



Canada Climate
Law Initiative

L'Initiative canadienne
de droit climatique



Upward Growth

**Annual Report
2021 - 2022**



Canada Climate Law Initiative Annual Report 2021-2022

Contents





Reflecting on the year

Letter from the Principal Co-Investigators



On behalf of the Principal Co-Investigators, I am delighted to report that the Canada Climate Law Initiative (CCLI) has had a remarkable year in every aspect of its activities. We welcomed our new Director, Sonia Li Trottier, who previously served as our Communications Manager. During her tenure, Sonia Li has worked with the team to make major leaps forward in all our programs, including expansion of our board climate governance program with Board Engagement Liaisons across the country, particularly focusing this year on Alberta, Québec, Ontario, Saskatchewan, and Manitoba. CCLI also welcomed Melissa Reichwage as Communications Manager; she brings considerable experience in communications and sustainability.

Our Director is working closely with Dr. Carol Liao to develop executive level training for small and medium enterprises on effective climate governance. Our research is being used by our industry partners, including forming part of the TMX Group's knowledge hub for TSX-listed issuers and forming a core part of the climate governance materials of the Institute of Corporate Directors. We worked with senior industry officials and their professional organizations to launch a retail sector guide and a forthcoming real estate sector guide on effective climate governance; provided comparative research on regulatory change in other jurisdictions; and authored and provided advice to the World Economic Forum and Climate Governance on a multi-country primer on directors' obligations. We reviewed and provided comments to partner organizations in the climate community on six major research publications.

Our policy work has also scaled up considerably, with CCLI providing research and policy advice to Canadian securities regulators, financial services regulators, and corporate policymakers. We offered confidential advice to policymakers on six different climate governance initiatives at the regulatory design stage. We have partnered with the Canadian Coalition for Good Governance and the Institute for Sustainable Finance to meet with the Chairs of the six Securities Commissions and their teams to discuss priorities in moving to the finalization of proposed National Instrument

51-107 Disclosure of Climate-related Matters. We expanded our work with the federal government on climate governance and financial institutions to begin meeting with provincial financial services authorities. A submission co-authored by Principal Co-Investigator Cynthia Williams was cited five times in the US Securities and Exchange Commission's new proposed rules on climate disclosure.

Last May we were very honoured to have two very distinguished scholars join CCLI as Principal Co-Investigators. Dr. Barnali is Professor of Law and the Director of the Jack & Mae Nathanson Centre on Transnational Human Rights, Crime and Security, Osgoode Hall Law School. Her research focuses on human rights and climate governance, including international recognition of the links between climate change, human rights, and corporate due diligence. Terri-Lynn Williams-Davidson, *Gid7ahl Gudslaaay Lalaxaaygans*, is a citizen of the Haida Nation and its General Counsel; she has represented the Haida Nation at all levels of court, including the Supreme Court of Canada, in litigation to protect the old-growth forests of Haida Gwaii, the Haida Nation's TFL39 Case, the leading case on accommodation of Aboriginal Rights. Her research is focused on Indigenous climate governance and the recognition, resilience, and resurgence of Indigenous legal orders. We are so delighted to welcome these distinguished colleagues to CCLI.

I would like to thank our national Advisory Committee and our funding Foundations for their insights and cogent advice this past year. Thank you also to our Affiliated Research Scholars across Canada for their efforts for CCLI and in their own universities; their contribution to knowledge in climate change is critically important. Thank you also to our 67 Climate Governance Experts, who tirelessly volunteer their time to ensuring that Canadian boards become competent to oversee and manage the transition to net-zero emissions. Thank you to Juvarya Veltkamp for her service to CCLI; she has left to take on a new job opportunity.

"Effective climate governance requires all of us to row in the same direction if we are to successfully navigate increasingly challenging climate risks and opportunities. Our sincere thank you to everyone that supports CCLI's ecosystem."

