



Annual Report 2022-2023

Creating new routes
to reach net-zero



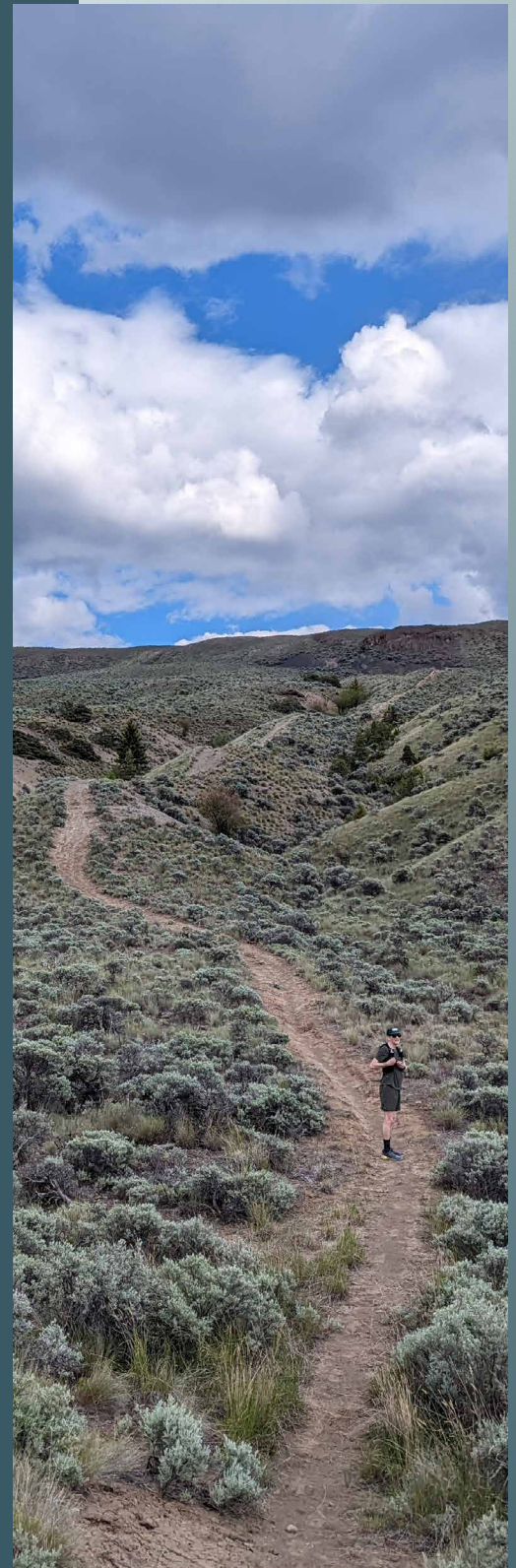
Canada Climate
Law Initiative

L'Initiative canadienne
de droit climatique

ANNUAL REPORT 2022-2023

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Letter from the Principal Co-Investigators

Dr. Janis Sarra
Professor Cynthia Williams
Dr. Carol Liao
Dr. Barnali Choudhury
Terri-Lynn Williams-Davidson
Dr. Sara Ghebremusse

The Canada Climate Law Initiative (CCLI) has had an extraordinary year. Our work has focused on four critically important areas: policy work in furtherance of regulation to move Canadian businesses and financial institutions to effective climate governance and net-zero transition plans, led by Dr. Janis Sarra; presentations to corporate and pension boards, sector associations, and legal professional development; design of a certificate program in climate law and corporate governance; research and publication of new sector-based guidance on effective climate governance, working with sector experts in the banking, real estate, and junior mining sectors.

Our team has been strengthened by the addition of a new Principal Co-Investigator, Dr. Sara Ghebremusse, who brings significant expertise in sustainable mining policy and governance. With our international partner, Oxford University founded Commonwealth Climate and Law Initiative, we have successfully expanded knowledge on fiduciary obligations and effective climate governance, working with partners in the United Kingdom, United States (US), Australia, Singapore, Japan, the European Union, and South Africa.

Many of our successes of the past year are due to our intrepid Director Sonia li Trottier who works with CCLI's 15 Affiliated Research Scholars and 72 Canadian Climate Governance Experts, all notable professionals that give their time, pro bono, to presentations on effective climate governance.

