

Climate Transition Plans, Reporting and Transparency

CBSR Members-Only
Roundtable



We are guests on this land

LEARN

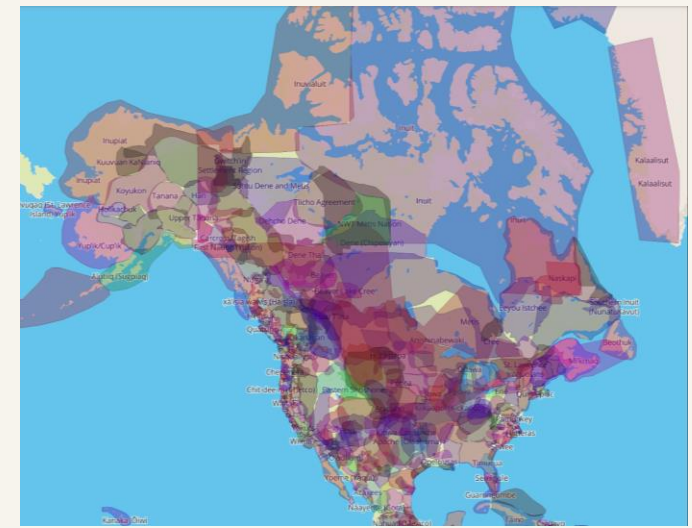
- Learn more about the land we are on and it's history:
<https://native-land.ca/>

REFLECT

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

ACT

- 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.





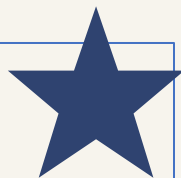
Canadian Business for Social Responsibility (CBSR): *A Member-Driven Association of Change-makers*

CBSR's mission is to connect and empower Canadian businesses to advance and amplify social and environmental leadership and ambition.

We co-create a sustainable and equitable future and enable leaders to go further, faster, together.

House Keeping

**Chatham
House Rule
is in place**



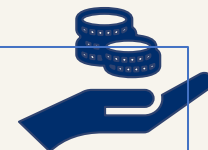
**Actively
participate**



**Ask the
CBSR Team
if you need
something**



**You get
what you
give!**

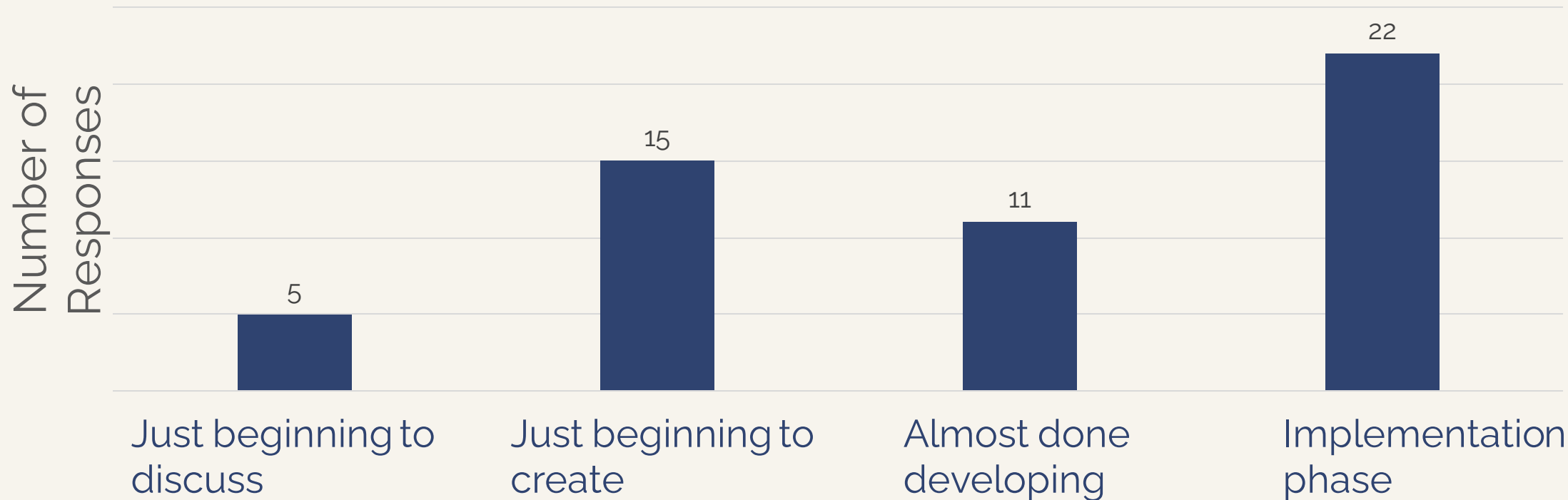


**Identify
yourself
during Q&A**



Insights from Registration

How Would You Describe Your Organization's Progress
Related to **Climate Transition Plans**?





Agenda

Time	Topic
9:00 – 9:30	Welcome & Session Introduction
9:30 – 10:30	Our Personal Climate Journeys
10:30 – 10:45	Break with Coffee & Snacks
10:45 – 11:15	CDP Disclosure & Reporting Update
11:15 – 12:05	Integrating ESG into Your Financial Reporting
12:05 – 1:15	Member's Luncheon
1:15 – 2:15	Getting Thoughtful with Climate Transition Plans
2:15 – 2:45	Climate Transition Planning in Action
2:45 – 3:00	Break with Coffee & Snacks
3:00 – 3:45	Engaging Canada's Black Business Community
4:00 – 5:00	Intergenerational Networking

Our Personal Climate Journeys



Jamie Biggar

Co-Founder & Co-Creation Lead
My Climate Plan



Adam Lynes-Ford

Co-Founder
My Climate Plan



Our Personal Climate Journeys

February 13, 2024

Everyone in a climate safe community

A **climate safe community** is:

- Prepared for impacts
- Net-zero or regenerative
- Welcoming for refugees



“Dear Alice” by THE LINE

Model



Recruit

Impact Storytelling:
Reach the right people
during climate impacts
with a postal code
look-up (free)

Engage

Personal platform:
Help people create a
climate plan that links to
solution providers s
advocacy (free)

Organize

Beneficial membership:
Deepen relationship with
ongoing benefits based
on a proven model
(\$/month)

Co-founders



Manu Kabahizi



Adam Lynes-Ford



Reilly Yeo



Jessica Wood
/ Si Sityaawks



Jamie Biggar



Our Personal Journeys









Billions of Journeys

The Alarmed+the Movable Middle



Global Warming's Six Americas, Fall 2023

Base: 1,033 U.S. adults

Source: Yale Program on Climate Change Communication;
George Mason University Center for Climate Change Communication

Perceived barriers

The Alarmed



Don't know what to do. In our Founding Year Survey, 46% say “I am not sure how I can make a difference.” 39% say “It's too expensive.”

Movable Middle



See climate as an “environmental” issue that drops down priority list in face of issues like affordability crisis.

Stop the burning of the Amazon rainforest!



Started
Petition to

August 21, 2019
[Governo Federal](#) and [1 other](#)



Confirmed victory

This petition made change with 5,095,557 supporters!



Stop the burning of the Amazon rainforest!

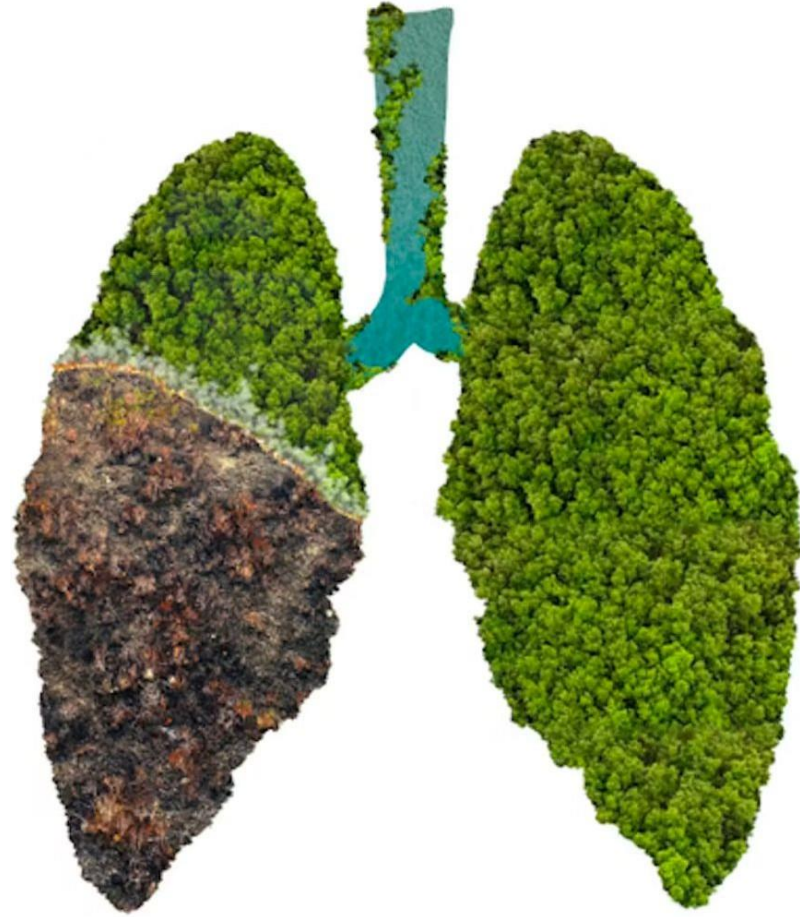
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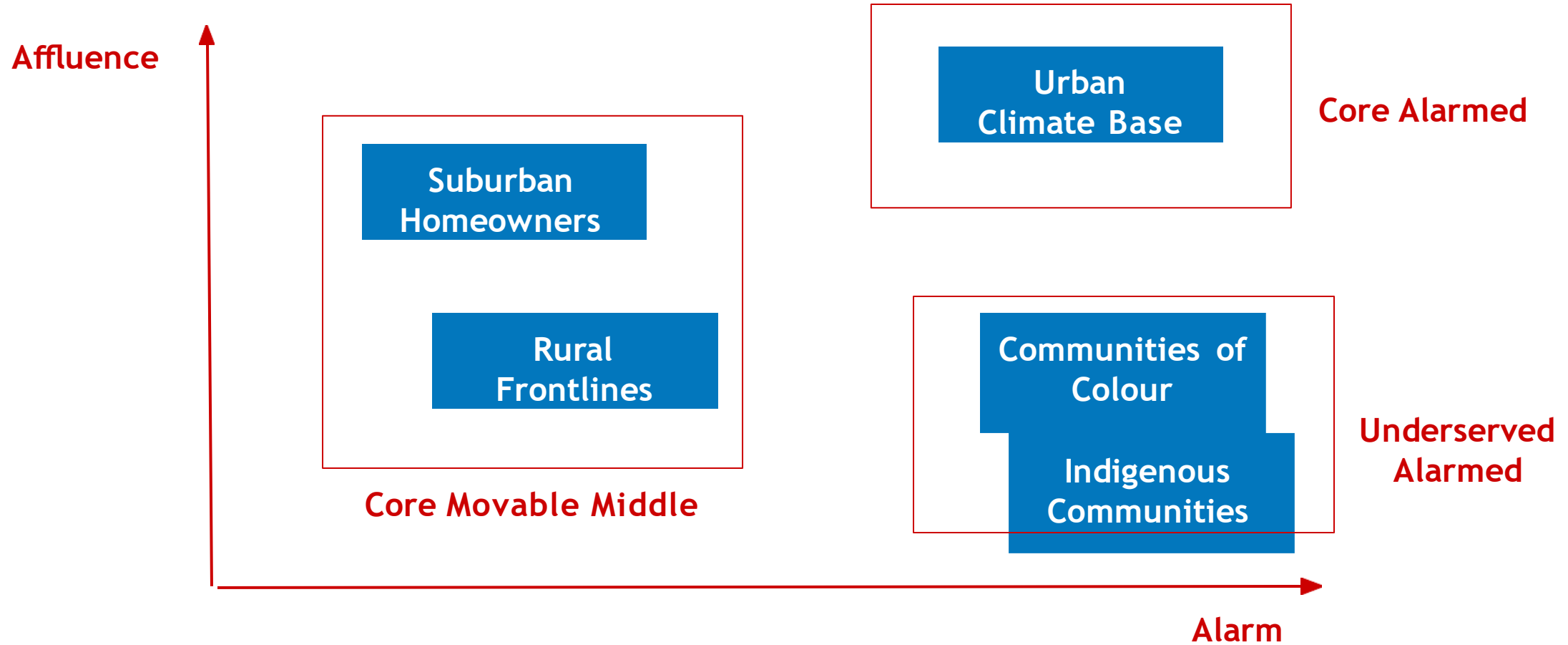
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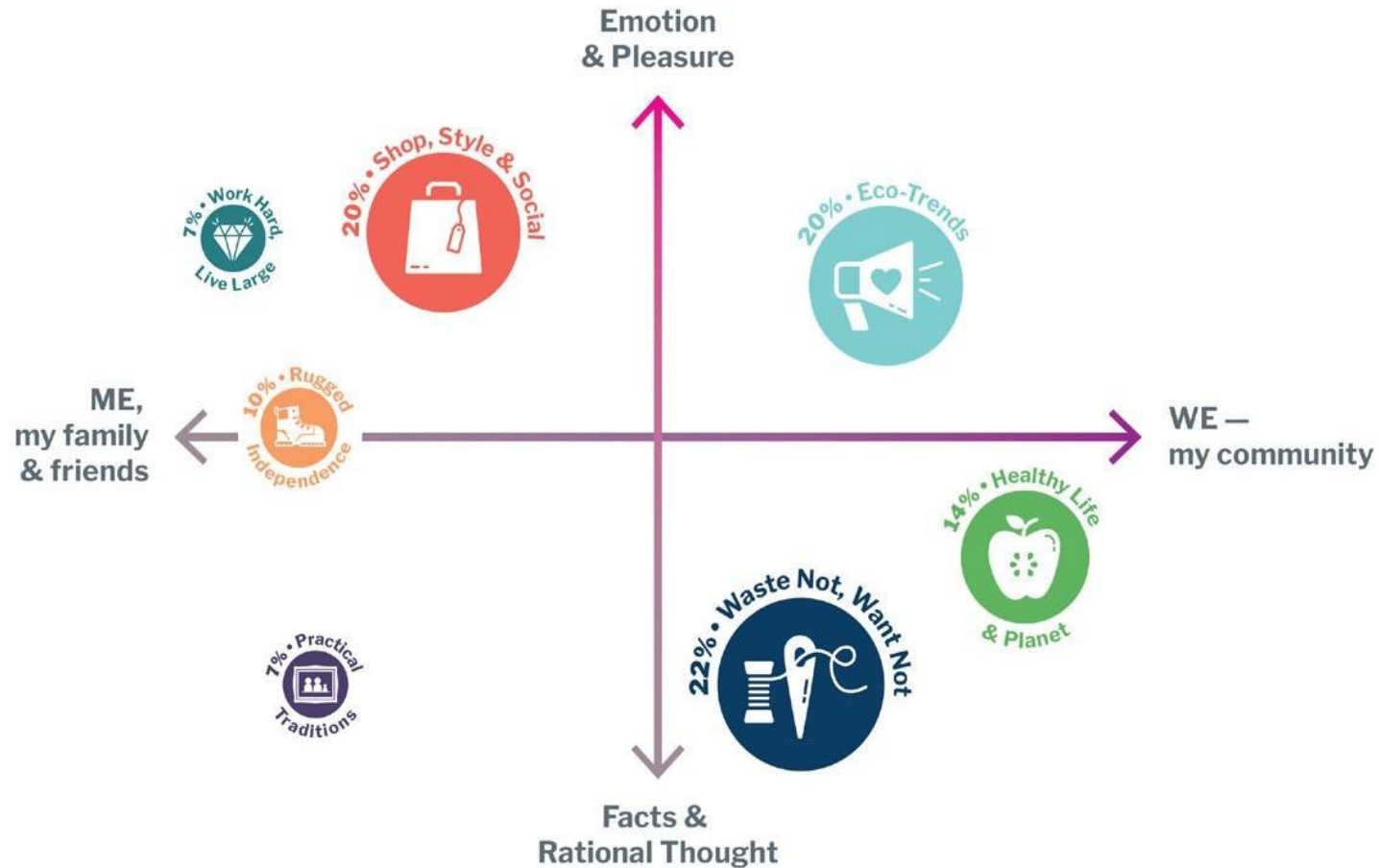
My Climate Plan Team