Sincerely,

Dr. Janis Sarra
Professor of Law
Principal Co-Investigator, CCLI



New leadership

Letter from the Director

I'm pleased to introduce CCLI's Annual Report for 2021-2022. It has been a year full of changes, both internally and in the climate governance space. During this past year, we have witnessed an important shift in the climate governance space where two things happened simultaneously: corporations and pension funds have commenced setting the tone in terms of climate disclosures, developing credible strategies and plans to reduce greenhouse gas emissions, and building climate competency. Yet, they need increased guidance from securities and financial regulatory bodies on disclosure, oversight and management of climate-related financial risks. At the same time, Canadian policymakers, while setting the tone, are also learning from industry experts and international regulatory bodies that are more advanced in the areas of climate-related financial disclosures, sustainable finance, and climate governance.

In the past year, we have continued to position ourselves as the go-to climate governance resource for corporate and pension boards and policymakers by providing research, informed recommendations, and tools to enable the Canadian private and public sectors to confidently and rapidly transition to a net-zero transition. We're proud to have directly engaged with more than 370 corporate directors and trustees and to have reached more than 4,800 participants through our public events in the past year. Every board presentation that sparks a meaningful conversation between the board and one of our Climate Governance Experts raises board awareness of the duty to identify and manage climate risks and is a step in the right direction towards climate action.

In terms of our policy work, one of our biggest successes was the commitment by the federal

government in its 2022 Budget to move toward mandatory reporting of climate-related financial risks for federally regulated financial institutions. From June 2021 to May 2022, we met with 27 policymakers and regulators to enhance climate regulation, in particular climate-related disclosures. Canada needs to keep pace with international jurisdictions' climate regulations, and we're proud to have established ourselves as a trusted organization in the climate governance space.

While the climate governance road may be long and full of learning curves, there are tons of opportunities ahead. We are excited to continue supporting boards of directors and trustees, policymakers, and regulators by expanding our research areas to focus more on the relationship between climate governance, human rights, and Indigenous partnerships. Climate governance is not a check-the-box exercise, but rather, a way of rethinking in a holistic way how we live, do business and govern, including the human rights and Indigenous voices is part of rethinking how we live in a climate transition.

Finally, I would like to express my deepest gratitude to our community, without which our work would be impossible. Thank you to our generous donors, advisory committee members, Climate Governance Experts, and Affiliated Research Scholars for their precious insights and expertise, and to our partners for collaborating with us.



Sincerely,

Sonia Li Trottier
Director, CCLI



Growth in the right direction

Organization at a Glance

Our mission is to enable Canadian directors, executives, trustees, policymakers, and regulators to confidently and swiftly lead Canada through a net-zero emissions transition with effective climate governance.



2017



Professor Williams and Dr. Sarra found the Canada Climate Law Initiative Phase I, focused exclusively on research and public education. They also join as the Canadian partners of the Oxford University founded Commonwealth Climate and Law Initiative

2018

Dr. Sarra and Professor Williams make submissions and provide policy advice to members of the Expert Panel on Sustainable Finance

2019

Dr. Sarra and Professor Williams, Principal Co-Investigators commence Phase II of the CCLI, under leadership of Program Manager Joanne Forbes, develop the Canadian Climate Governance Experts, established to provide pro bono presentations to corporate and pension boards and sharing research on effective climate governance

The Canadian Securities Administrators publishes its Staff Notice 51-358 Reporting of Climate Change-Related Risks

2020



Dr. Liao joins CCLI as a Principal Co-Investigator and CCLI receives funding from five major Canadian foundations, starting its Phase III, aimed at scaling up capacity to reach corporate and pension boards, consolidating capacity to support the Canadian Climate Governance Experts, and to expand research and knowledge sharing

2021

CCLI becomes the Educational Partner of Climate Engagement Canada

The Canadian Securities Administrators release Proposed National Instrument 51-107 Disclosure of Climate-related Matters

2022

CCLI welcomes two new Principal Co-Investigators: Dr. Barnali Choudhury and Terri-Lynn Williams-Davidson

CCLI becomes a partner of the TMX Group and a partner of Québec Net Positif

IFRS/ISSB releases Exposure Draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and Exposure Draft IFRS S2 Climate-related Disclosures, and the Office of the Superintendent of Financial Institutions publishes proposed Guideline B-15: Climate Risk Management



Making our actions count

Our Year in Numbers

Our **67** Climate Governance Experts offer pro bono presentations to enable directors, executives, and policymakers to lead Canada through a net-zero emissions transition.



