



The Institute For Sustainable Finance Progress & Impact Report Summary

June 2021

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1. EXECUTIVE SUMMARY

Since the beginning of 2020, the world has undergone significant changes including facing the global pandemic, which resulted in significant economic downturns. In 2020, anti-oppression and anti-racism activism has energized sweeping calls for change and driven new progress toward greater social justice around the globe.

The Institute for Sustainable Finance (ISF), based at the Smith School of Business, Queen's University, joined this trend by evaluating its operations externally and internally. Three major changes have been adapted since 2020:

1. All of ISF's programs successfully switched to virtual operation.
2. The ISF conducted an internal review of its Advisory Board to ensure that it included all of the sectors of the Canadian economy and society as well as Equity, Diversity, Inclusion and Indigeneity (EDI) representation.
3. The ISF also expanded its capacity to address growing outreach and research demands.

The ISF continued to implement its research agenda by engaging in several milestone projects, including an extensive report outlining a capital mobilization plan for Canada to achieve its 2030 emissions reductions target, as per its Paris Agreement commitments, a new research report on TSX listed companies' emissions reporting and GHG reduction targets, and an on-going research project on the progress of the Expert Panel on Sustainable Finance Recommendations. In addition, ISF has increased its engagement in several educational, collaborative and outreach initiatives.

Within each of the above categories, the ISF conducted a number of targeted activities and implemented changes to its operations. Following our change to virtual operations, the ISF remained focused on its mission by offering a number of programs and events, facilitating discussion, collaboration and education in sustainable finance. These included conferences, webinars, educational courses and research outputs as described below.

Overall, the ISF was able to deliver on its mandate and strategy in all four of its foundational pillars of Research, Education, Collaboration and Outreach, despite the Covid-19 challenges and the stage of development of the Institute.

ISF welcomes the support of Smith School of Business, Queen's University, our strong Advisory Board and our inaugural funders, donors and sponsors. It is through the support of visionary supporters that the ISF is able to implement its mission by way of research, education, collaboration, and outreach. Thank you for your continued support of our work!

2. NOTABLE OUTCOMES IN ISF'S FOUR PILLARS 2020-2021

Some of the ISF's most notable outcomes for this year are highlighted below based on our four foundational pillars of Research, Education, Collaboration and Outreach. Links to relevant reports or information sources have been included for reference.

A. RESEARCH

- The development of the first ever [Capital Mobilization Plan for Canada](#), which was released on September 29, 2020, after being extensively socialized with policymakers and industry. The Globe and Mail provided an article related to the release on September 29, 2020, and an Op-Ed was published in the Globe on September 30, 2020, co-authored by Jim Leech, Chair of the ISF's Advisory Board and Ryan Riordan, Director, Research. The report was also referenced by Minister Catherine McKenna during the announcement of the \$10B funding to Canada Infrastructure Bank. Refer to **Appendix A** for key findings of the CMP report.
- **Assessing Current Canadian Corporate Performance on GHG Emissions, Disclosures and Target Setting, report released in April, 2021.**
The report highlighted the need and opportunity for corporations to close gaps in order to secure their own and Canada's competitiveness in the global transition to a low-carbon economy. Given pressure from financial institutions and shareholders for more and better disclosure of climate-related information, this report takes the first comprehensive review of the reporting performance of firms on the S&P/TSX Composite Index, which includes over 200 of Canada's largest companies. This report was featured in the Globe and Mail. For a summary of these research findings, refer to **Appendix B**.
- **New Ongoing Research Project: Progress Report on the Canadian Expert Panel on Sustainable Finance Recommendations**
The Canadian Expert Panel on Sustainable Finance was established in the spring of 2018 and undertook extensive consultations with leaders and experts from the public and private sectors to identify the most impactful areas for sustainable finance in Canada. The Panel released its final recommendations in June 2019 which consisted of fifteen recommendations categorized under the three pillars:
 1. The opportunity;
 2. Foundations for market scale, and;
 3. Financial products and markets for sustainable growth.Since the release of the report a number of governments, private sector, academia and other stakeholders have been moving forward with the implementation of these recommendations and other sustainable finance initiatives. Providing a progress report on Canada's implementation of the Expert Panel Recommendations and progress on financing the transition to net zero is an opportunity to highlight efforts to date and to shape future direction and priority opportunities for action on sustainable finance, in particular in anticipation to COP26 discussions. For additional background on factors that were considered in prioritizing this project, timeline and deliverables, please refer to **Appendix C**.
- **Climate Finance Data Lab**
The development of the climate finance data lab is a complex project that requires building relationships and strategizing with multiple stakeholders across the financial industry and public institutions in order to make sure data is usable and reliable for research. The project is in progress, with relatively detailed plans already drafted in terms of the main objectives, focus and structure of the lab.

Next phases of the project include continuation of work to review legal requirements and scope, data usage and sourcing, availability and management as well as staffing.

B. EDUCATION

- The ISF has developed the curriculum for '**RI Essentials for Investment Professionals**' in partnership with the Responsible Investment Association (RIA). The course has been developed for portfolio managers, analysts, consultants and other financial professionals who require intermediate knowledge of responsible investment. It provides learners with insights on key concepts in responsible investment and sustainable finance including timely industry research, trends, developments and case studies. The course equips investment professionals with the knowledge they need to discuss and begin implementing approaches to responsible investment. For further details, please see [here](#).
- A series of webinars were organized in collaboration with the Canadian Sustainable Finance Network, CSFN.