CBSR Member Only Day at GLOBE

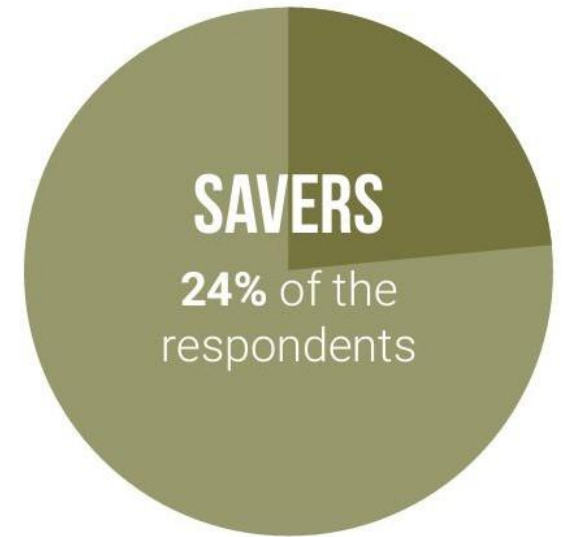
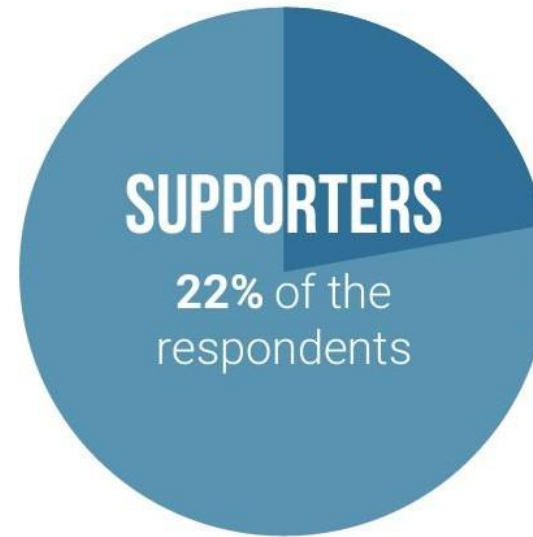
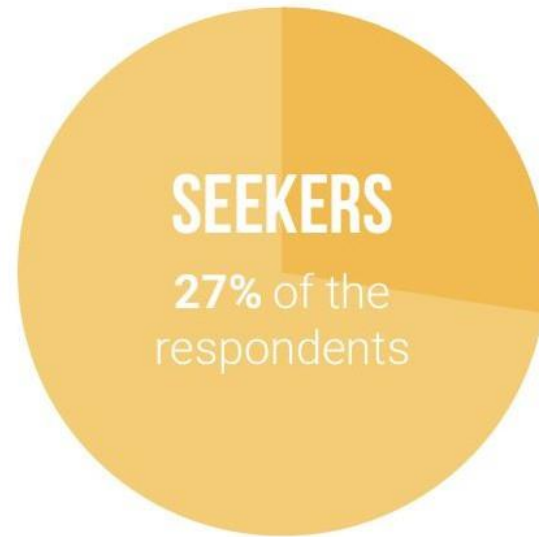
Five segments for a supermajority



Seven motivations for lighter living



Global Consumer Archetypes - Dec 2023



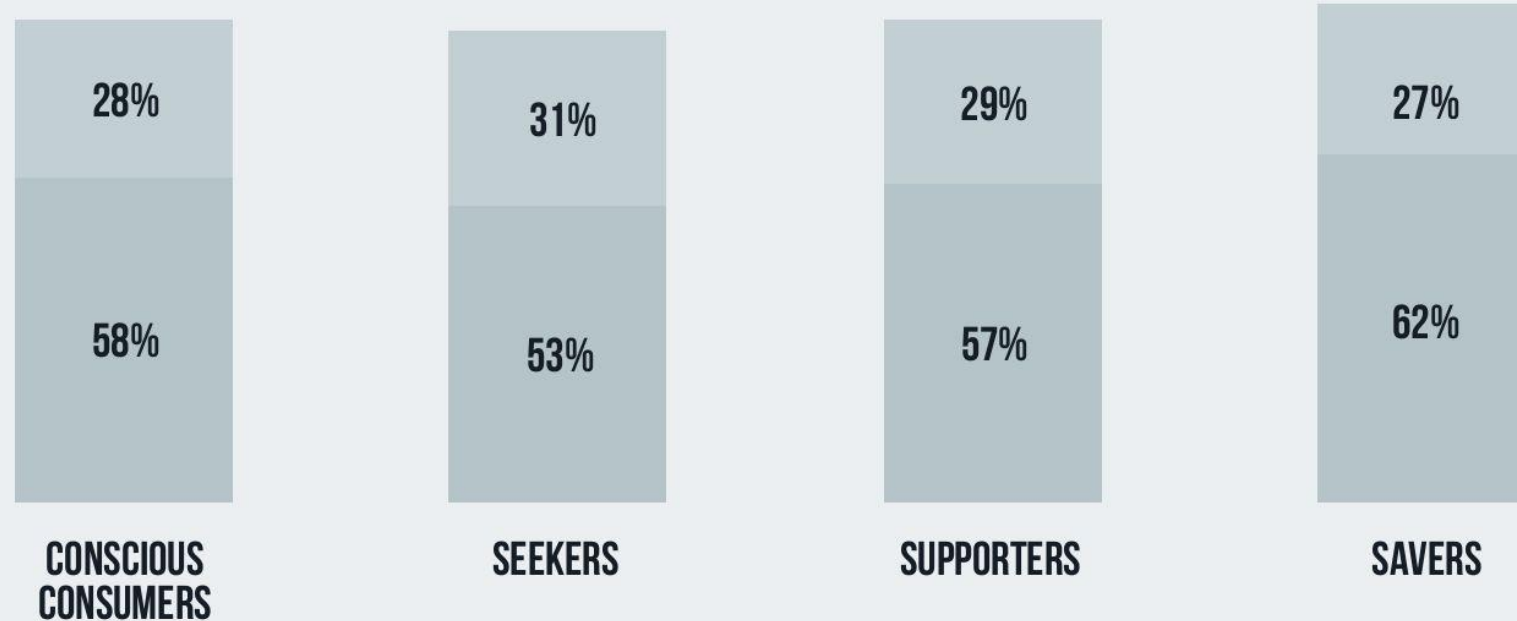
CANADA



Global Consumer Archetypes - Dec 2023

THE EXTENT TO WHICH CONSUMERS FEEL AFFECTED BY THE INCREASED COST OF LIVING

GREATLY AFFECTED **MODERATELY AFFECTED**



Global Consumer Archetypes - Dec 2023



88% think **large companies have a responsibility to encourage governments** to do more to address climate change.



78% believe their **government should create laws that require large companies to go beyond their traditional economic role** and work to make a better society, even though this could lead to higher prices and fewer jobs.

Global Consumer Archetypes - Dec 2023

HOW A SHIFT TO THE GREEN ECONOMY WILL AFFECT MY LIFE AND THE LIFE OF MY FAMILY

■ VERY/SOMEWHAT POSITIVELY AFFECT ■ NOT AFFECT ■ VERY/SOMEWHAT NEGATIVELY AFFECT



Global Consumer Archetypes - Dec 2023



Conscious Consumers

Make them feel empowered to take most impactful action.



Seekers

Emphasize style, innovation, and authoritative sources.



Supporters

Emphasize sustainability as a pragmatic social norm.



Savers

Focus on affordable options that help them save for other priorities.



Discussion

jamie@myclimateplan.com and adam@myclimateplan.com
myclimateplan.com
[@myclimateplan](https://www.instagram.com/myclimateplan)

CDP Disclosure & Reporting Update



Trish Kramer
Engagement Manager, Canada
CDP

Developing Credible Climate Transition Plans

Tuesday, February 13, 2024

Trish Kramer

Engagement Manager, Canada



OBJECTIVES

After our time today, you'll understand:

- ▼ **Who CDP is, what we do and where we're headed**
- ▼ **Why climate transition plans are a vital tool**
- ▼ **CDP's definition of Transition and Transition Plans**
- ▼ **What constitutes a Credible Climate Transition Plan**
- ▼ **Further resources available to you**

ABOUT CDP



CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions to measure and manage their environmental impacts.



The world's economy looks to CDP as the gold standard of environmental reporting with the most comprehensive dataset on corporate and city action.