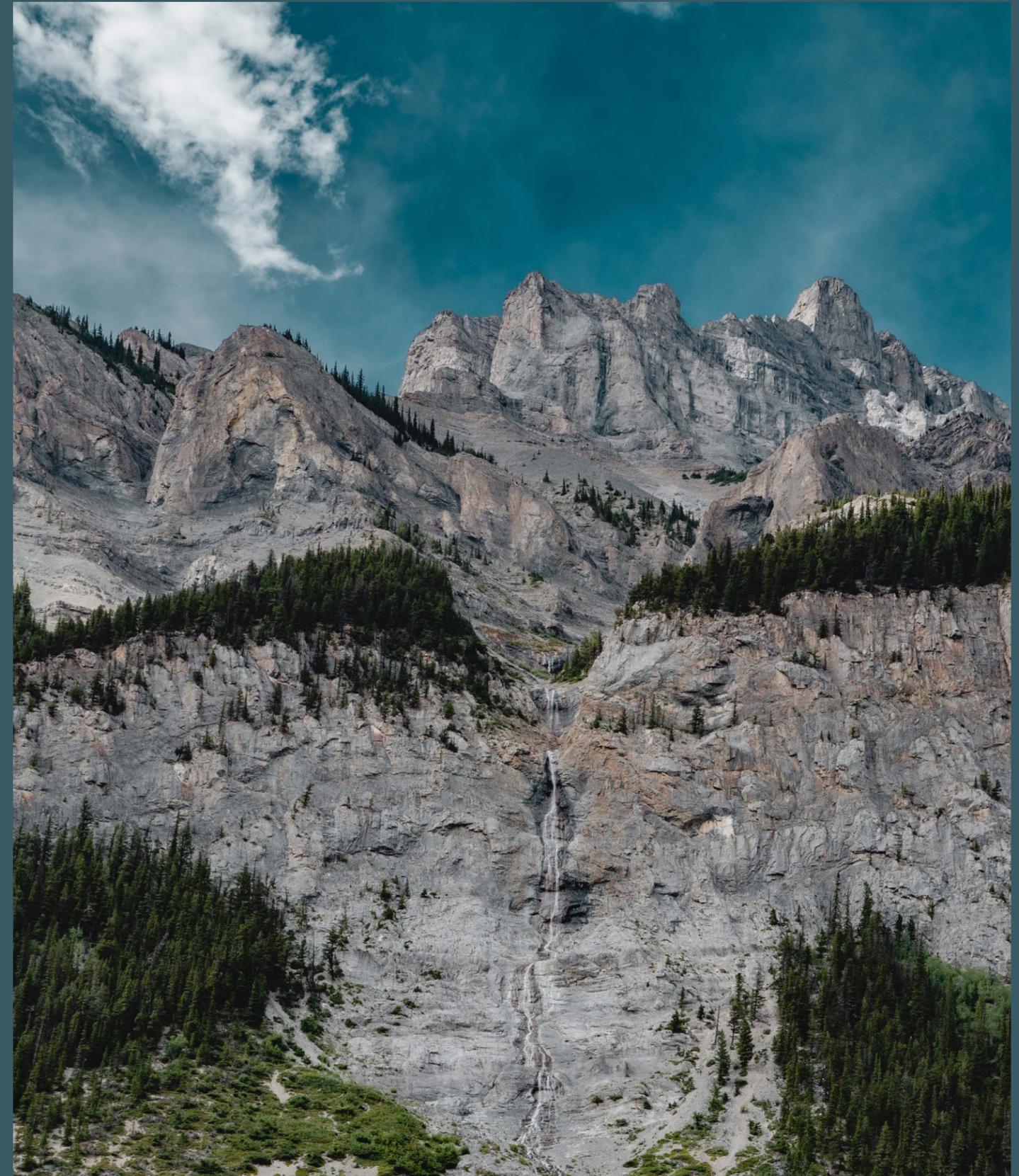
Since our inception, we have given **100** board presentations.

