For the financial sector, this is a pivotal moment to realign structures to ensure global capital flows toward solutions that will protect Canada’s economy and our prosperity for the long run.”

Sean Cleary, PhD
Executive Director, Institute for Sustainable Finance
BMO Professor of Finance
Smith School of Business at Queen’s University
OUR MISSION

The Institute for Sustainable Finance is at the intersection of sustainability and finance.

Our mission is to align mainstream financial markets with Canada’s transition to a prosperous sustainable economy.

The Institute for Sustainable Finance is a multi-disciplinary network of research and professional development that brings together academia, the private sector and government to shape Canada’s innovations in sustainable finance.

Housed at Smith School of Business at Queen’s University, the Institute is the first of its kind in Canada to fill the gap of relevant data, expertise and business-oriented solutions for sustainable finance. By aligning financial knowledge and tools with climate change imperatives, we will foster Canada’s leadership in the shift to a low-carbon global economy.
As long as temperatures and sea levels continue to rise and with them climate-related financial risks, central banks, supervisors and financial institutions will continue to raise the bar to address these climate-related risks and to ‘green’ the financial system. We need collective leadership and action across countries and we need to be ambitious.”

Mark Carney
Governor, Bank of England¹

I believe we are on the edge of a fundamental reshaping of finance. The evidence on climate risk is compelling investors to reassess core assumptions about modern finance. Investors are increasingly ... recognizing that climate risk is investment risk. Indeed, climate change is almost invariably the top issue that clients around the world raise with BlackRock.

... And because capital markets pull future risk forward, we will see changes in capital allocation more quickly than we see changes to the climate itself. In the near future – and sooner than most anticipate – there will be a significant reallocation of capital.”

Larry Fink
Chairman and Chief Executive Officer
BlackRock²

¹ Mark Carney, Francois Villeroy de Galhau, Frank Elderson, “The Financial Sector Must Be at the Heart of Tackling Climate Change,” The Guardian, April 17, 2019

https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter

Photo of Mark Carney used with permission under the Creative Commons Attribution 2.0 Generic license.
A PIVOTAL MOMENT

Canada is warming twice as fast as the rest of the world, according to the federal government’s 2019 climate report. We are witnessing its effects with more flooding, forest fires, record heat days and other extreme weather events. Alongside the physical impacts, climate change is also affecting our financial system.

“Climate change is a clear and present danger to our country. It’s not just hitting our industry; it’s hitting Canadians’ pocketbooks.”

Craig Stewart
Vice President of Federal Affairs
Insurance Bureau of Canada¹

By The Numbers

• A 2°C global warming scenario will trigger financial losses of roughly US $4.2 trillion, a figure that grows to $13.8 trillion under a six degree scenario²

• An estimated US $26 trillion is set to be gained by shifting economies to avoid worst-case climate scenarios compared to business-as-usual³

• Greening the economy is projected to generate 65 million new low-carbon jobs by 2030⁴

² The Economist Intelligence Unit, The Cost of Inaction: Recognizing the Value at Risk From Climate Change, 2015 (2)
³ Global Commission on the Economy and Climate, Unlocking the Inclusive Growth Story of the 21st Century: Accelerating Climate Action in Urgent Times, 2018 (8, 12)
A Critical Opportunity For Canada

We are at a pivotal moment where we can both protect our markets and investments from risk while refocusing them to tap into new and unprecedented opportunities.

The transition to a low-carbon economy is already underway. Global players are currently leading on sustainable finance, defining the tools and writing the rules that will determine how capital flows. Canada has the means and the opportunity to be an innovation shaper - not taker - to inform these decisions to benefit our economy.

The Canadian Expert Panel on Sustainable Finance's 2019 report makes a clear call for authoritative and decision-useful climate information and a supportive and climate-informed ecosystem of professional services providers.

Closing this innovation gap will ensure we catch up and protect Canada’s economy from risks while capitalizing on increased opportunities for growth and prosperity.

“Major institutional investors and foreign energy players are increasingly leaving or avoiding Canada. To win capital back, Canada must do better and prove we are doing better.”

Andy Chisholm
Director, Royal Bank of Canada¹
Member, Canadian Expert Panel on Sustainable Finance

“If we want to attract global capital back to Canadian resources, it will take an industry-wide commitment to report more comparable and complete data on climate-related financial risks, consistent with TCFD (Task Force on Climate-related Financial Disclosures). While concerns about being early-movers on disclosure are understandable, the fact is providing this type of information is exactly the leadership that investors are seeking from our industry.”