CDP'S REPORTING SYSTEM:

Implementing best practice at scale globally



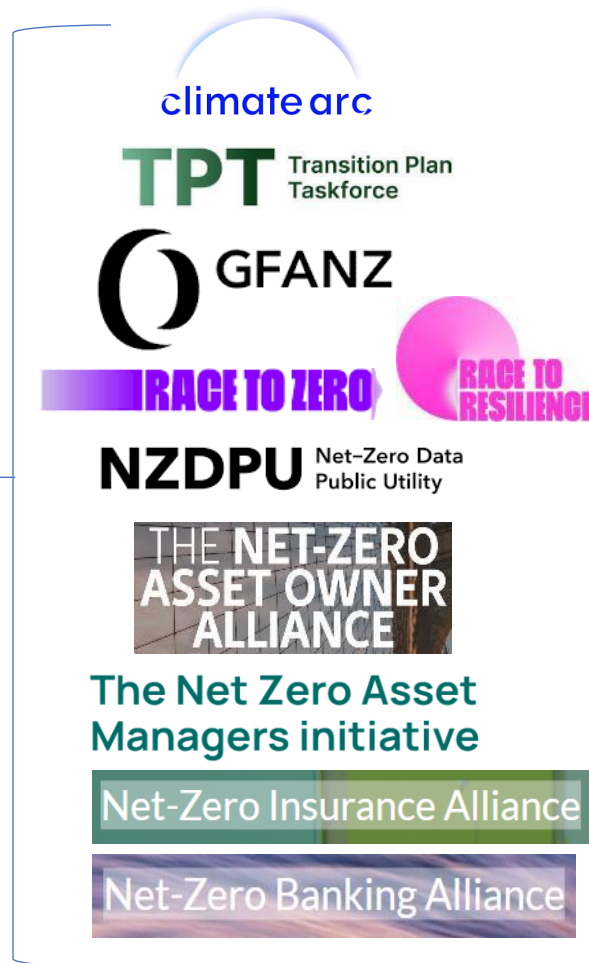
Standardizing climate and environment information to mainstream real world outcomes



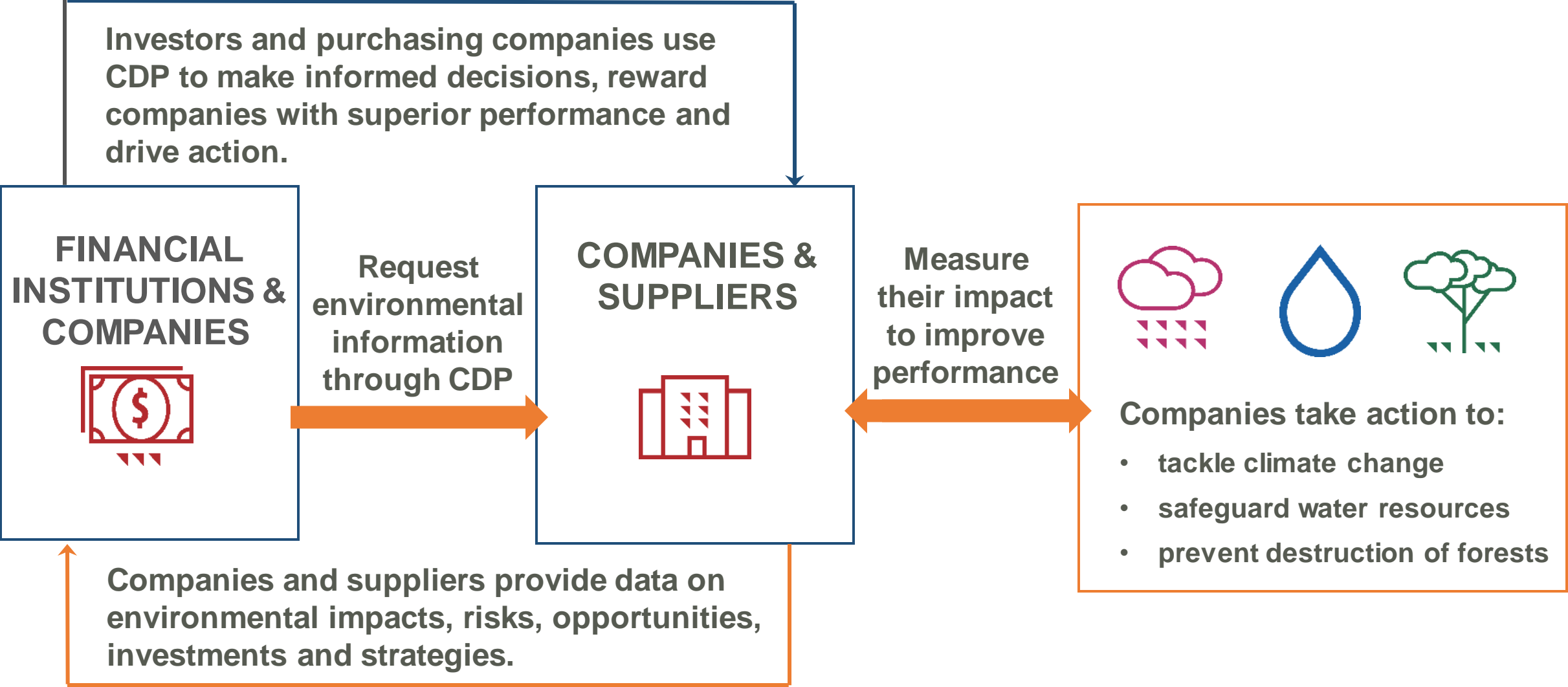
Sharing data to demonstrate progress on best practice and transition, incentivise commitments and actions, and drive further ambition



Incorporating environmental jurisdictional requirements and best practice frameworks in a standardised reporting framework



HOW WE WORK



DISCLOSURE TO CDP

2003 - 2023

66%

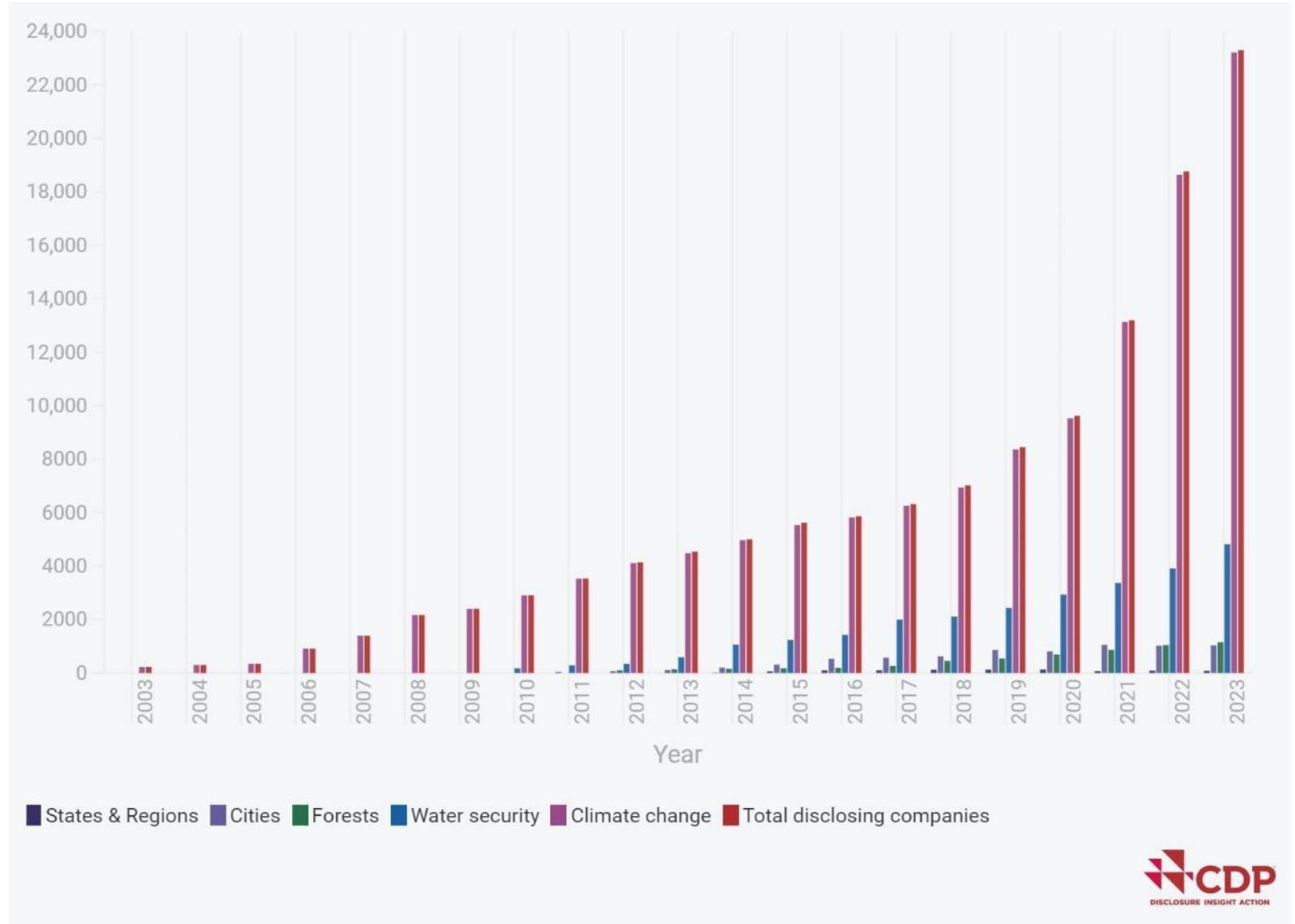
of global companies by market
capitalization use CDP

24%

Increase in disclosure from 2022

23,000+

Record number of companies
reporting to investors and
customers through CDP in 2023

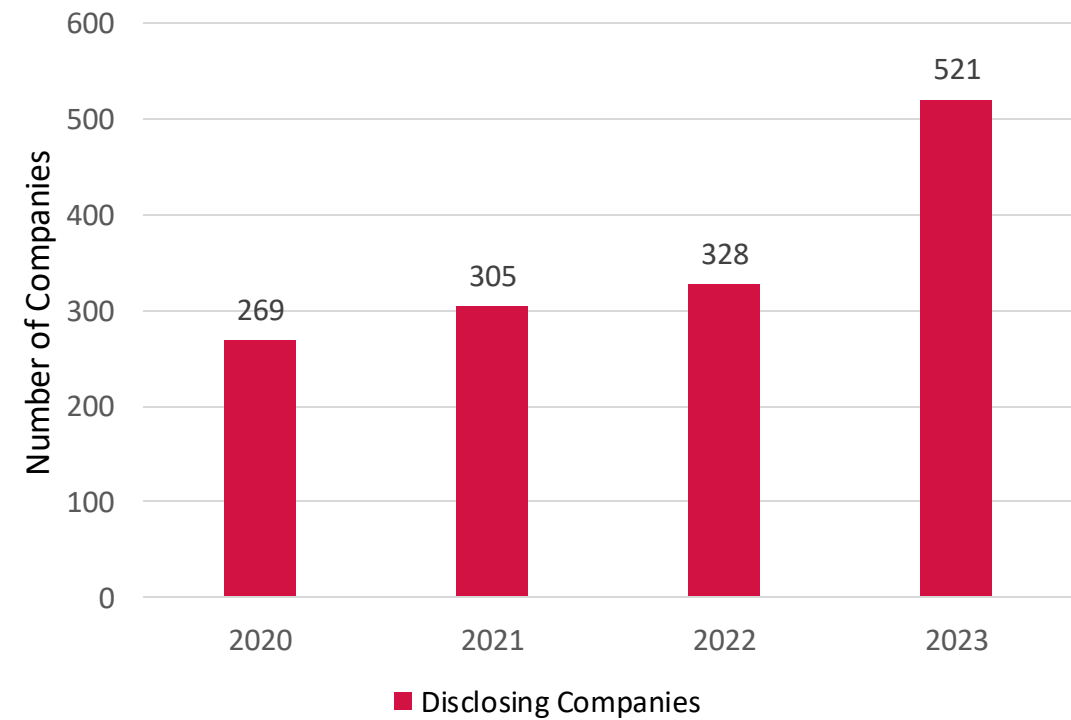


2023 CANADIAN CORPORATE DISCLOSURE SNAPSHOT



- ▶ A record breaking **521 Canadian organizations** disclosed their climate impacts, risks, and opportunities across their operations and value chains via CDP's climate change questionnaire
 - ▶ Nearly **60% YoY** increase from 2022
 - ▶ **57%** of S&P/TSX Composite
- ▶ **75 Canadian companies** have committed to setting Science-based Targets or already have verified targets, along with **24 Canadian SMEs** and **4 Financial Institutions**

Canadian Companies Disclosing Through CDP



CREDIBLE CLIMATE TRANSITION PLANS



A TRANSITION REFERS TO TAKING ACTIONS THAT:

Align a business model with a world in which two key components are pursued:



The global average temperature is allowed to rise by no more than 1.5°C above pre-industrial levels



Natural ecosystem health is restored

Enabling a thriving economy that works for people and planet



THE ERA OF CLIMATE ACTION & TRANSFORMATION

A credible climate transition plan is increasingly important



Inbound regulation driving transition plan development and disclosure (ISSB/CSSB, TCFD, CSRD, SEC, UK's Transition Plan Taskforce)



Proliferation of Science-based Targets via the SBTi is accelerating the need for credible plans demonstrating how organizations will meet these targets



Resiliency risks that comes with an ever-changing climate and natural environment

Of all risks types considered in an organization's climate-related risk assessments, 'Current regulation' and 'Emerging regulation' were the top two highest disclosed relevant risks.

CDP Climate Change Disclosure 2023



MOMENTUM FOR TRANSITION PLANNING

Inbound regulation and updated recommendations

SEC's Proposed Climate Disclosure Rule

- ▶ In the proposed version of the to-be-finalized climate-related disclosure rule from the Securities and Exchange Commission (SEC), the SEC would require disclosure of climate-related targets and goals, and a transition plan, if any.

ISSB's IFRS S2 Climate-related disclosures

- ▶ Strategy and decision making: "an entity is required to disclose information to enable users of general purpose financial reports to understand.... (c) *the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan*"

TCFD's Guidance on Metrics, Targets & Transition Plans

- ▶ The TCFD published guidance on disclosing transition plans in its report '*Metrics, Targets & Transition Plans*' in October 2021.

UK's Transition Plan Taskforce (TPT)

- ▶ The final TPT Disclosure Framework, informed by nearly two years of engagement with over 600 organizations in the UK and globally was published in October 2023.

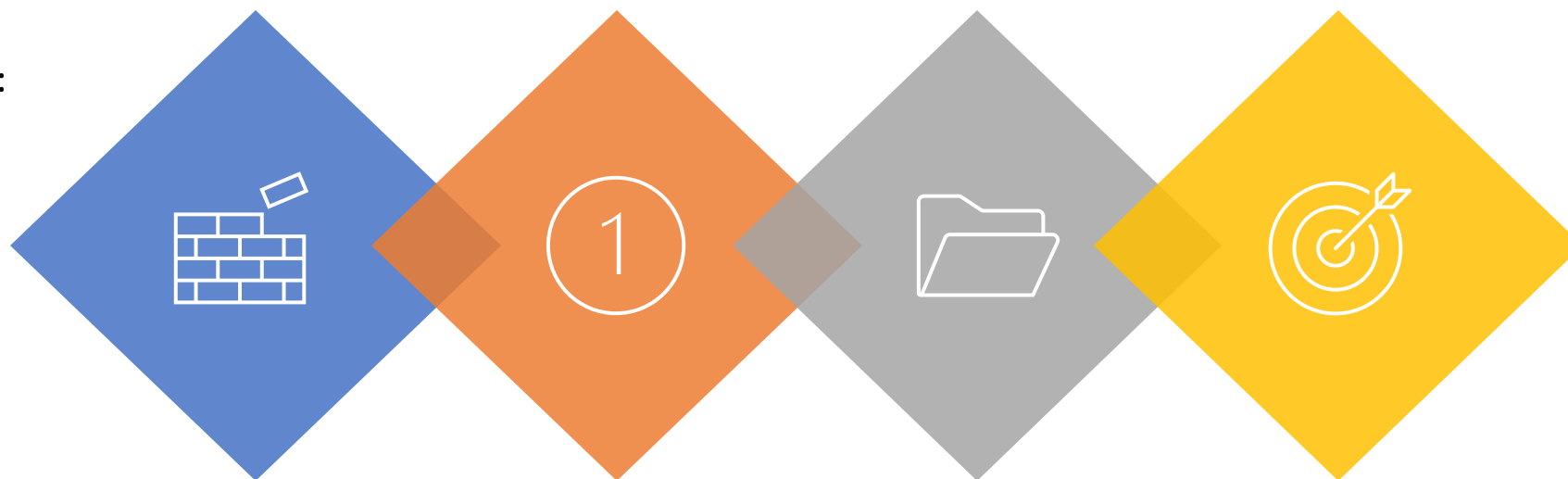


WHAT IS A CLIMATE TRANSITION PLAN

A climate transition plan is a **time-bound, action plan** that clearly outlines how an organization will pivot its existing assets, operations, and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations.

(i.e. halving emissions by 2030 and reaching net-zero by 2050 at the latest, thereby limiting global warming to 1.5°C).

4 Key Features:



**Comprised of
CDP's climate
transition plan
key elements**

**Contain
verifiable and
quantifiable
KPI's**

**Integrated into
an
organization's
mainstream
filings**

**Demonstrate net-
zero pivot via
setting near-term
and long term
SBTs**



Governance



Scenario analysis



Financial planning



**Value chain engagement &
low carbon initiatives**



Policy engagement



Risks & opportunities



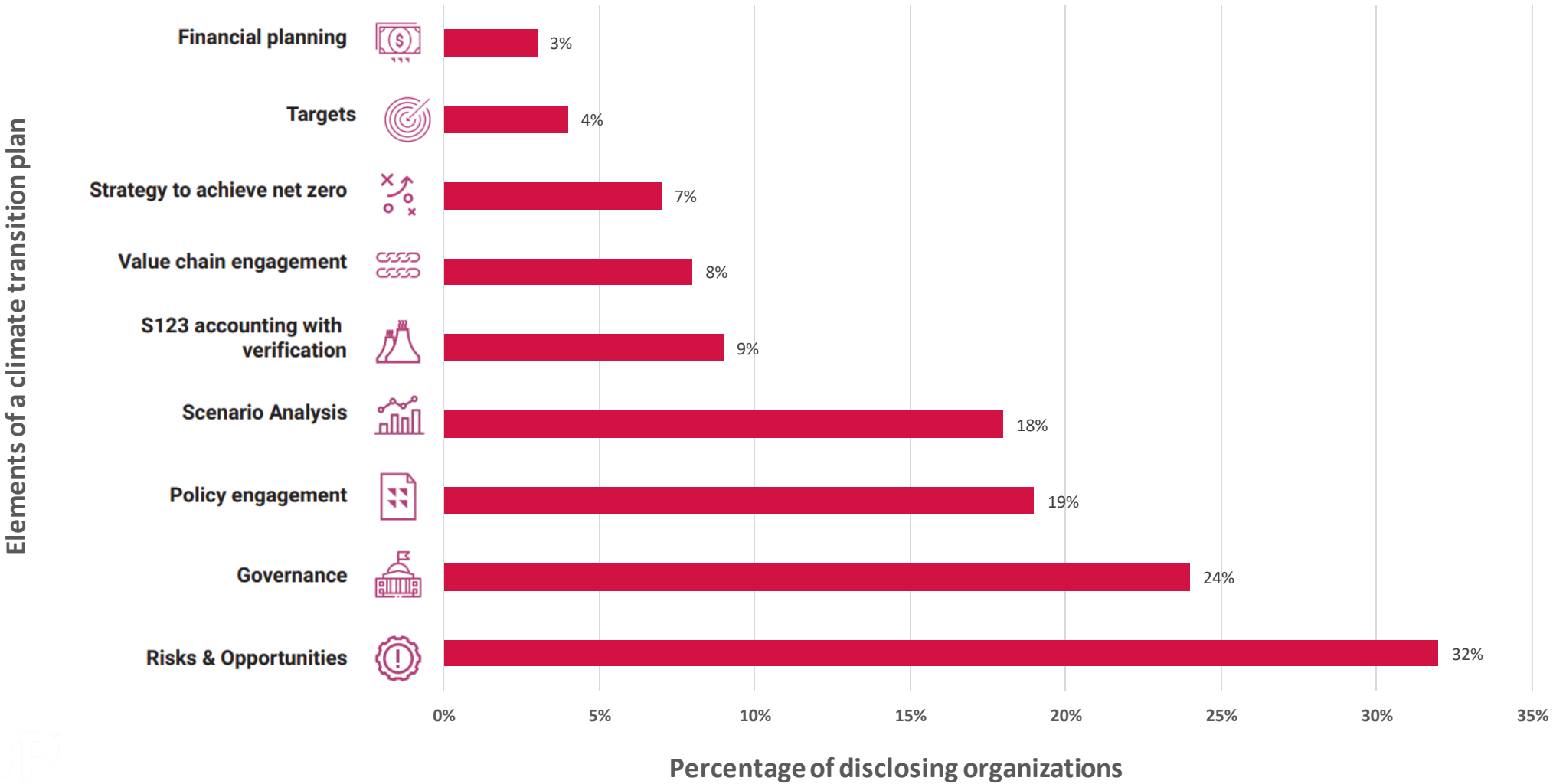
Targets



**Scope 1, 2 & 3 accounting
with verification**

DISCLOSURE OF TRANSITION PLAN ELEMENTS

2022 Element Level Disclosures



SCENARIO ANALYSIS

- ▼ A climate transition plan should be underpinned by robust scenario analysis to identify potential substantive climate related risks and opportunities.



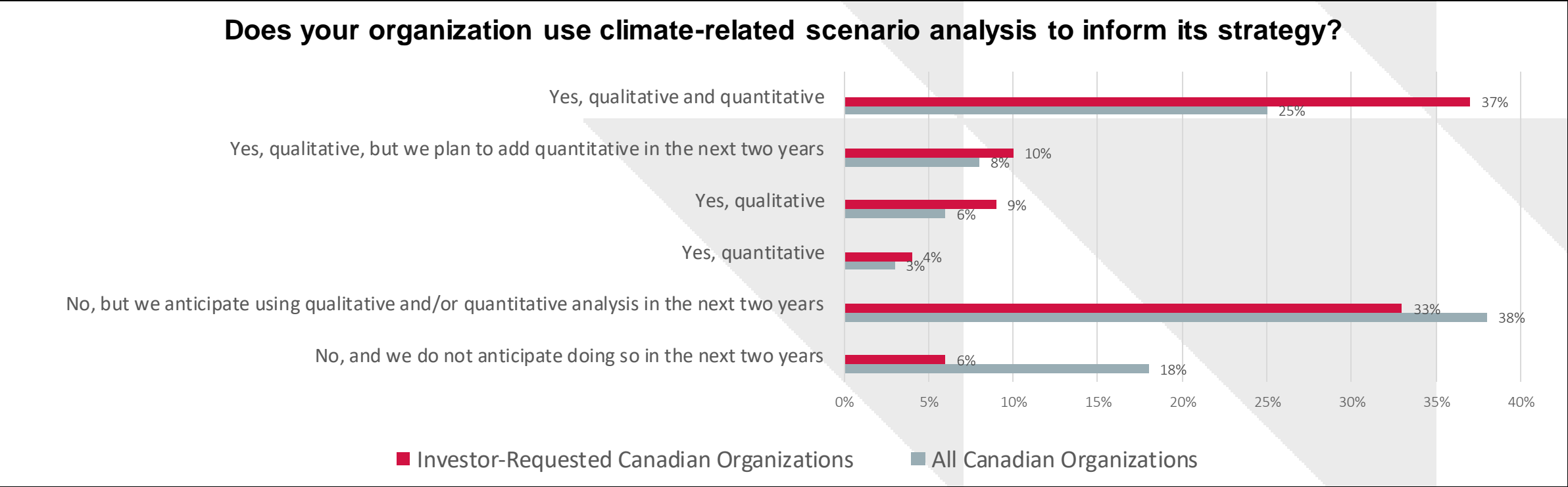
Scenario analysis



ARE CANADIAN ORGANIZATIONS USING SCENARIO ANALYSIS TO INFORM STRATEGY?



42% of all Canadian organizations and 60% of investor-requested Canadian organizations indicate that they use some type of scenario analysis to inform strategy.