The last year has been particularly busy with **43** presentations.

This year, we made **5** policy submissions

and met **27** times with policymakers.

We shared **8** publications with the world.





Prioritizing our efforts

Areas of Focus

Board presentations

With the support of our community of 67 Climate Governance Experts, we offer free, confidential, and private presentations to directors and trustees to help Canadian businesses to consider, manage, and disclose climate risk. We create a favourable environment for directors, officers, and trustees to have a meaningful conversation on effective climate governance, and to better understand their fiduciary obligations with respect to climate and sustainable investment.

Influencing policy

We believe enhancing regulations on climate risks and opportunities, especially climate-related financial risks, is key to accelerating the transition to a net-zero carbon economy and being a climate leader. CCLI leverages its legal research and climate expertise to provide informed policy recommendations to policymakers at the federal and provincial levels.

Generating and sharing knowledge and research

CCLI is the leading Canadian organization that conducts cutting-edge and timely legal research and analysis on climate governance and related areas of sustainable finance, conservation finance, corporate law and governance, and Indigenous partnerships. We believe knowledge-sharing is essential to support Canadian directors, officers, and trustees to fulfill their duties with respect to climate change and accelerate the transition to a net-zero carbon economy.



Conversations with Canadian businesses

Board Presentations

Over **50%**

of our presentations have been to the boards of pension funds.

We also work with many other sectors including finance and insurance, mining, non-profit, construction, and real estate.

Success Story

A municipality's pension fund approached us to deliver a CCLI presentation to their board. Our contact wanted to get the trustees up to speed regarding their fiduciary obligations and responsible investment.

After the presentation, our contact informed us that he managed to have the board adopt key ESG and responsible investment policies since the trustees had a better understanding of the importance of the topic. Moreover, following that presentation, we worked with that municipality again to deliver six board presentations to their other pension funds.

Results from a program evaluation, completed between January and March 2022, indicate that nearly

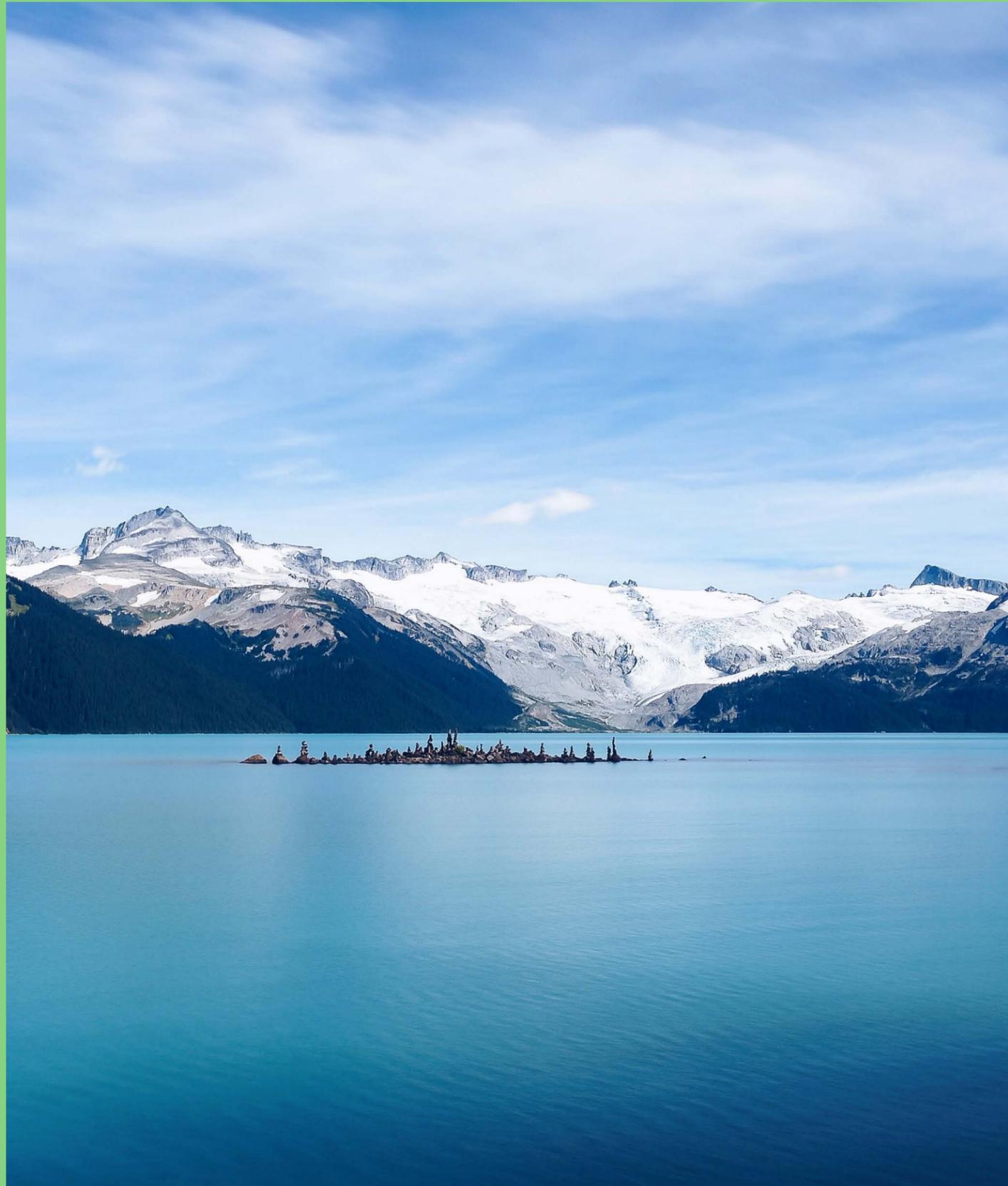
80% of boards

surveyed took at least

2 climate governance actions

after receiving a CCLI presentation.





Generating and sharing knowledge

Publications

Our scholarly team publish reports in order to generate and share knowledge with businesses, policymakers, academics, and the public. Our key publications this year include:

- Following the Footpath to Mandatory TCFD Disclosure in the United Kingdom: Lessons for Canadian and Other Regulators
- On the Horizon - Briefing note on TCFD-aligned mandatory disclosure in New Zealand
- Primer on Climate Change: Directors' Duties and Disclosure Obligations
- Climate-related Legal Risks for Financial Institutions: Executive Brief
- Fiduciary Duties and Climate Change in the United States
- Retail's Route to Net-zero Emissions: The Canadian Retail Sector and Effective Climate Governance
- Fossil Fuel Subsidies in Canada: Governance Implications in the Net-Zero Transition
- Summary of Submissions to Canadian Securities Administrators on Proposed National Instrument 51-107 Disclosure of Climate-related Matters



Shaping national and provincial decisions

Policy Influence

We provided research and policy support to various securities regulators at the federal and provincial level.