Barbara Zvan
Chief Risk and Strategy Officer,
Ontario Teachers’ Pension Plan²
Member, Canadian Expert Panel on Sustainable Finance

BUILDING CANADA’S CAPACITY TO LEAD

The Institute for Sustainable Finance is the first-ever cross-cutting and collaborative hub in Canada that fuses academia, the private sector and government with the singular focus of increasing Canada’s sustainable finance capacity.

The Institute will accelerate Canada’s finance innovation. By investing in education, professional training, research and partnerships, we will help create the critical conditions for Canadian leadership on sustainable finance — at home and abroad.

Key Objectives

RESEARCH: Generate innovative and relevant research on sustainable finance and disseminate this research to key stakeholders

COLLABORATION: Provide a platform for collaboration between government, academia and industry

EDUCATION: Develop educational opportunities and build professional capacity

“
The Institute will build the finance capacity that Canada needs for the transition to a more sustainable low-carbon economy. Canada’s future competitiveness, and that of the finance sector, will be contingent on our ability to align capital flows with our sustainability aspirations.”

Bruce Lourie, PhD
President, Ivey Foundation
The Institute for Sustainable Finance will harness a continuum of expertise from across Canada

Convening Canada's brightest thinkers and players in the field of sustainability and finance, the Institute is supported by its founding partners, the Ivey Foundation and the McConnell Foundation, as well as an Advisory Board of high-profile individuals from academia, industry and civil society.

Institute Leadership

Sean Cleary, PhD, CFA
Executive Director, Institute for Sustainable Finance
Sean Cleary is the BMO Professor of Finance and Founding Director of the Master of Finance program at Smith School of Business, Queen's University. He holds a PhD in finance from the University of Toronto, an MBA, an Institute of Corporate Directors designation, and is a CFA charterholder. He has authored 14 finance textbooks and has published more than 30 research articles, with his work having been cited nearly 3,500 times.

Ryan Riordan, PhD
Director of Research, Institute for Sustainable Finance
Ryan Riordan is the Associate Professor & Distinguished Professor of Finance at Smith School of Business, Queen’s University. Prior to joining Smith, Ryan was an Assistant Professor of Finance at the University of Ontario Institute of Technology (UOIT) and an Assistant Professor at the Karlsruhe Institute of Technology in Germany. His work has been published in the Journal of Financial Economics, the Review of Financial Studies, and the Journal of Financial Markets among many others.
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Co-Director, David O’Brien Centre
for Sustainable Enterprise,
Concordia University

Barbara Zvan
Chief Risk & Strategy Officer,
Ontario Teachers’ Pension Plan
FORGING CANADA’S PATH TO PROSPERITY

Developing world-class sustainable finance expertise to shape the financial system for Canada’s future.
RESEARCH
Addressing foundational business-oriented solutions, we will produce policy and academic papers on an initial set of focus areas:
1) Fiduciary Duty
2) Reliable Information Disclosure
3) Financial Regulation and Policy
4) Taxonomies and Classification Systems
5) Allocation of Capital and Management of Risks

ACTIONABLE POLICY GUIDANCE
Our research results will provide clear and practical guidance for relevant stakeholders in the form of policy recommendations and discussion papers for government and industries, textbooks, as well as organizing and participating in conferences, workshops and roundtables.

CANADIAN SUSTAINABLE FINANCE NETWORK
As part of its mandate, the ISF established the Canadian Sustainable Finance Network (CSFN), an independent formal research and educational network for academia, industry and government to bring together a talented network of university faculty members and relevant members from industry, government and civil society. CFSN will be essential to sharing learnings and open the door to future research topics as well as creating partnerships with other entities from across Canada and globally.

EDUCATION PROGRAMS
The Institute will collaborate with its partners from academia, industry and government to develop training programs in order to grow both the short- and long-term capacity in sustainable finance among existing and future finance professionals and students. This includes industry-relevant executive education courses and programs, academic courses and specializations in PhD and MSc programs, and new specializations, diplomas, and degrees at the graduate and undergraduate levels.
Learn more:
Maya Saryyeva
Associate Director, ISF
Smith School of Business
613.533.3067
maya.saryyeva@queensu.ca
isfcanada.org

@isfcanada

@instituteforsustainablefinance

Member of: