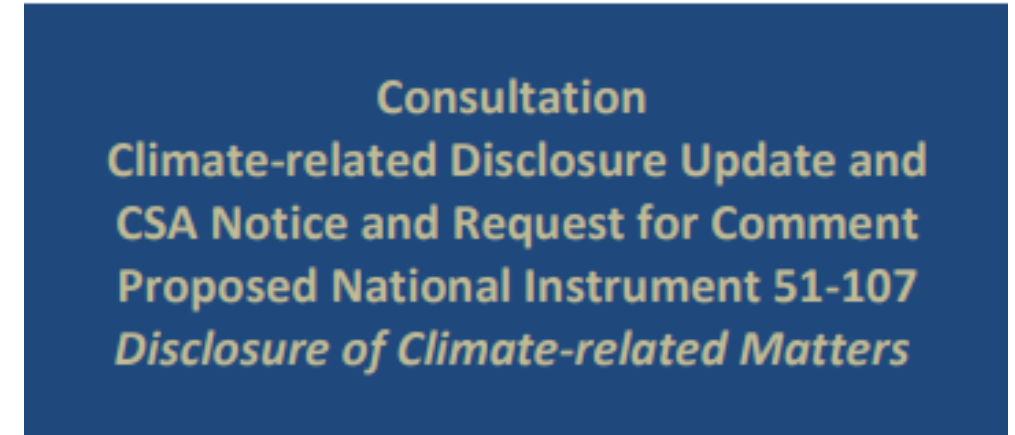
Voting closes May 20

Canadian Securities Administrators

The CSA's proposed national instrument* for disclosures would:

- Partially aligned with TCFD
- Scenario analysis would not be required
- GHG emission disclosures (Scope 1, 2, and 3) are optional

* A national instrument is a policy that has been implemented by all thirteen members.



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières



Group Discussion question:

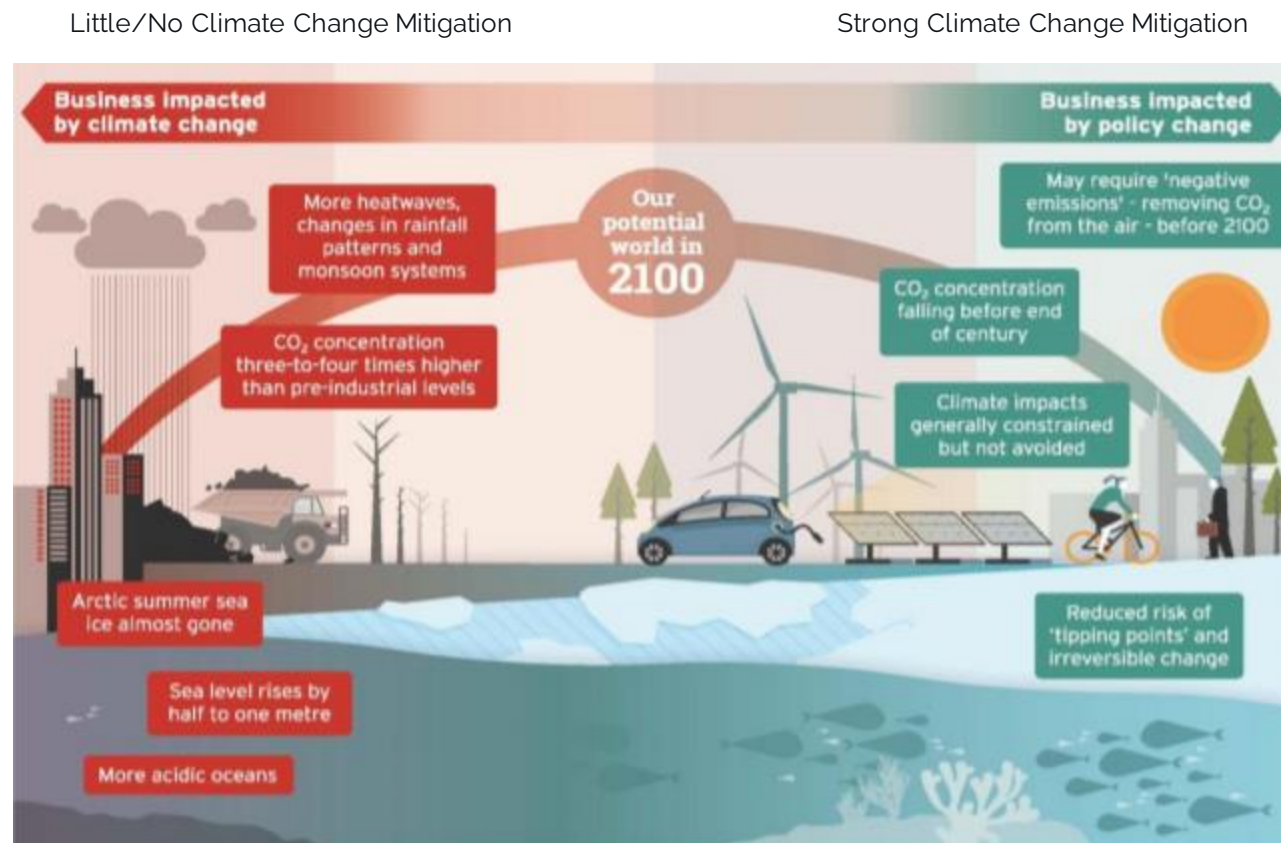
If TCFD disclosure were to be mandated tomorrow, would your business be ready?