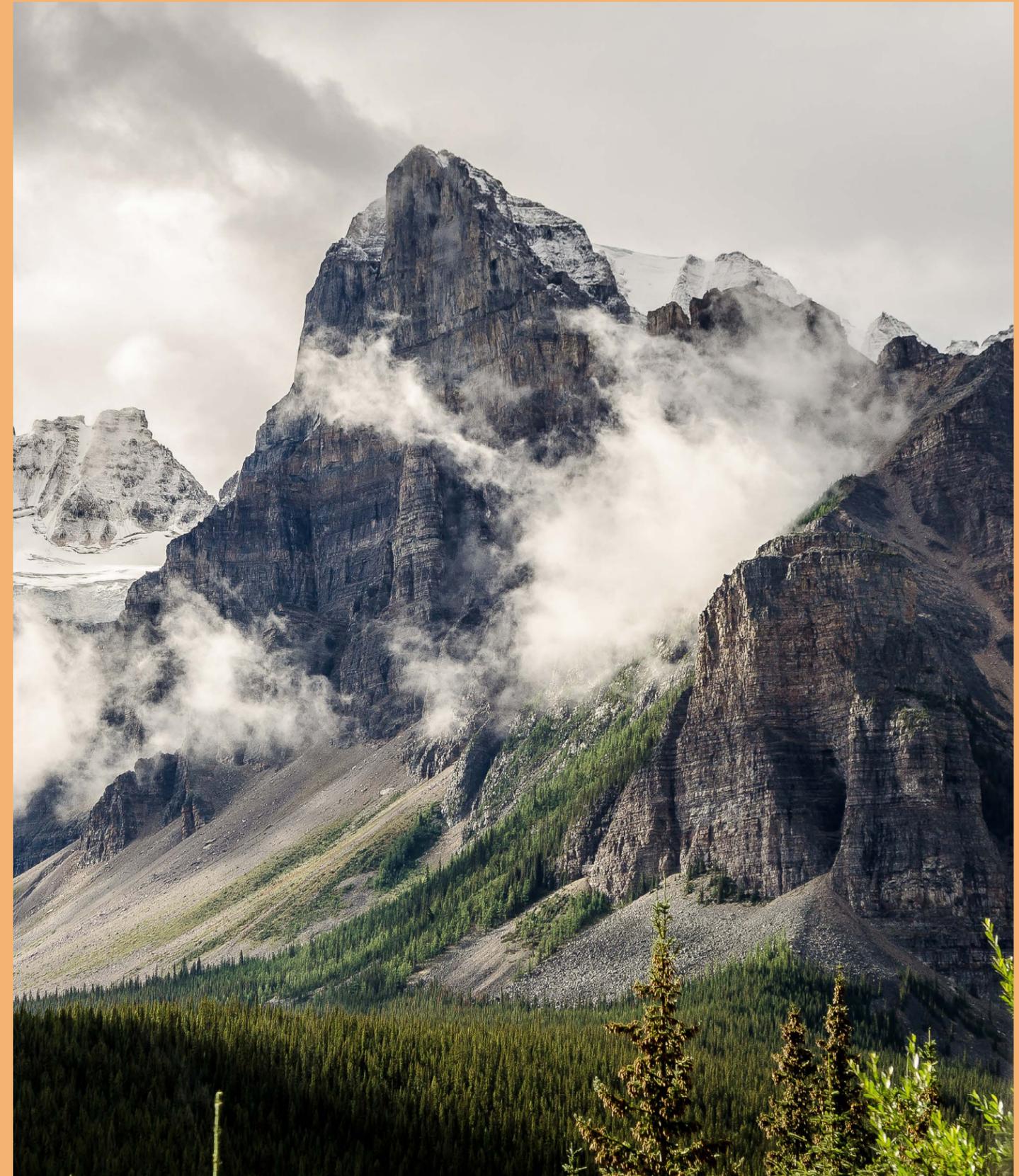
The federal government announced in its 2022 budget its commitment to move towards mandatory reporting of climate-related financial risks for federally regulated private pension plans, banks and insurers, based on the TCFD framework.

In May 2022, the Office of the Superintendent of Financial Institutions published its proposed Guideline B-15: Climate Risk Management for federally-regulated financial institutions to develop greater resilience to and management of climate-related risks.

The Canadian Securities Administrators (CSA) published its proposed National Instrument 51-107 Disclosure of Climate-related Matters and its company policy. We provided research support and advice to the CSA. Two organizations also endorsed our submission.

The US Securities and Exchange Commission (US SEC) proposed much-anticipated new rules on climate disclosures in March 2022. Professor Cynthia Williams, who has been working extensively on US SEC climate disclosures matters, co-authored a comment letter that was cited five times in the new proposed rules.

Senator Rosa Galvez introduced Bill S-243, An Act to enact the Climate-Aligned Finance Act, and to make amendments to other Acts in March 2022. We supported the development of the draft Bill, and CCLI was among the 89 organizations that endorsed Bill S-243, showing a consensus that climate financial policy is essential to align Canada's financial system with its climate commitments.





Quality time together

Events

Events are an important part of CCLI's work, as they provide the public with valuable opportunities for learning and networking. In the past year, we hosted 11 events and our experts participated in 54 webinars as speakers.

- Partnerships in Indigenous Finance: Paths to Sustainable Finance and Protection of Biodiversity
- Primer on climate change: Directors' duties and disclosure obligations (EMEA, APAC, Latin America, and North America)
- Getting Climate Change on the Board Agenda
- Getting an inside view on the new International Sustainability Standards Board: Discussion with Neil Stewart from the Value Reporting Foundation
- Retail's Route to Net-zero Emissions: The Canadian Retail Sector and Effective Climate Governance
- GPC Becoming Fluent in ESG
- Fossil Fuel Subsidies and Climate Transition Risk: How Will Your Organization Adapt to Changing Policies?
- Climate risk governance: Building resilient and climate-ready portfolios
- Climate Engagement Canada: Net-zero Engagements, Technical Aspects with Philanthropic Foundation of Canada
- Climate Commitment: Open Signatory Call with the Philanthropic Foundations Canada



A warm welcome

New Principal Co-Investigators



Dr. Barnali Choudhury
Professor of Law, Osgoode Hall School of Law



Terri-Lynn Williams-Davidson
Gid7ahl Gudslaaay Lalaxaaygans
General Counsel, Haida Nation

"Climate change is the most pressing issue of our time and it poses risks to myriad human rights, including the right to life, health and an adequate standard of living. We now understand that corporations have a responsibility to respect human rights and a responsibility to respect the environment, although for the most part treatment of these responsibilities has been siloed. As efforts are underway to bring these two, not disparate, responsibilities together, I am pleased to join my work in corporate human rights responsibility to the outstanding work of CCLI in promoting corporate responsibility for climate change. In joining CCLI, I hope to build on the tremendous results the Initiative has already achieved in furthering corporate discourse on climate change issues and introduce human rights issues into the mix as well." — *Dr. Choudhury*

A cohort of climate leaders

Our Community

Principal Co-Investigators

- Dr. Barnali Choudhury
- Dr. Carol Liao
- Dr. Janis Sarra
- Professor Emerita Cynthia Williams
- Terri-Lynn Williams-Davidson,
Gid7ahl Gudslaaay Lalaxaaygans

Affiliated Research Scholars

- Julie Biron
- John Borrows
- Jeffery G. Hewitt
- Margot Hurlbert
- Patrick Mignault
- Gideon Odionu
- Temitope Onifade
- Sara Seck
- Pascale Cornut St-Pierre
- Ivan Tchotourian
- Helen Tooze
- Stéfane Rousseau

Advisory Committee

- Eli Angen
- Stefanie Butt
- Barnali Choudhury
- Roopa Davé
- Gigi Dawe
- David Estrin
- Nicolina Farella
- Maryam Golnaraghi
- Carol Liao
- Ed Ma QC
- Catherine McCall
- Andrea Moffat
- Caroline North
- Poonam Puri
- Peter Rozee
- Janis Sarra
- Sylvie Trottier
- Cynthia Williams
- Terri-Lynn Williams-Davidson,
Gid7ahl Gudslaaay Lalaxaaygans