As we turn to the coming year, CCLI will continue to leverage our policy expertise in management of effective climate governance and the acceleration of policy that supports sustainable finance. Our Canadian policy work will continue to benefit from Professor Cynthia Williams' advocacy for enhanced disclosure rules at the US Securities and Exchange Commission. Sonia li Trottier will continue to work with our Canadian Climate Governance Experts program to engage with directors, officers, asset managers, and pension fiduciaries on effective governance in the transition to net-zero emissions. Dr. Carol Liao and Dr. Sara Ghebremusse are developing a legal and policy framework for a critical minerals strategy to support Canada emerging as a leader in supply of critical minerals for electrification. Terri-Lynn Williams-Davidson is co-designing a new path to advance Indigenous leadership in sustainable and equitable sharing of resources for Indigenous communities, aligned with United Nations Declaration on the Rights of Indigenous Peoples and Canada's commitments to reconciliation and achieving a net-zero emissions economy. Dr. Barnali Choudhury is examining the policy basis for transforming Canada to a global leader in climate governance of domestic corporations operating abroad through human rights and just transition strategies.

Thank you to our team, our Experts, our Affiliated Research Scholars, our law schools, and to the six Foundations that so generously support our vision and our work.

Letter from the Director



Sonia Li Trottier
Director
Canada Climate Law Initiative

I hope our annual report will inspire you to continue or embark on your climate journey. Every step and action counts. I dare you to think long-term and systematically include a climate perspective in your work!

As I reflect on the past year, I'm amazed by the work of our community to advance Canada's transition to a net-zero economy. In collaboration with industry associations and experts, we published three sector-specific climate governance guides that we use to engage with directors, trustees, and officers in innovative ways to foster discussions on climate governance. We're proud to have directly engaged with more than 600 corporate directors and trustees and to have reached more than 2,400 participants through our public events.

We're pleased with the climate policy developments that happened in Canada and internationally. We supported the development of OSFI B-15 Guideline, the most comprehensive requirement for companies to disclose climate risks and opportunities.

We're excited about our upcoming micro-certificate program Climate Risk & ESG for Corporate Governance and Decision-making. Beginning October 2023, this program will help professionals continue their climate governance learning journey.

Working to address climate change issues can be sometimes daunting. Last year, hurricane Fiona hit Atlantic Canada, flooding streets and homes, and leaving thousands without power.

The storms that hit the Prairies last summer resulted in over \$300 million in insured damages, and more recently, Ontario and Québec experienced an ice storm, leaving more than a million people without electricity, causing fatalities and severe damages to properties and infrastructures. These - not so uncommon anymore - events are devastating and should be a wake-up call for governments and companies to rethink the way they manage risks. Climate risk is a threat to our financial system and stability and has direct impacts on our communities. These events should increase societal urgency to adapt to climate change and mitigate climate risks. The big and small wins are what keep me going.

I hope our annual report will inspire you to continue or embark on your climate journey. Every step and action counts. I dare you to think long-term and systematically include a climate perspective in your work!

Onwards and upwards,
Sonia Li Trottier



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

BY THE NUMBERS

69

Board presentations this year

169

Board presentations since inception

621

Directors reached this year

7

Policy submissions

64

Meetings with policymakers

4

New publications

A hand holding a magnifying glass over a field of white daisies. The lens of the magnifying glass shows a close-up of a single daisy flower, which is superimposed over a globe of the Earth. The background is a lush field of many similar daisies, slightly out of focus. The entire image is set against a solid green background.

Our focus

BOARD PRESENTATIONS | RESEARCH | POLICY | EDUCATION



BOARD PRESENTATIONS

Engaging with boards of directors

With the support of our 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.

RESEARCH

Generating and sharing knowledge

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.

POLICY

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.



ONLINE EDUCATION

Preparing professionals to lead

This year, we've been hard at work developing a new online education program in collaboration with the University of British Columbia. Students can now register for the 8-week online program which will begin in October 2023. It aims to equip them with the skills and knowledge to make climate risk decisions and lead on ESG topics in the workplace in any sector.