TARGETS

- ▼ A climate transition plan should contain time-bound, verified science-based targets (SBTs) which are in line with the latest climate science.
- ▼ Organizations should set near-term SBTs to halve emissions by 2030 and should also set a net zero long-term target – to achieve a 1.5°C-aligned world by 2050 at the latest.



Targets



TARGET SNAPSHOT: CANADIAN COMPANIES

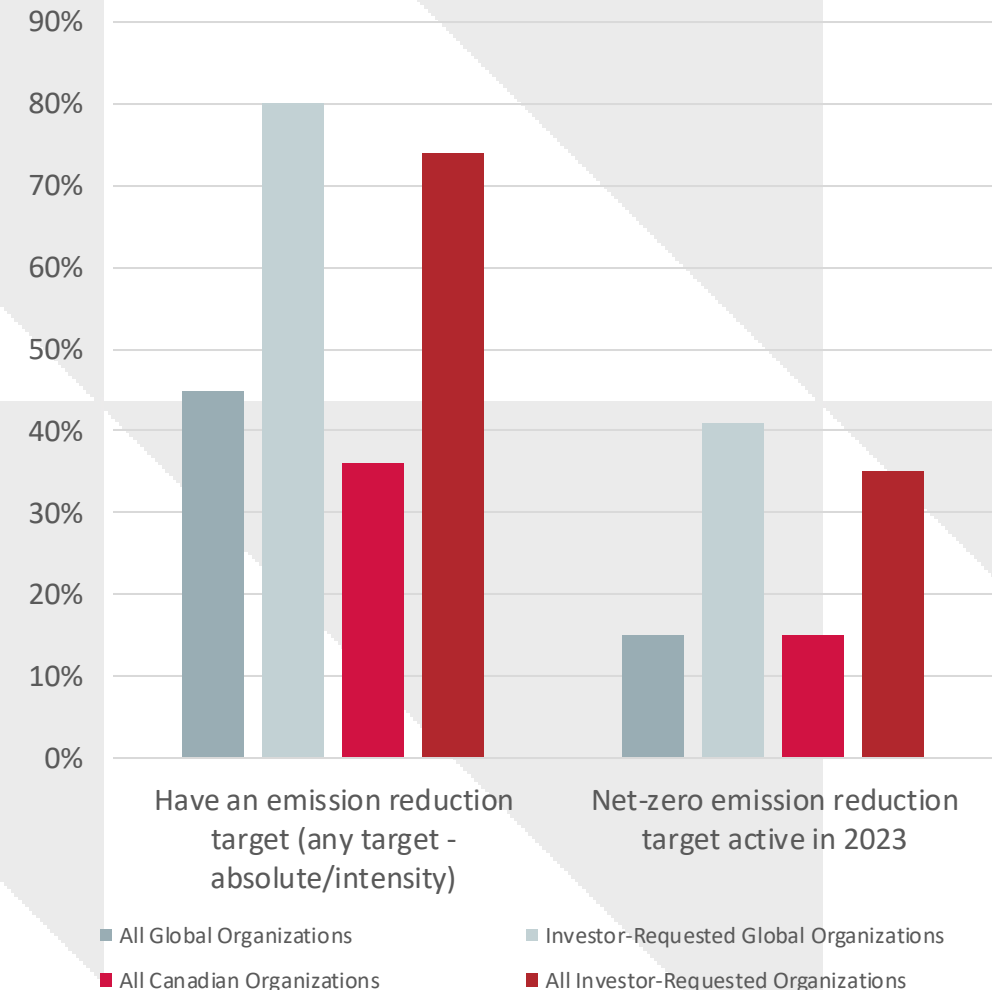


■ Emission reduction targets

- **36%** of all Canadian organizations and **74%** of investor-requested Canadian organizations indicate that had an emission reduction target (any target: absolute/intensity).
- Compared to **45%** of all global organizations and **80%** of global investor-requested organizations.

■ Net-zero emission reduction targets

- **15%** of all Canadian organizations and **35%** of investor-requested Canadian organizations indicate that they have a net-zero emission reduction target active in 2023.
- Compared to **15%** of all global organizations and **41%** of global investor-requested organizations.



FINANCIAL PLANNING

- ▼ Financial planning is crucial when demonstrating that an organization is aligning with climate goals, and that it will be relevant (i.e. profitable) in a 1.5°C-aligned world.
- ▼ Climate transition plans should include a demonstration of how they have aligned/intend to align financial planning with their climate transition plan in the reporting year and at milestone years. Financial details may describe revenue, CAPEX, and/or OPEX projections which are crucial for realizing the plan's ambition.



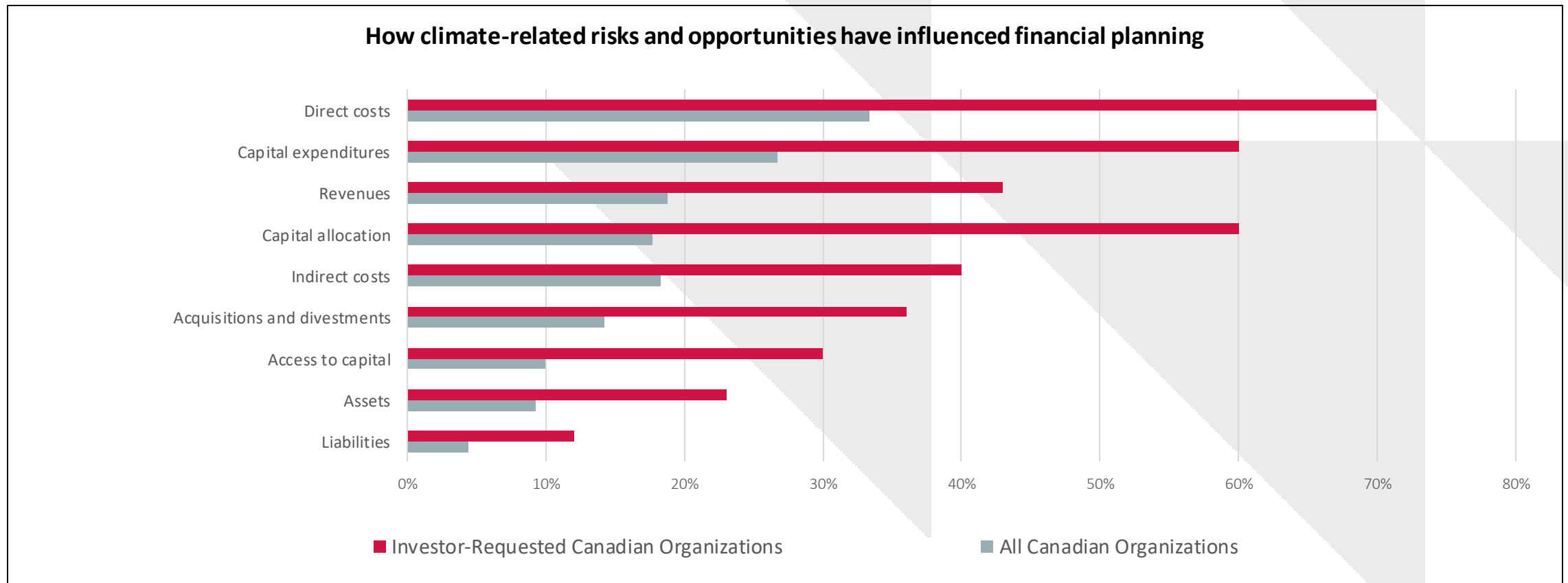
Financial planning



IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON FINANCIAL PLANNING

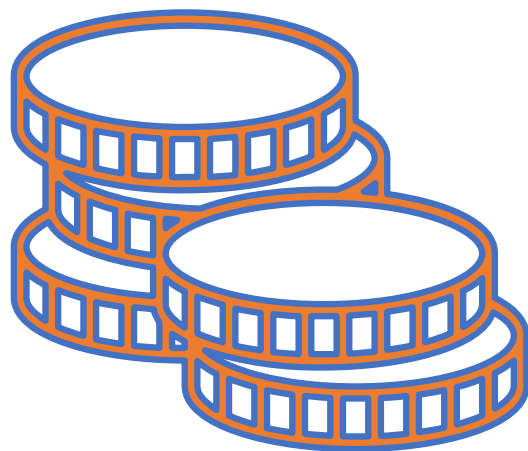


- 82% of all Canadian organizations and 99% of investor-requested Canadian organizations indicate that climate-related risks and opportunities influence their business strategy



FINANCIAL PLANNING

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world



Company A's response to C3.5a

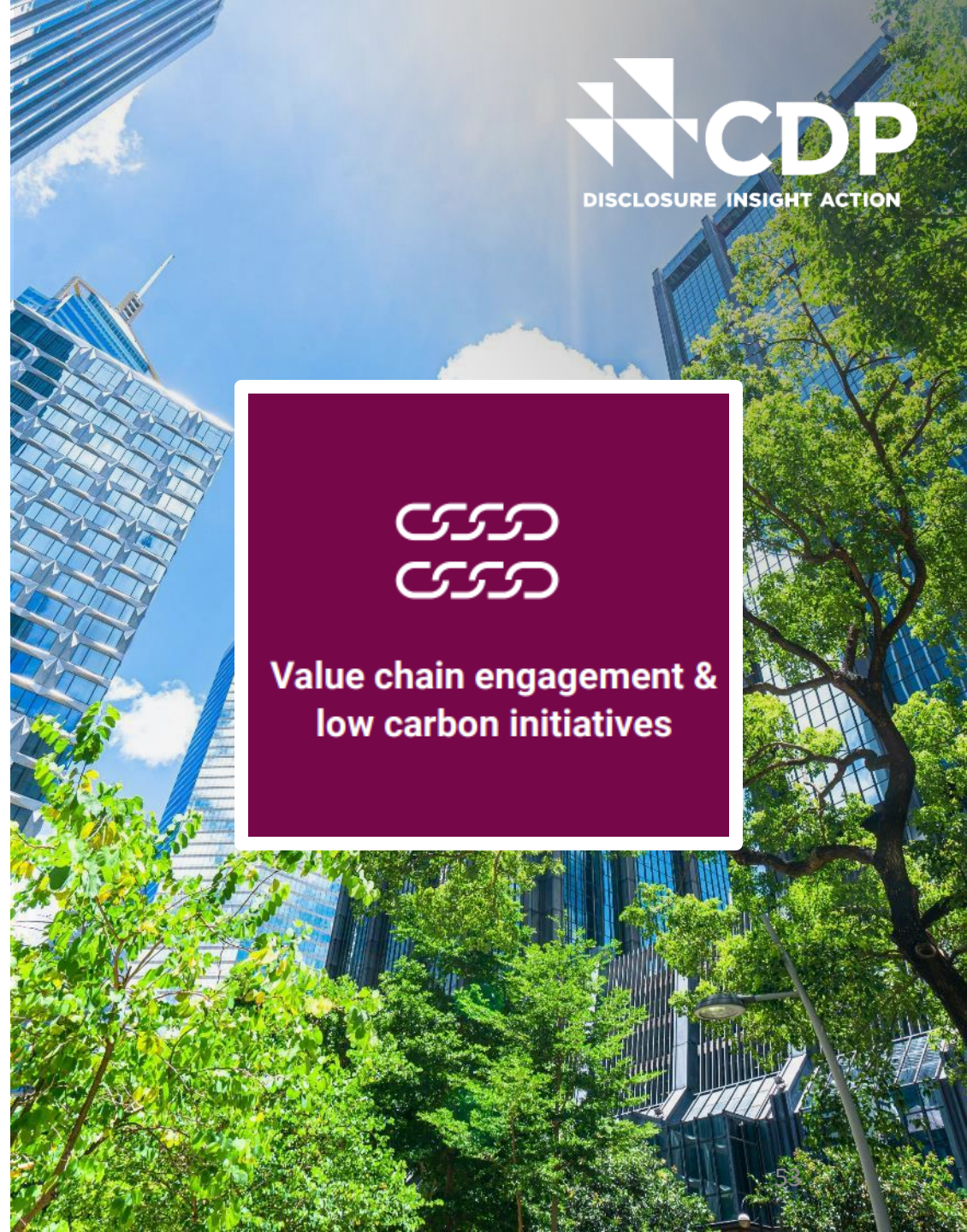
The methodology used to identify revenues aligned to a 1.5°C world is the **EU taxonomy**. Our CAPEX mostly deals with intangible assets, which are new products and technology derived from our R&D effort. This CAPEX is a necessary intermediate stage to enable future revenues aligned with a 1.5°C world. Therefore, **we estimate that the annual increase in R&D aligned with climate change mitigation should evolve at a faster pace than revenues with that same goal in the short to medium term**. We estimate that this CAPEX could increase above 2pp annually until 2025 and around 4pp annually between 2025 and 2030.

VALUE CHAIN ENGAGEMENT & LOW CARBON INITIATIVES

- ▼ A climate transition plan should include time-bound actions to decarbonize business processes (and those of its value chain), with time-bound KPIs.
- ▼ This includes three distinct elements:
 - 1) value chain engagement
 - 2) increasing share of revenue from low-carbon products and services
 - 3) implementing emissions reduction initiatives for its direct and indirect operations



**Value chain engagement &
low carbon initiatives**



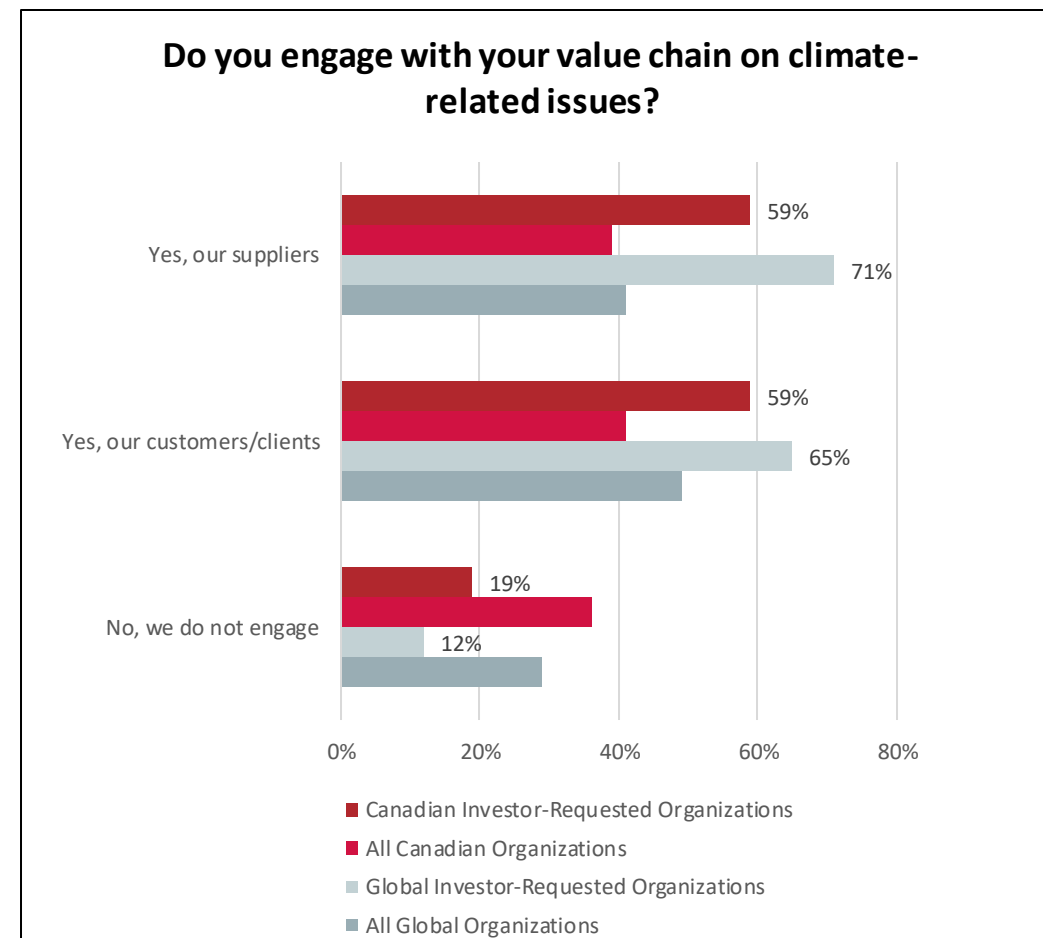


2023 VALUE CHAIN ENGAGEMENT



Canadian companies are behind global trends in value chain engagement, for example when looking at investor-requested companies:

- 59% in Canada disclosed that they engage suppliers on climate-related issues vs 71% globally
- 59% in Canada disclosed they engage customers or clients on climate-related issues vs 65% globally
- 19% in Canada disclosed that they **do not engage** their value chain on climate-related issues vs 12% globally

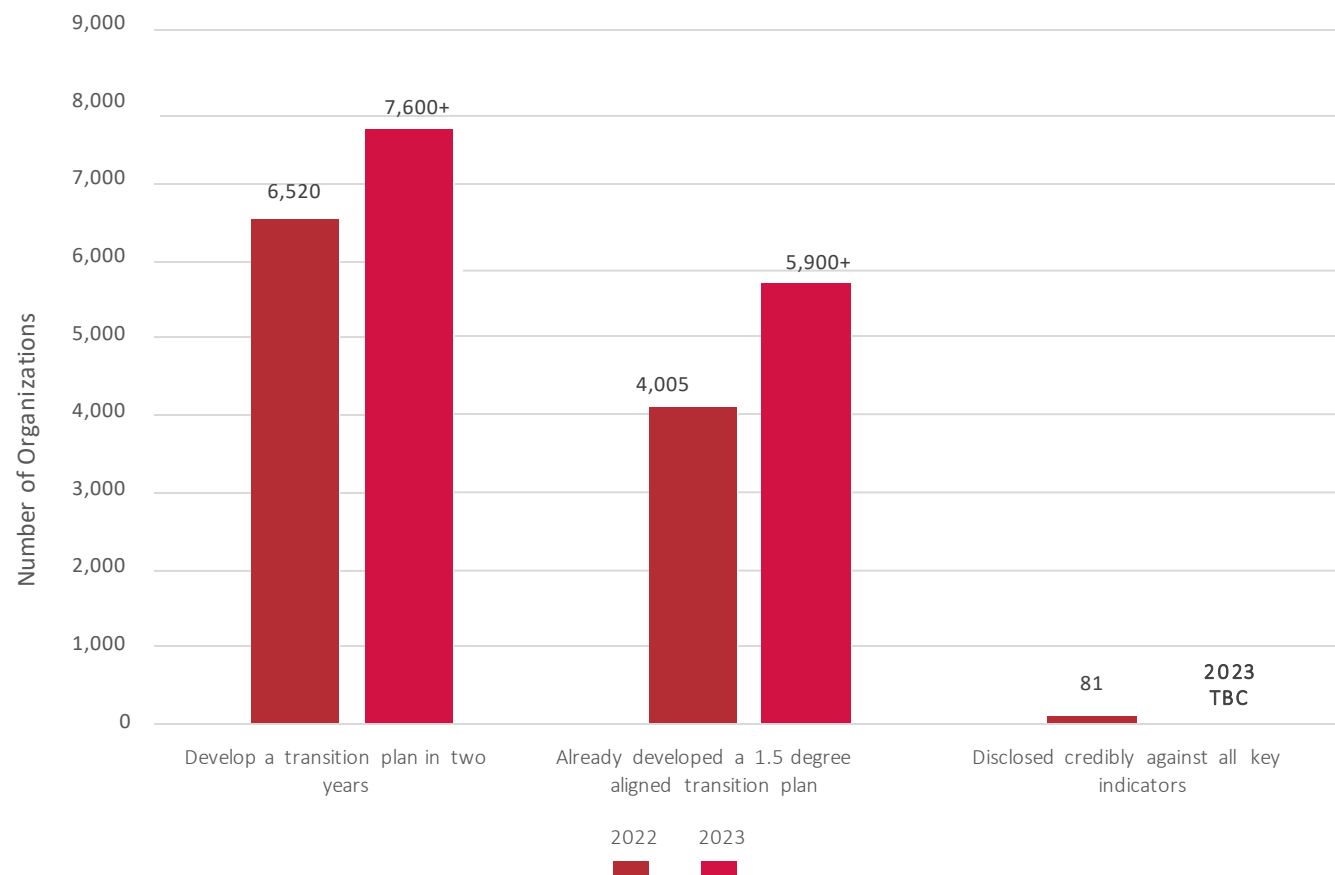


2022/2023 CLIMATE TRANSITION PLAN DISCLOSURE

Disclosed transition plans vs. credible transition plans



2022 & 2023 Climate Transition Plan Disclosure



- ▶ In 2023, **7,600+** organizations disclosed that they plan to develop a climate transition plan in next two years.
- ▶ More than **5,900** organizations disclosed that they have developed a 1.5°C aligned climate transition plan.
- ▶ However, in 2022 only **81** organizations disclosed sufficiently to all **21 key indicators**, a decrease from 2021 (135).
- ▶ In 2022, **no Canadian organizations** disclosed sufficiently to all key indicators, though **41** organizations disclosed sufficiently to many and **115** to some.

* *Currently assessing credible transition plan disclosure for 2023.*

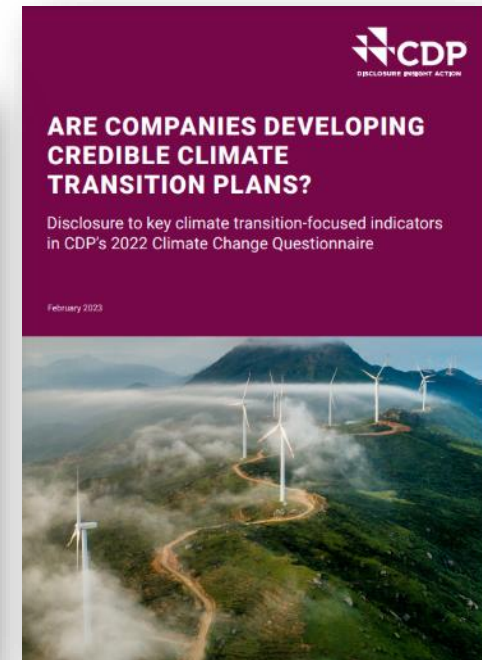
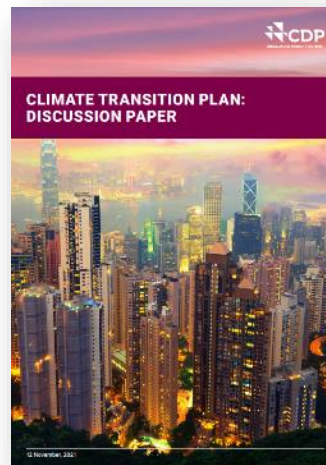
CDP RESOURCES

Climate Transition Plans



- ▼ [2021 CDP Climate Transition Plan: Discussion Paper](#)
- ▼ [2023 Report: ARE COMPANIES DEVELOPING CREDIBLE CLIMATE TRANSITION PLANS?](#)
- ▼ [CDP Technical Note: Reporting on Climate Transition Plans](#)

**2024 report
coming this spring**



THE NEXT FEW YEARS

CDP is undergoing a transformation that enables us to better deliver to a growing number of companies, investors, cities, states, and regions.

Disclosure

- ▶ We will provide a framework which remains independent, gold standard
- ▶ Pushes boundaries in environmental reporting
- ▶ Helps deliver impact for your company and the world

Scoring

- ▶ We are committed to continuously raising the bar for what qualifies as environmental leadership, in line with the goal for a 1.5-degree nature-positive future

Planetary boundaries

- ▶ We will go beyond the foundations required by policy and drive the market towards the most ambitious disclosure to cover more planetary boundaries, incl. oceans, land use, biodiversity and waste

SMEs

- ▶ We will build a better disclosure route for SMEs, enabling their supply chain and portfolio disclosure to be more robust

Data

- ▶ We will provide a streamlined set of enhanced data analysis and insight products which support better decision making and transition planning

THANK YOU

We would be happy to answer any questions



Trish Kramer

Engagement Manager, Canada

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Julia Silberman

Director, Corporate Engagement

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Integrating ESG Into Your Financial Reporting

Member Spotlight



Sandra Kessler

Vice President, ESG Integration and Reporting



Table Discussions & Share Back

30 minutes, followed by 10-minute share back

Q1: How do organizations prioritize between the requirements of different reporting standards and the expectations of various stakeholder groups (e.g., customers, shareholders, employees)?

Q2: How might the sustainability and ESG team work more closely with the finance team?