Our support network

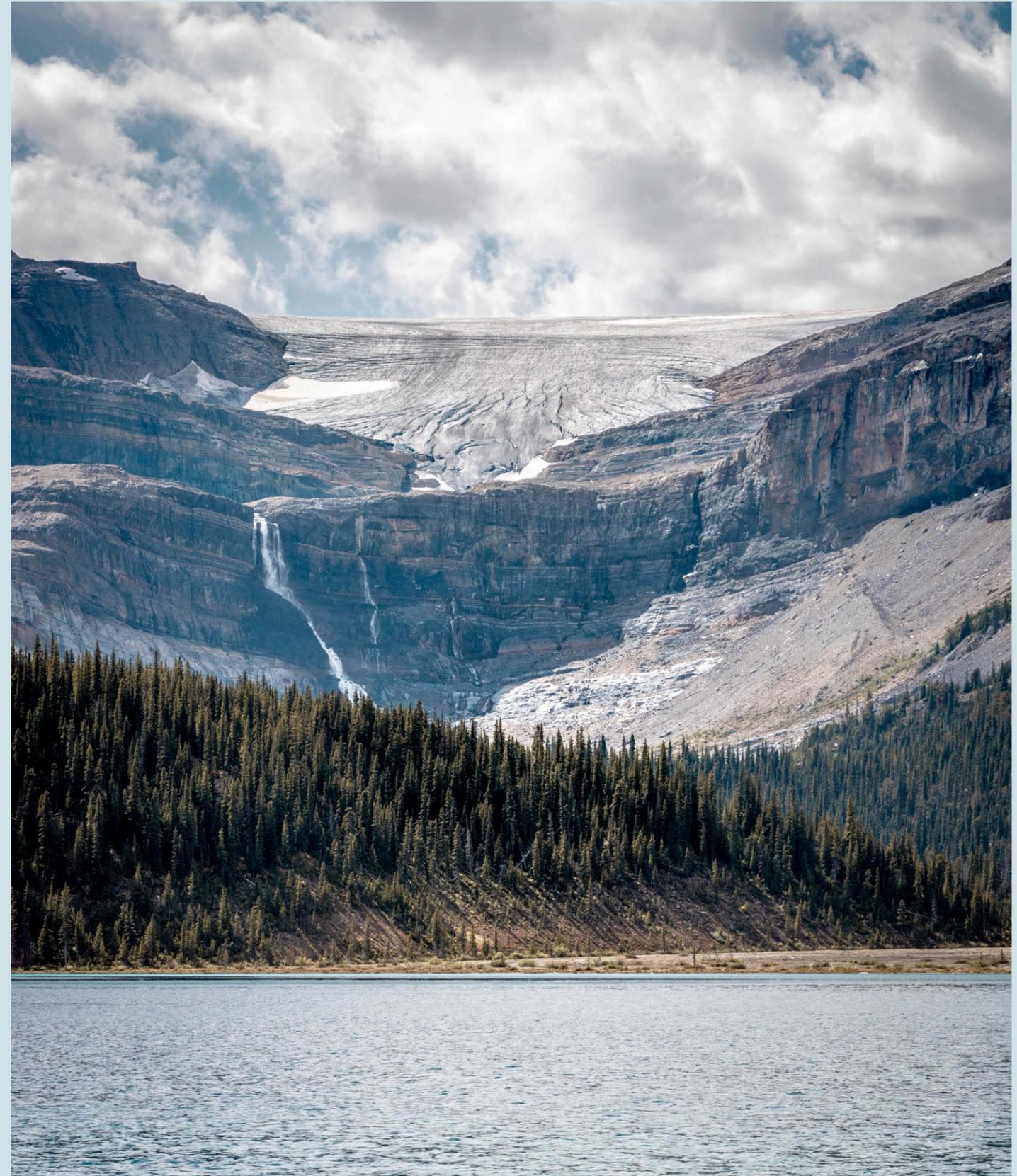
Gratitude

The generosity of our donors enables CCLI to deliver on the activities described in this annual report. We wholeheartedly thank the following foundations:



I V E Y foundation

Our work is made possible by a dynamic community, particularly the Peter A. Allard School of Law, the Osgoode Hall Law School, and the Centre of Business Law which we are affiliated with:





Canada Climate
Law Initiative

L'Initiative canadienne
de droit climatique

Follow us



ccli.ubc.ca