BOARD PRESENTATIONS

Conversations with Canadian companies

In the past year, our Experts presented to 69 boards of directors. This represents over 621 directors. 49% of these companies are in British Columbia and Ontario, and 42% are in Québec. 17% belonged to the finance and insurance sector and 16% belonged to the manufacturing sector.

Last year, in our efforts to engage with companies effectively and broaden our reach, we adopted creative strategies, organizing roundtable discussions tailored to specific sectors and regions. Additionally, we embraced a combination of virtual and in-person sessions to accommodate diverse preferences. With our partner Québec Net Positif, we joined forces to offer our education sessions to boards of directors of small and medium-sized enterprises in Québec.

Since our inception, we have delivered more than 160 presentations. Our assessment is that larger companies are now creating infrastructure to manage climate risks and opportunities, but that small and mid-cap companies are early on the path to net-zero, and in many cases, have not yet commenced. We believe enhancing climate governance literacy is an essential step in building capacity so companies can take climate actions.

Results from a program evaluation, completed between January and February 2023, indicate that 60% of boards took at least one climate action after receiving a CCLI presentation. Actions focused on climate expertise and receiving information on climate risk and governance regularly at the board level.

We presented to the board of Kiwetinohk Energy Corporation, an “energy business in transition” based in Calgary, Alberta. It was an opportunity to discuss with board directors their responsibilities to ensure adequate climate risk oversight, current and emerging climate disclosure requirements and policies, as well as their fiduciary duties with respect to climate. After the presentation, the board continued to stay informed, and two members of their leadership team participated in roundtables we organized.

RESEARCH PUBLICATIONS

Generating & sharing knowledge

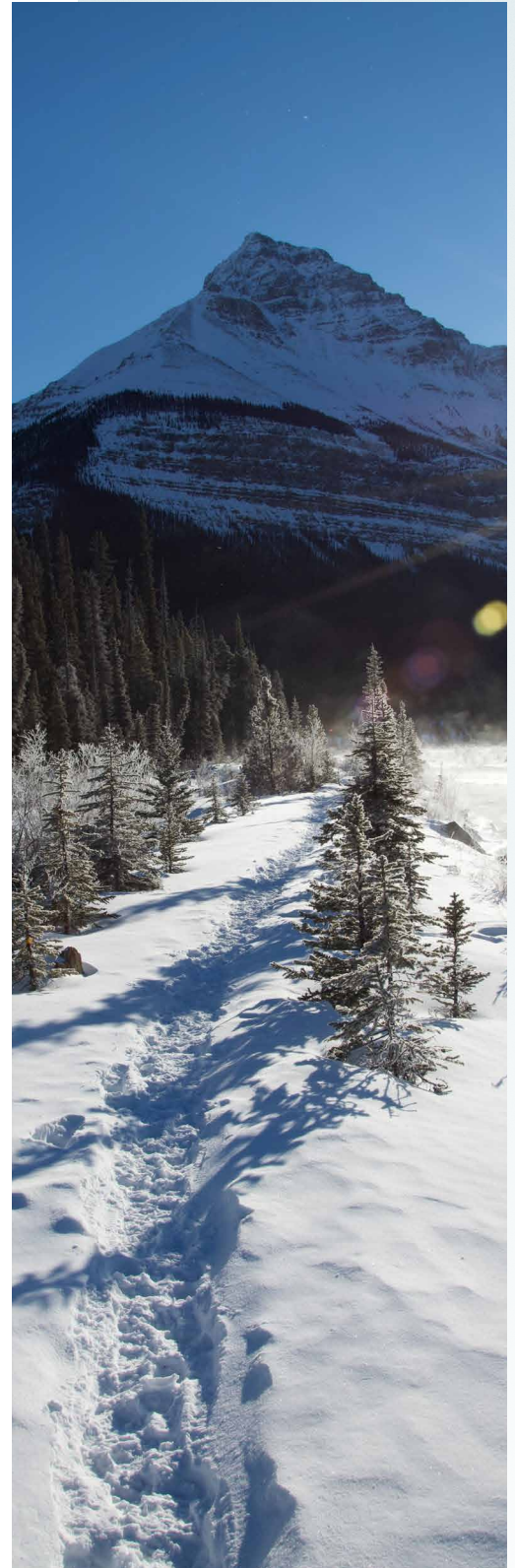
Our scholarly team publishes reports in order to generate and share knowledge with businesses, policymakers, academics, and the public. This year we published three guides and one report.

A Guide to Effective Climate Governance for
TSX Venture Issuers in the Mining Sector
By **Mona Forster**

A guide to effective climate governance in the
Canadian real estate sector:
Building for the net-zero future
by **Temitope Onifade and Helen Tooze**

Banking on a Net-Zero Future:
Effective Climate Governance for Canadian Banks
By **Dr. Janis Sarra**
with contributions from **Norie Campbell**

A New Dawn in Climate Disclosure: Comparing
Canada's proposed National Instrument 51-107 with
proposed SEC rules and IFRS/ISSB standards
By **Dr. Janis Sarra**





POLICY INFLUENCE

Shaping national and provincial decisions

Canadian climate policy, particularly regarding regulations impacting corporations and pension funds, is progressing. Still, it lags behind other jurisdictions in ensuring we transition to a net-zero emission economy. While Canada has made considerable advancements such as mandatory reporting for federally-regulated financial institutions, more ambitious actions are necessary to transition the entire economy. The country must accelerate efforts to align corporate regulations with net-zero goals, foster green investments, and incentivize sustainable finance practices.

Canada has made important progress in developing policies to advance the transition to a net-zero economy in the private sector last year. Amongst the notable developments, the Office of the Superintendent of Financial Institutions published its Guideline B-15 Climate Risk Management, which is the most important standard in Canada to date to support the transition to net-zero by imposing comprehensive requirements on federally-regulated financial institutions. The Canadian Securities Administrators (CSA) also published its proposed national instrument 51-107 Disclosure of Climate Related Matters for publicly listed companies to disclose key climate risks and opportunities aligned with the Taskforce on Climate-related Disclosures. The Canadian Association of Pension Supervisory Authorities (CAPSA) also issued its draft Guideline on Environmental, Social and Governance Considerations in Pension Plan Management, which specifies three broad principles in respect of ESG. Both the CSA national instrument and CAPSA guideline are still under review after their respective public consultation. Finally, another major development is the progress made by the Sustainable Finance Action Council (SFAC) on effective green and transition taxonomies. SFAC released its Taxonomy Roadmap Report in March. It now needs to establish a long-term governance structure to formally create and maintain the taxonomy & develop a draft Climate Investment Taxonomy.

Last year, we supported many policymakers, government officials, and federal and provincial financial and prudential regulators in drafting climate regulations by providing legal research support and guidance. We are pleased with the momentum built in the policy space. Despite the national and international developments, critical work remains to ensure the whole economy is on the path to net-zero emissions.



MEET THE COURSE DEVELOPERS

Alison Schneider and Gigi Dawe worked alongside UBC educational specialists to develop a new program.

Alison Schneider is the Principal of Encompass ESG Corporation and former Vice President of Responsible Investment at AIMCo where she built the responsible investment program and governance framework focused on ESG integration. Gigi Dawe is the Vice President of Policy & Research at the Institute of Corporate Directors. She led the Corporate Oversight and Governance department at CPA Canada for more than two decades and is an instructor of corporate responsibility and ethics at York University. Both Alison and Gigi have an in-depth understanding of the needs of professionals to enhance their knowledge on climate and ESG-related risks and opportunities and how to best oversee and manage them. They combined forces and their expertise to design this program. Alison will also be the course instructor, guiding students through their learning journey and hosting three Zoom sessions.

MICRO-CERTIFICATE PROGRAM

Climate Risk & ESG for Corporate Governance and Decision-making

Through our work with boards of directors, trustees, and senior leadership at companies across Canada, we realized there is a demand for more information and training than we can provide in an hour presentation. Thanks to a generous grant from the Lew Family Foundation and the support from our funders, we were able to expand our offerings to those who seek more in-depth education.

The Canada Climate Law Initiative has partnered with the Allard School of Law at the University of British Columbia to offer a flexible 8-week online educational program. The micro-certificate will provide directors, officers, in-house and external legal counsel, and governance professionals with the in-depth legal literacy and knowledge of best governance practices for managing climate-related financial risks and key regulatory requirements in corporate, securities, pension, and environmental law, with a particular focus on Canada.

Starting in October 2023, this course will offer practical and hands-on training for professionals, including those currently working and those seeking to gain additional skills to better their employment opportunities. It provides a unique perspective that comes from collaboration and knowledge exchange between academics, policymakers, and business professionals.

The program will teach:

- Key climate considerations companies and pension funds face when making business and investment decisions
- Complex legal and regulatory instruments and requirements that directly impact businesses and organizations' operations in Canada and internationally
- Strategies to enhance your oversight and management of climate risks and opportunities

Students can expect to spend between 5-7 hours per week for a total of approximately 50 hours. Busy professionals can learn at their own pace, when it's most convenient for their schedule.

Those who complete the course will receive a certificate from the Peter A. Allard School of Law and the Canada Climate Law Initiative.

EVENTS

Quality time together



ROUNDTABLE FOR THE ENERGY SECTOR
WITH ARLENE STROM

CLIMATE SOLUTION CANVAS ROUNDTABLE
WITH MEGHAN HARRIS-NGAE

IVAN C. RAND MEMORIAL LECTURE
BY DR. JANIS SARRA

TMX MINING ROUNDTABLE
WITH RAVIPAL BAINS &
STEPHANIE BERTELS

CANADIAN ASSOCIATION OF MUTUAL
INSURANCE COMPANIES CONFERENCE
WITH MARK ZELMER

EFFECTIVE CLIMATE GOVERNANCE FOR
PENSION BOARDS AND TRUSTEES
WITH BRUNO CARON

GOVERNANCE PROFESSIONALS OF CANADA
4TH ANNUAL ESG CONFERENCE

TMX REAL ESTATE ROUNDTABLE
WITH LAURA ZIZZO

RISK! A CLIMATE CABARET

INTERNATIONAL CORPORATE GOVERNANCE NETWORK ANNUAL CONFERENCE
WITH BARNALI CHOUDHURY & ANDREA MOFFAT



Watch our webinars: youtube.com/@canadaclimatelawinitiative

INDIGENOUS LAWS

Protecting marine ecosystems

Climate change threatens the future of Indigenous Peoples' existence and rights, making Canada's mandated reconciliation of sovereignties unattainable. It is important to elevate Indigenous voices so they are front and center when developing policies and regulations that advance a net-zero emission economy.

Marine biosystems are critically important to reconciliation, given the deep relationship between Indigenous peoples and their marine territories in Canada. The foundations for Indigenous lifeways risk being irrevocably undermined by increasing 'marine heatwaves', the acidification of the ocean, and other factors that are degrading marine ecosystems.

Indigenous Peoples must have a foundational role in guiding environmental policies, legislation, and land/marine-use decisions going forward. To date, Indigenous involvement has been defined by the 'duty to consult' under the Constitution Act, which affirms that Indigenous communities must be consulted and potentially accommodated where government decisions may infringe on Aboriginal and Treaty Rights. However, consultation often does not require consent. The United Nations Declaration on the Rights of Indigenous Peoples, which has been formally adopted in Canada, means that the duty to consult is no longer adequate. The Crown has a fiduciary responsibility to create structures that support collaborative and Indigenous-led decision-making for climate policy and legislation.

Legal research led by Terri-Lynn Williams-Davidson is examining how Indigenous laws have been invoked globally and domestically to protect oceans. This legal research includes idea exchanges with Indigenous communities across Canada on how they have applied Indigenous laws and legal personhood to protect marine biodiversity and cultural keystone species that are fundamental to a just, equitable, and sustainable reconciliation. Our goal is to envision a new path towards social and economic reconciliation through Indigenous leadership in the protection and management of Canada's marine ecosystems.



ENERGIZED TO LEAD

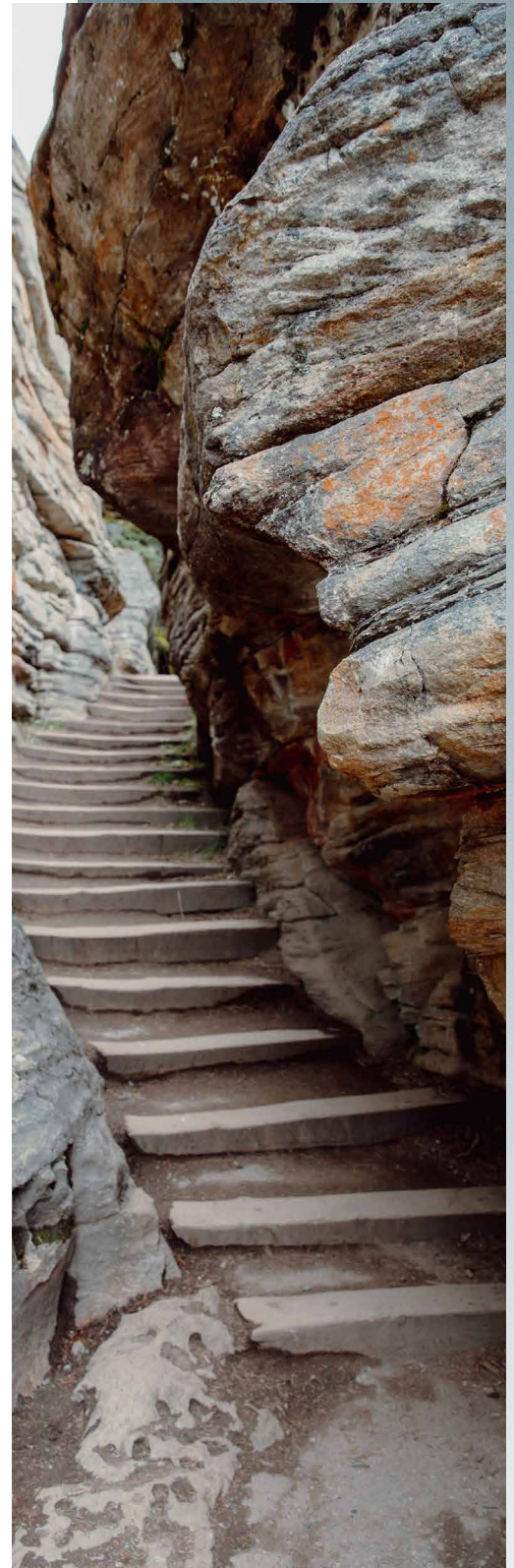
Future Minerals Institute

Canada is uniquely positioned to support the transition to a net-zero economy as a leader in supply of critical minerals for electrification and batteries. The path to meet this ambitious goal demands to re-imagine a future of mineral exploration and mining that is responsible, environmentally sustainable and in reconciliation with Indigenous communities.

The mining sector contributes about \$97 billion to Canada's gross domestic product (GDP), which is about 6% of the country's total GDP. There is tremendous potential to grow this sector to support the electrification of Canada's energy systems. However, many of the current methods for extracting mineral resources have significant environmental and social impacts, and many of these resources are located on Indigenous lands and in emerging economies, which often bear the impacts of extraction while not sufficiently benefiting from its exploration and exploitation.

We are pleased to be part of a consortium of UBC initiatives to conduct research on the legal frameworks for sustainable mining, raise awareness and engage with key stakeholders, including the private sector, policymakers, and regulators, to guide them in developing mineral resources that support Indigenous leadership and lands, and create the UBC Future Minerals Institute. There is an urgent need to bring together experts in the mining sectors, such as Indigenous Peoples, engineers, lawyers, geologists, and economists, to support critical reflection on the future of minerals.

The Future Minerals Institute will drive innovation in mineral exploration and mining to position Canada, in particular British Columbia, as the responsible and sustainable mining leader, and advance Canada's commitments to reach net-zero emissions by 2050, achieve reconciliation with Indigenous Peoples and respect the United Nations Declaration on the Rights of Indigenous Peoples.



CLIMATE GOVERNANCE EXPERTISE

Our Community

OUR EXPERTS

Alison Schneider
 Amanda Pitre-Hayes
 Ameer Sandhu
 Amr Addas
 Andrea Moffat
 Andrew MacDougall
 Anne-Josée Laquerre
 Arlene Strom
 Barnali Choudhury
 Brenda Heelan Powell
 Brian Minns
 Bruno Caron
 Bryan Buggy
 Carol Hansell
 Carol Liao
 Catherine McCall
 Christie Stephenson
 Colin Brousson
 Cynthia Williams
 David Heurtel
 David Isaac
 Ed Ma, K.C.
 Eli Angen
 Emmanuelle Létourneau
 Eric St-Pierre
 Fenner Stewart
 Gigi Dawe
 Gildas Poissonnier
 Gregory Crowe
 Helle Bank Jorgensen
 Janis Sarra
 Jennifer King
 Jennifer Longhurst
 Jeremy Barretto
 Karen Fellowes, K.C.
 Kevin Thomas
 Laura Zizzo

Liane Langstaff
 Lisa DeMarco
 Margot Hurlbert
 Marie-Josée Privyk
 Mark Zelmer
 Mary Butter, K.C.
 Meghan Harris-Ngae
 Michel Brutti
 Michela Gregory
 Milla Craig
 Mona Forster
 Murray Gold
 Neil Pegram
 Nick Daube
 Oujala Motala
 Peter Arcese
 Peter Chapman
 Peter Spiro
 Poonam Puri
 Ravipal Bains
 Robert Walker
 Roger Beauchemin
 Roopa Davé
 Rosalie Vendette
 Sara Ghebremusse
 Sara Hastings-Simon
 Sara Seck
 Sharon Mascher
 Simon Archer
 Simon Sénécal
 Stephanie Bertels
 Stephen Kibsey
 Susan McGeachie
 Terri-Lynn Williams-Davidson, K.C.,
Gid7ahl Gudslaaay Lalaxaaygans
 Vincent Felteau

WARM WELCOME TO NEW EXPERTS



Anne-Josée Laquerre
*Executive Director & Co-Founder,
 Québec Net Positive*



Nick Daube
*Counsel,
 Resilient LLP*

Our 72 Climate Governance Experts across Canada give their time pro-bono to have conversations with companies at any stage of their climate journey. We thank each and every one of them for their contributions to our mission.

LEADERSHIP

Our Community

PRINCIPAL CO-INVESTIGATORS



Barnali Choudhury
Professor of Law
Osgoode Hall School of Law



Carol Liao
Associate Professor
Peter A. Allard School of Law



Cynthia Williams
Professor of Law emerita
Osgoode Hall School of Law



Janis Sarra
Professor of Law
Peter A. Allard School of Law



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

WARM WELCOME TO NEW PRINCIPAL CO-INVESTIGATOR



Sara Ghebremusse
Cassels Brock Chair in Mining Law
and Finance
Western Law

AFFILIATED RESEARCH SCHOLARS

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

ADVISORY COMMITTEE

- Andrea Moffat
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- Carol Liao
- Catherine McCall
- Cynthia Williams
- David Estrin
- Ed Ma, K.C.
- Eli Angen
- Gigi Dawe
- Janis Sarra
- Maryam Golnaraghi
- Nicolina Farella
- Peter Rozee
- Poonam Puri
- Roopa Davé
- Sara Ghebremusse
- Stefanie Butt
- Terri-Lynn Williams-Davidson, K.C.,
Gid7ahl Gudslaaay Lalaxaaygans

GRATITUDE

Our Donors

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



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



**PETER A. ALLARD
SCHOOL OF LAW**

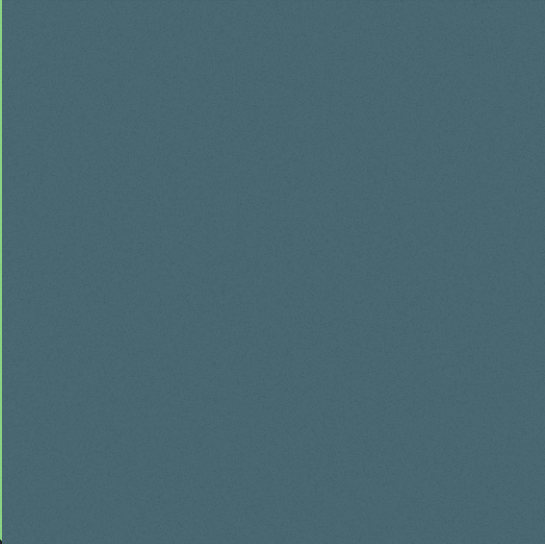
THE UNIVERSITY OF BRITISH COLUMBIA



THE JARISLOWSKY FOUNDATION



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