- Why or why not?
- What gaps exist?
- Who needs to be involved?

Climate-Related Scenarios

A climate-related scenario describes a path of global development leading to a particular warming outcome.

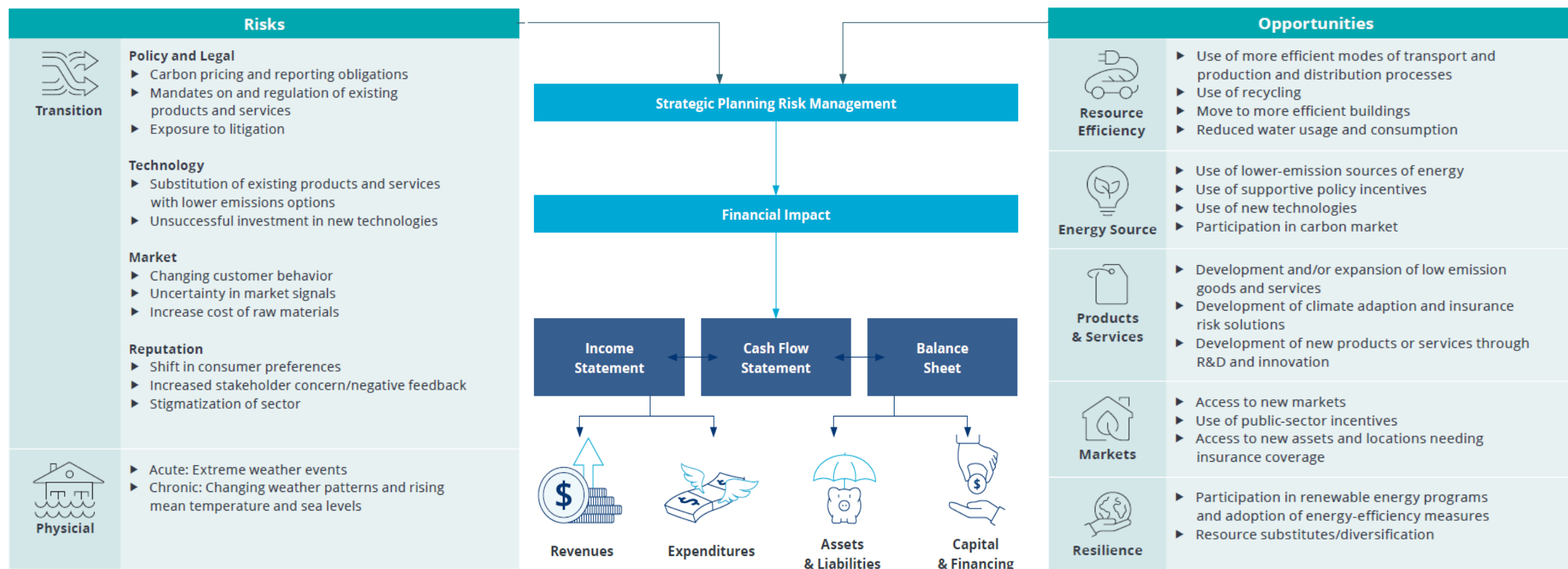
- Scenarios are **not** intended to represent a full description of the future. They highlight central elements of a possible future and draw attention to the key factors that will drive future developments.
- Scenarios are **hypothetical constructs**, not forecasts, predictions or sensitivity analyses.
- To underpin company-level scenario analysis as part of a climate assessment, companies use:
 - Existing publicly-available scenario sources;
 - Develop their own scenarios, or;
 - Combine public and in-house scenarios.
- Using public scenario inputs still requires laying of multiple sources; **no single source alone provides enough input to complete fulsome company-level analysis**



Sources: Adapted from Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report and TCFD Technical Supplement on Scenario Analysis

The Economic Risks & Opportunities of Climate Change

SOURCE: [TCFD Booklet](#), March 2020



Scenario analysis uncovers the economic risks & opportunities for your organization.



Group Discussion question:

Is your company in favour of mandatory climate-related disclosure?



Group Discussion questions:

1. Has your company completed a scenario analysis?

Breakout Rooms

Please discuss in your breakout rooms:

1. How did you build a baseline of climate literacy with senior leaders and staff?
2. How have you aligned your TCFD disclosure process and Net Zero Target setting with your company's audit and enterprise risk departments?
3. Has disclosure helped your organization obtain financing?





Group share and Wrap up!