Lunch Partner: ECCC



Megan Nichols

*Associate Assistant Deputy Minister to
the Environmental Protection Branch*



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

Canada 

Net-Zero Challenge:

www.Canada.ca/netzerochallenge

Follow us on Twitter/X:

@environmentca

#NetZeroChallenge

Contact us at:

DEFIZERONET-NETZEROCHALLENGE@EC.GC.CA

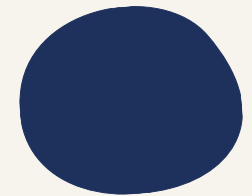
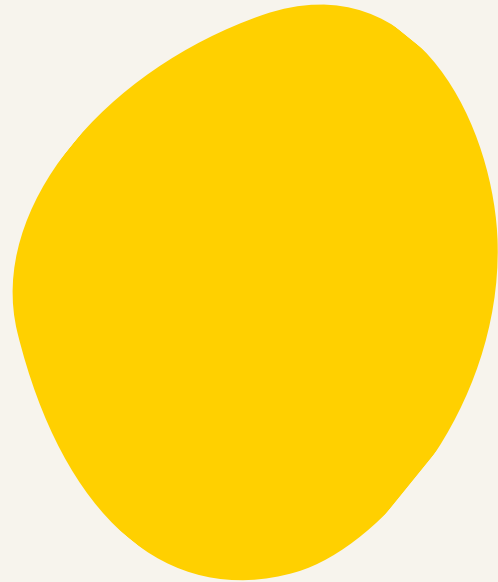
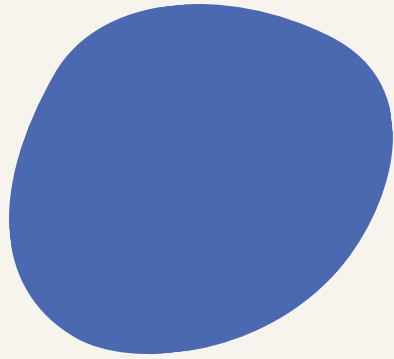


Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

Canada

Getting Thoughtful with Climate Transition Plans



Member Spotlight



Tom Ewart

Associate Vice President, Sustainability



Co-operators Operational Decarbonization Plan:

Lessons and Reflections on our Journey from 'What' to 'How'

CBSR Members Workshop at GLOBE Forum

February 13, 2024



Agenda

1. Context
2. Change Management Process
3. The Plan
 - a. Focus areas
 - b. Engagement & advocacy
4. Q&A



Context

About Co-operators

Our purpose

Financial security for Canadians and our communities

Our vision

We will be a catalyst for a resilient and sustainable society.

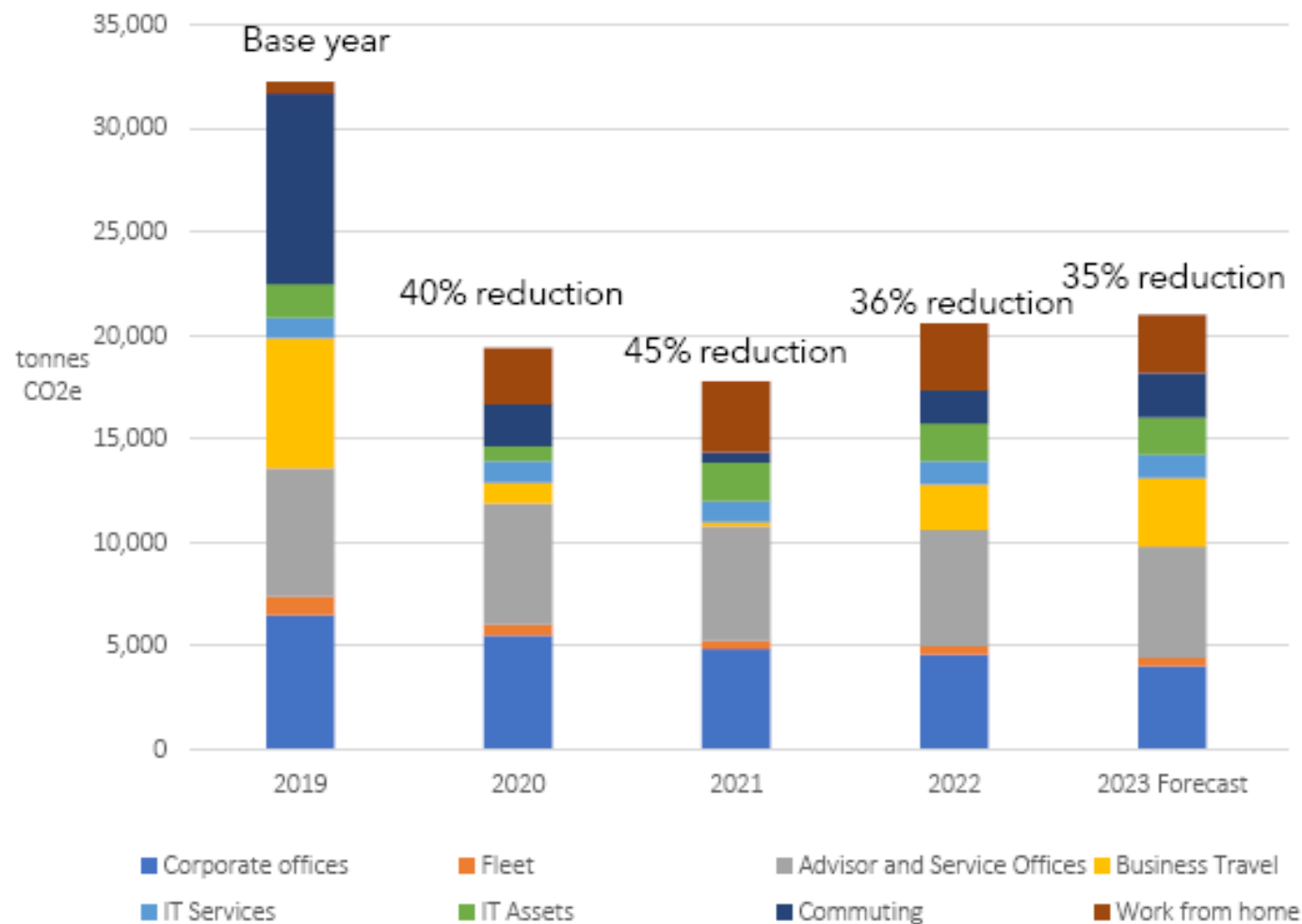
Other Notables

- Co-operative
- Collaborative culture
- Net-zero commitments (see next slide)
- Long-time exec sustainability pay link (STIP)
- More recently CEO LTIP includes operational emissions



Operational Emissions by Source & Commitments

Emissions by Source



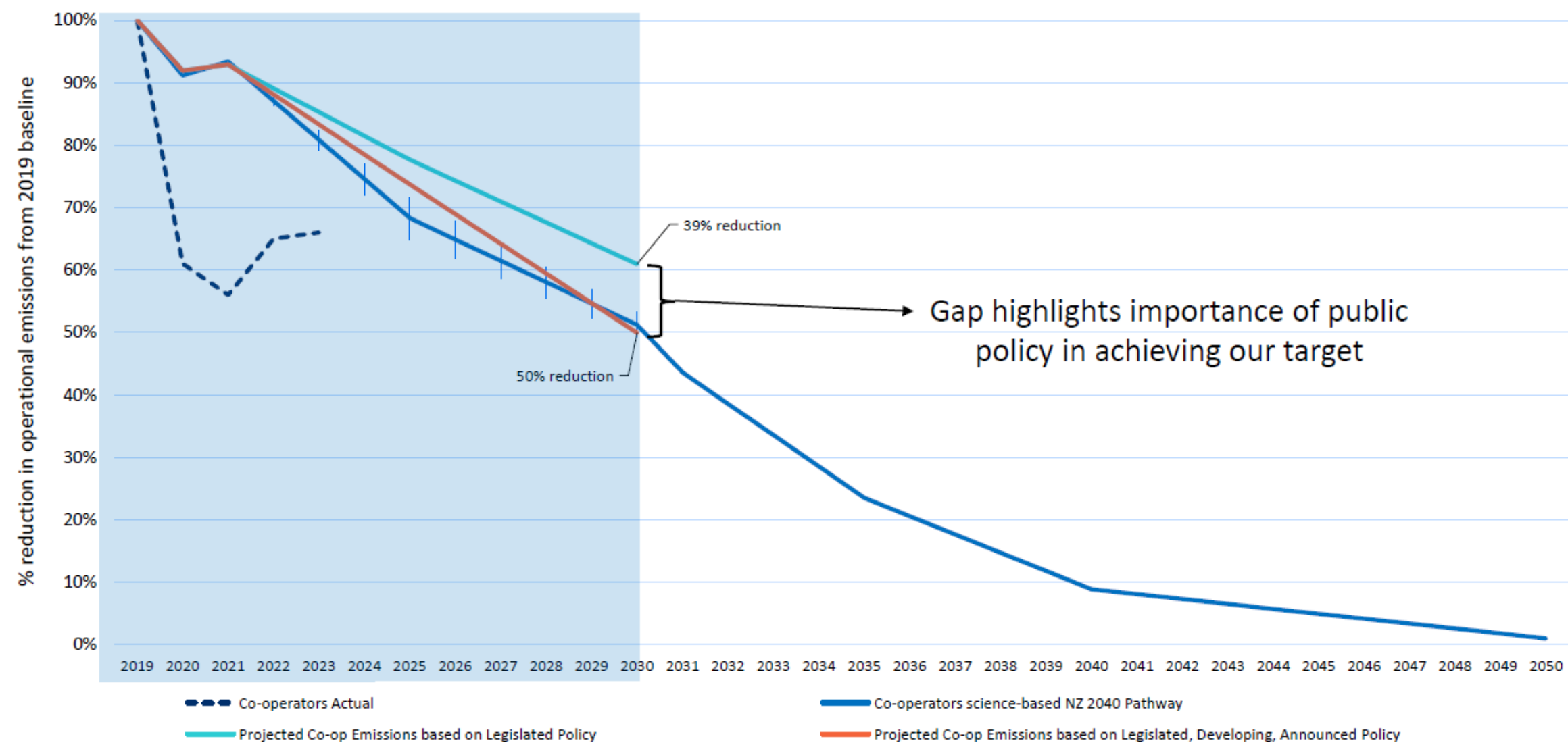
Commitments:

Net-zero operations by 2040
(investments by 2050 at latest)

Interim goal of 45% reduction
in scope 1, 2 and 3 emissions
in operations from 2019 to
2030

Top-Down View: What the science requires of us

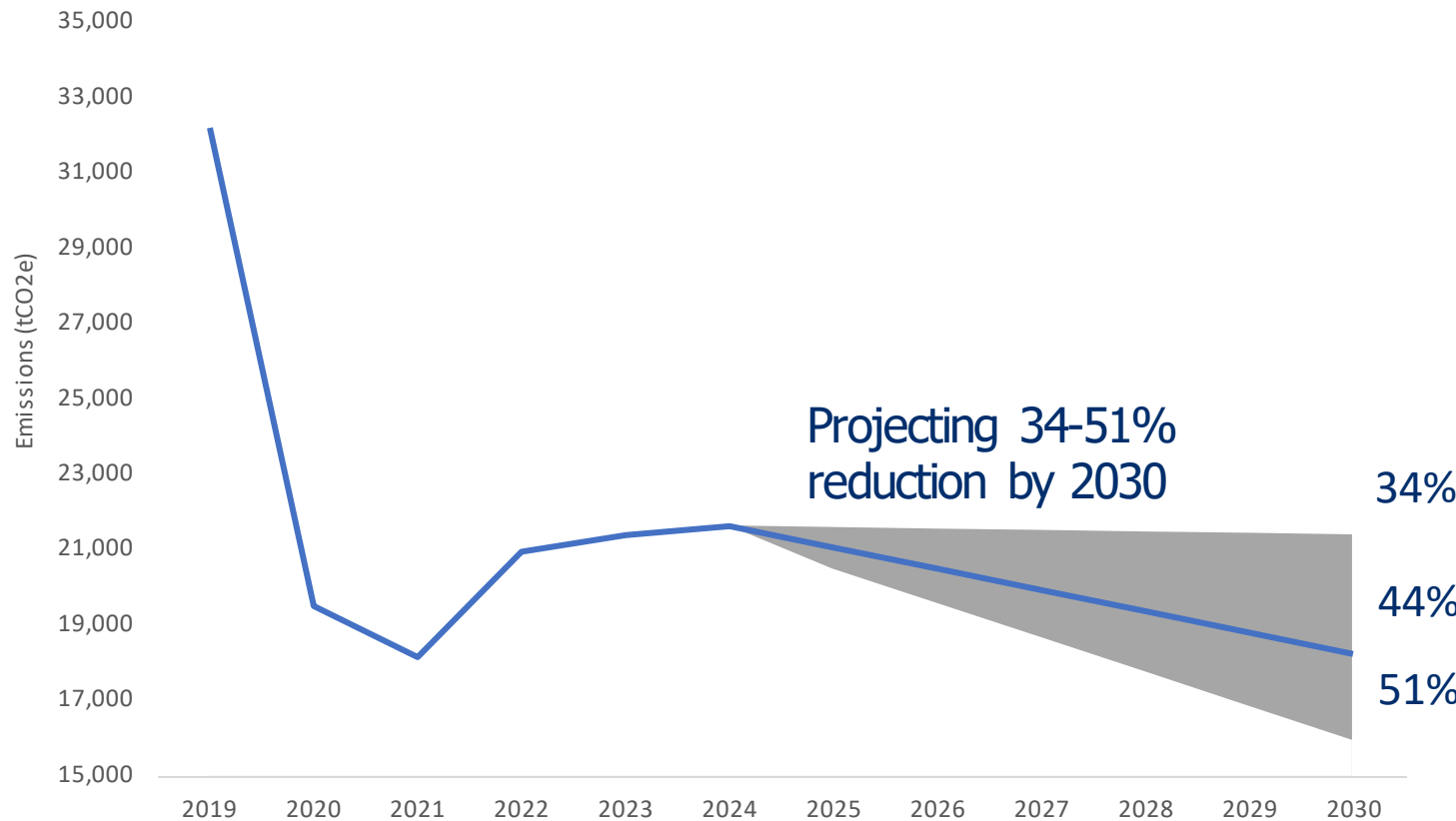
Co-operators 2040 Decarbonization Pathway