UPCOMING

- May 31 - Webinar: Procurement & Supply Chains
- June - Sustainable Fashion Report Launch
- June - AGM
- July - Roundtable: ESG Bencharking / Best Practices
- Q3 - Next NZWG: Socially Equitable Transition to Net Zero



SURVEY: Net Zero Working Group & Post-GLOBE Check In

<https://survey.zohopublic.com/zs/vZzDgV>

5 minutes

(link in the chat)



CBSR Net Zero Working Group & Post-GLOBE Survey

<https://survey.zohopublic.com/zs/vZzDgV>

5 minutes

(link in the chat)

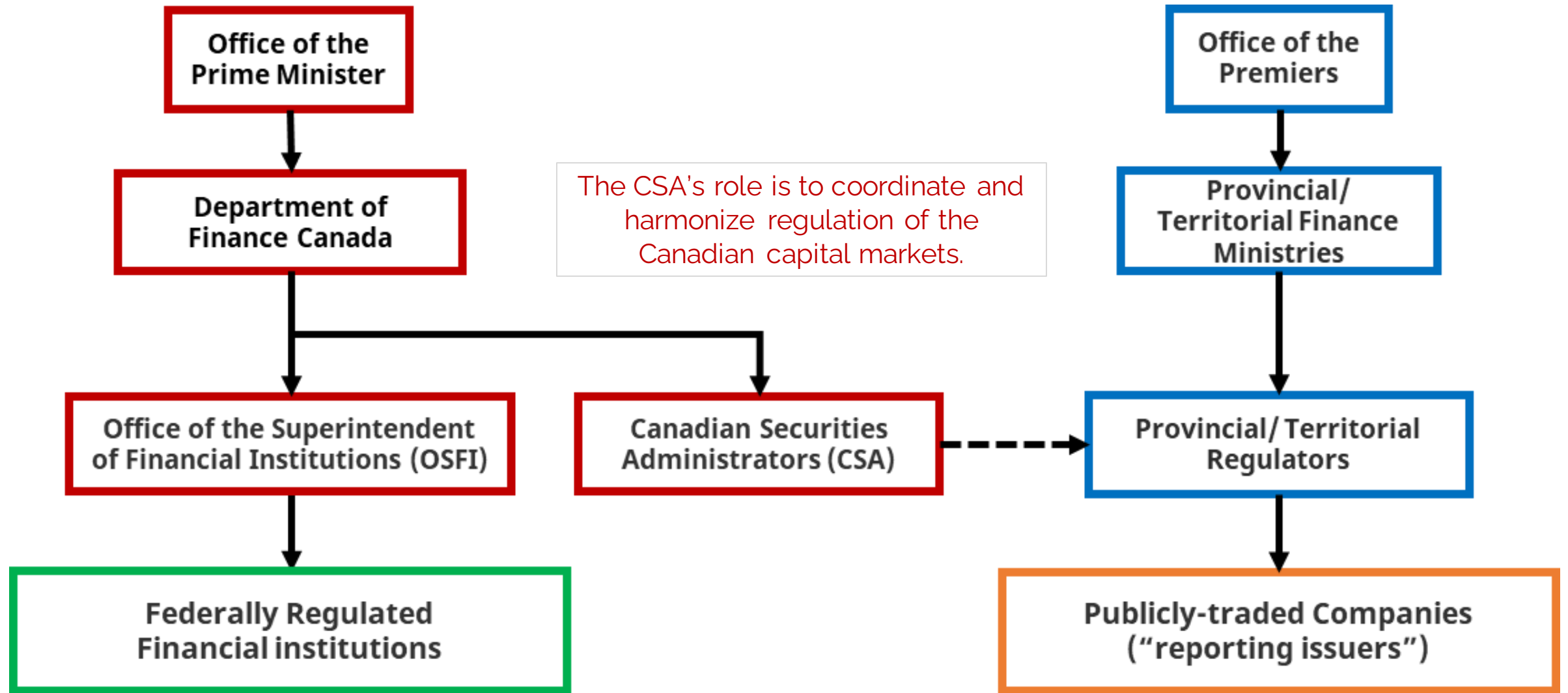


Thank you!

cbsr.ca

@CBSRNews

Securities Policy in Canada is a Complex Regulatory Landscape CBSR



Task Force for Climate-Related Financial Disclosure



Task Force for Climate-Related Financial Disclosures

- TCFD's recommendations are the gold standard for disclosures and are supported by:

G7 + G20

Countries

2,700+

Organizations

\$150 trillion

Financial Institutions Representing

Scenario Analysis Checklist



Scenario Planning:

- ❑ Is disclosed in the annual report
- ❑ Includes a 2-degree scenario and 1-2 others
- ❑ Includes qualitative and quantitative information

Scenarios Are:

- ❑ Plausible
- ❑ Distinctive
- ❑ Consistent
- ❑ Relevant
- ❑ Challenging

Disclosure Covers:

- ❑ The scenarios used
- ❑ Critical input parameters, assumptions, and analytical choices
- ❑ Timeframes used for scenarios
- ❑ Strategic performance implications under the various scenarios considered
- ❑ Potential qualitative or directional implications for the company's value chain, capital allocation decisions, research and development focus
- ❑ Potential material financial implications for the organization's operating results and/or financial position