Bottom-Up View: What we expect to happen

Upward and Downward Pressures

Operational Carbon Footprint



Upward pressures

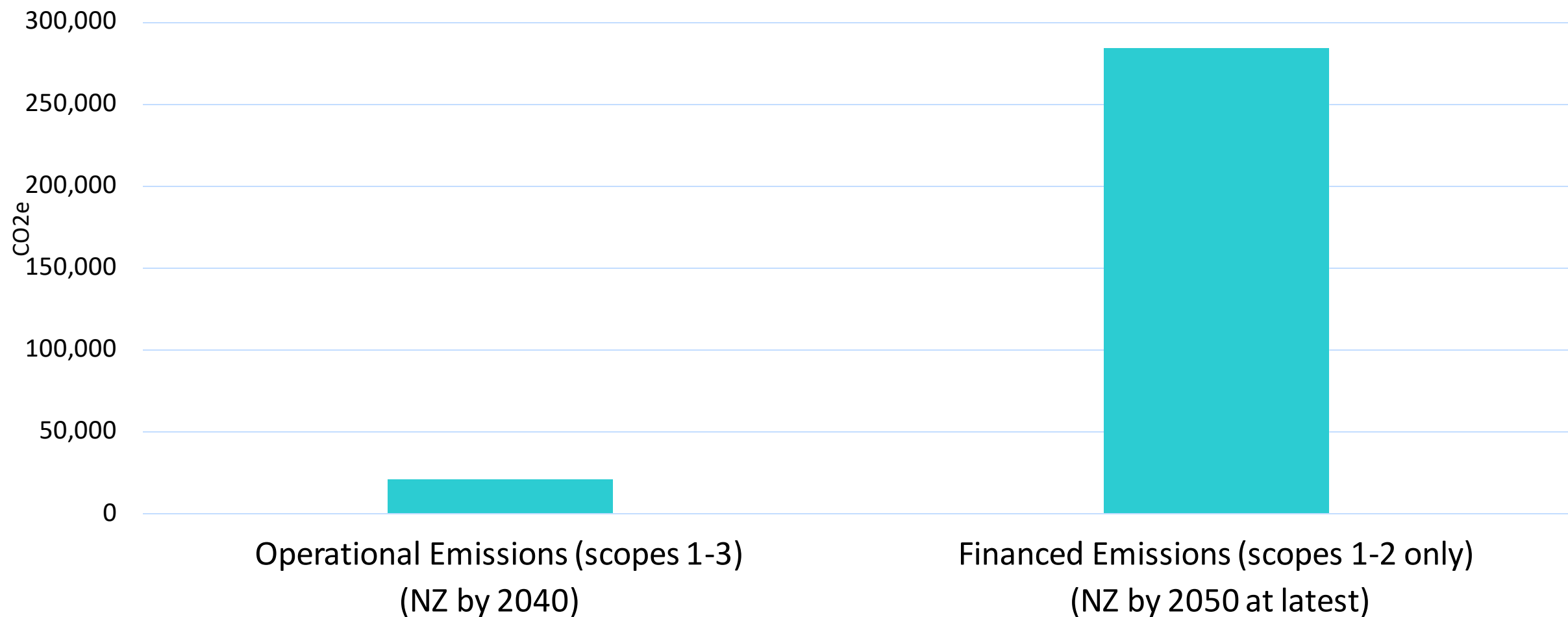
- Increased business activity
- More employees
- Stalling vendor, landlord and societal decarbonization

Downward pressures

- Increasing efficiency
- Office consolidation
- Electrification
- Grid decarbonization
- Accelerating vendor, landlord and societal decarbonization

What was that about Investments?

Co-operators Carbon Footprint at end 2022





Change Management Process

Our Process: How we developed the plan



1. General internal **awareness raising**



2. **Presentations and discussions** with key teams



3. **Survey** to key staff to collect decarbonization ideas



4. **Discussions** with relevant departments to develop and prioritize top ideas, and gain buy-in



5. **Review/critique** by Delphi and feedback incorporated



6. **Presentation** to EVP, followed by CEO's leadership team

7. Future: **Bilateral work** with relevant EVPs to implement low-hanging fruit and plan longer-term actions



The Plan

Focus Areas for emissions reduction



1. Focus on top-emitting building (9% of total emissions)



2. Reduce business air travel ($\sim 1/6$ of emissions)



3. Reduce emissions from Financial Advisor and service offices ($\sim 1/4$ of emissions)

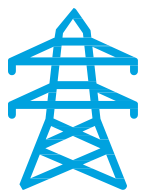


4. Reduce emissions from IT assets and services ($< 1/6$ of emissions)



5. Reduce emissions from employee commuting and working from home (23% of total)

Engagement & Advocacy Plan



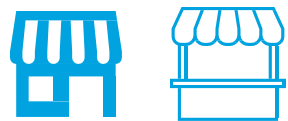
- **Provincial electricity grids:** transition from coal combustion



- **Buildings:** electrify & make more efficient (landlord engagement)



- **Personal passenger transportation:** electrify—and become more active and public



- **Vendors:** accelerate decarbonization



Q&A





Table Discussions & Share Back

20 minutes, followed by 10-minute share back

Q1: What engagement tactics are useful to engage your business units on the decarbonization plan? Where might you expect pushback? Where might you have the most success?

Q2: How can engagement activities be leveraged to encourage sustainable outcomes from vendors?

Q3: How might you access internal resources to implement decarbonization incentives?

The slide features five decorative circles of various colors and sizes: a large light blue circle in the top right, a medium dark blue circle to its right, a medium blue circle on the left, a large yellow circle in the bottom left, and a small dark blue circle in the middle right.

Climate Transition Planning in Action

Before We Discuss... LET'S MOVE IT!

Telecommunications
& Technology

Consumer Products
& Retail

Professional & Legal
Services

Public Institutions

Financial Institutions

Manufacturing &
Construction

Oil & Gas, Power and
Utilities

Heart, Head and Hand



We care



We know



We can



Climate Transition Planning in Action

Ambition: Reflecting the urgency to act

Action: Translating strategic ambition into concrete, short-term steps

Accountability: Enable delivery through robust governance and Reporting



Common Barriers to Progress

Internal
Resistance

Lack of
Awareness or
Understanding

Resource
Constraints

Supply
Chain
Complexity

Data
Availability

What else?

● Climate Transition Planning

The intersection of these three elements is **culture** and **governance** is the **glue** that holds these elements together.

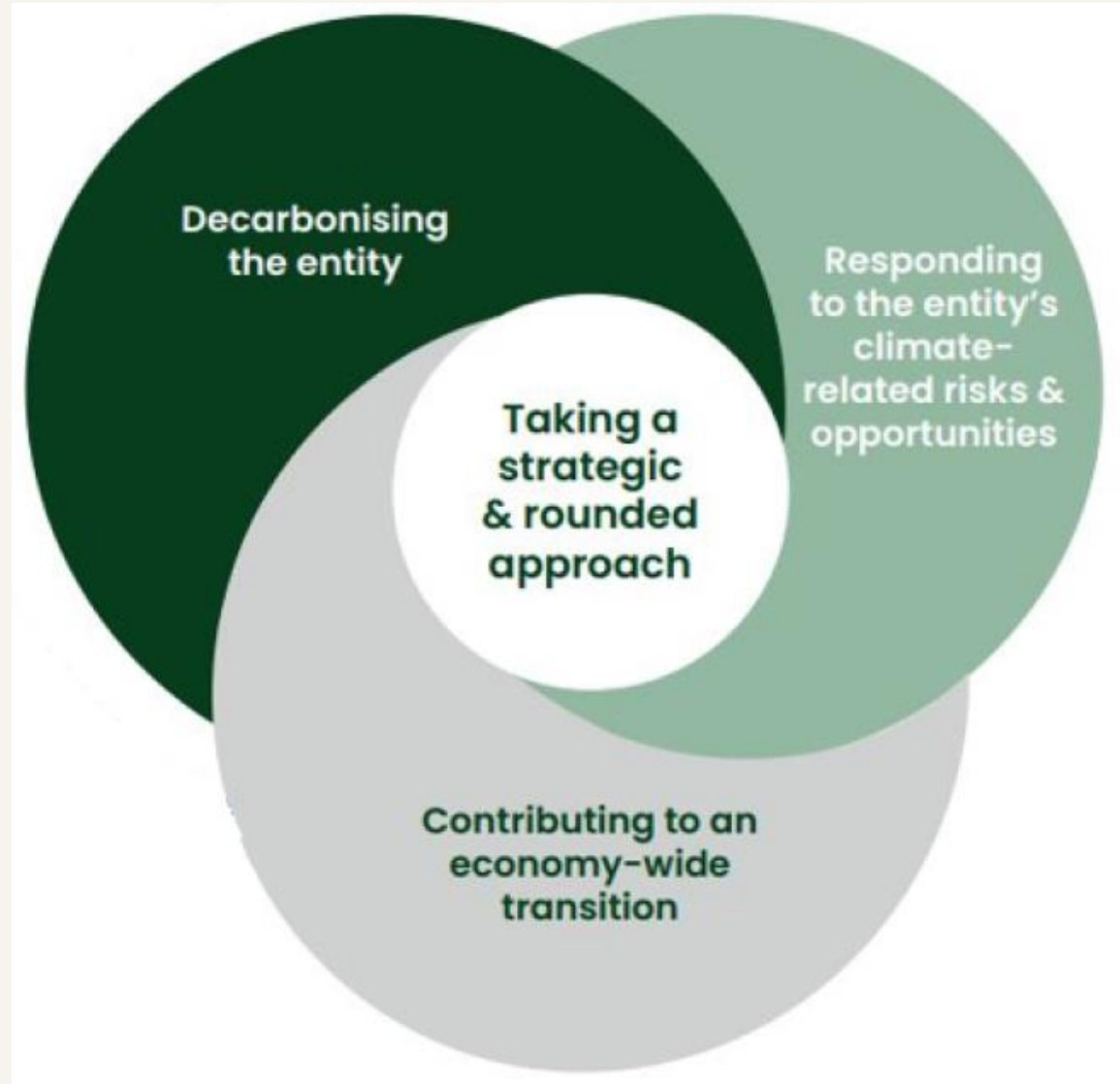




Table Discussions & Share Back

20 minutes, followed by 10-minute share back

As a sector, how might you embed and accelerate a transition a low-carbon and climate resilient economy?

Within your sector, what opportunities exist to collaborate to reduce emissions?

Engaging Canada's Black Business Community



Jackee Kasandy
Founder & Chief Executive Officer
BEBC Society



Thank You!



CBSR