C. COLLABORATION

- **CMP report socialization** – CMP was widely socialized with a number of ISF key stakeholders. This phase of the report ensured that all of the key stakeholders within Canada are informed about the report and have the opportunity to provide commentary on the report prior to its official release. These organizations included Bank of Canada, ECCC, NRCan, Department of Finance, Canada Infrastructure Bank, Innovation, Science and Economic Development Canada as well private sector institutions, RIA Canada, Toronto Finance International, Global Risk Institute, CD Howe Institute and many others.
- **ISF jointly organized a webinar on “Financing Canada’s Climate” hosted by the Canadian Club** on September 30, 2020. The expert panel was moderated by Shawn McCarthy, former global energy reporter for The Globe & Mail, and featured:
 - **Martha Hall Findlay** – Chief Sustainability Officer, Suncor Energy Inc.
 - **Ryan Riordan** – Director of Research, Institute for Sustainable Finance, Associate Professor & Distinguished Professor of Finance, Smith School of Business, Queen’s University
 - **Craig Stewart** – Vice President, Federal Affairs, Insurance Bureau of Canada
 - **Carlyle Coutinho** – President, Enwave North America
- As mentioned above, as a part of the collaborative effort, ISF partnered with RIA Canada in designing the curriculum for the **RIA Canada Responsible Investment Essentials** for investment professionals’ course (see above).
- **ISF serves as the lead organizer behind all of the CSFN webinars** and activities, often initiating the meetings with the CSFN steering committee, as well as organizing events and correspondences between CSFN members.
- CSFN network has currently expanded to 82 members representing 25 academic institutions across Canada. As a part of this effort, ISF hosted the **First Annual Canadian Sustainable Finance Network Conference in October 2020**. The conference featured Mark Carney, UN Special Envoy for Climate Action and Finance and Prime Minister Johnson’s Finance Adviser for COP26 and Andrew Karolyi, Professor of Finance and holder of the Harold Bierman Jr. Distinguished Professorship in Management at Cornell University’s SC Johnson College of Business as two keynote speakers.
- Dr. Sean Cleary moderated and organized two Sustainable Investing workshops at the **RIA Canada Annual Conference**, which took place in June 2020.
- Dr. Sean Cleary, ISF’s Chair, participated in the opening keynote panel on “**Sustainability and the Finance Industry**” at the FEI Canada’s 2021 Virtual Interchange conference in February 2021.
- **BMO Virtual event:** Dr. Sean Cleary participated in the expert panel discussion at the BMO’s virtual event on the transition to low carbon economy to discuss the implications of BMO’s net zero ambitions, its plans to mobilize capital towards sustainability and associated plans to create the BMO Climate Institute.
- **Sustainable Finance Collaboration Group** – ISF takes an active part in this group and is the lead behind the Sustainable Finance Collaboration Research Subgroup, which meets regularly under the guidance of Dr. Sean Cleary and Ryan Riordan of the ISF. The research sub-group includes the following organizations: Ivey Foundation, Insurance Bureau of Canada, Global Risk Institute, CD Howe Institute, Institute of Corporate Directors, University Pension Plan, CFA Societies and Smart Prosperity Institute.
- **Roundtable with Ministry of Infrastructure, June 11th, 2021** – The ISF had the great pleasure of hosting a roundtable discussion with Honourable Catherine McKenna, Minister of Infrastructure and Communities, and the ISF’s Advisory Board, as well as representatives from the Canadian Sustainable Finance Action Council and Efficiency Canada, on the important topic of the National Infrastructure Assessment.

Engagement document, which is open for comments until June 30th, 2021. This fits squarely within our mandate at the ISF and our four pillars of Research, Education, Collaboration and Outreach and our key strategic goal to help align mainstream finance with sustainable finance. We thank Minister McKenna and her team at Infrastructure Canada for their time and efforts in coordinating this important roundtable event.

Upcoming events

- World Pension Alliance/Transatlantic Partnership Annual Conference 2021 (to be hosted on June 2 – 3 virtually). Dr. Sean Cleary will be participating in a panel discussion on Global Trends in Pensions.
- RIA Canada Conference Research Spotlight featuring ISF's research highlights with Ryan Riordan and Dr. Sean Cleary to be hosted on June 9, 2021.
- Dr. Sean Cleary will participate in CIBC's "Sustainable Finance Round Table" event to be held June 9, 2021.
- Sara Alvarado appointed as panelist at the Toronto Finance International Webinar on June 8th, 2021: "[Sustainable Finance: Accelerating Growth Through Talent](#)".
- ISF's Sara Alvarado will serve as a moderator at The Association of Canadian Pension Management event on June 9th, 2021 "[ESG: From Theory to Implementation](#)" as organizations continue to incorporate ESG into their investment portfolios.

D. OUTREACH

- The [first Canadian Sustainable Finance Network \(CSFN\) conference](#), which featured two high profile keynote speakers for the event, including Andrew Karolyi, Dean of Cornell University's SC Johnson College of Business, and the former Chief Editor of the Review of Financial Studies (RFS), who championed the recent RFS special edition on Climate Finance, as well as Mark Carney, UN Special Envoy on Climate Change, and former Governor of Bank of Canada and Bank of England.
- "**Climate Targets and Disclosures – The New Imperative**" – a webinar organized by the Institute for Sustainable Finance featuring the following speakers:
 - Dr. Sean Cleary, Chair of ISF
 - Monika Freyman, Head of Responsible Investment, Mercer Canada
 - Jamie Bonham, Director of Corporate Engagement, NEI ESG Team
 - Jennifer Reynolds, President and CEO, Toronto Finance International
- ISF organized a panel at the Public Policy Forum on Developing A Capital Mobilization Plan for a Transition to a Low-Carbon Economy. The panel included:
 - **Jim Leech**, Chancellor of Queen's University, former President and CEO of the Ontario Teacher's Pension Plan and Chair of the Institute of Sustainable Finance Advisory Board
 - **Dr. Sean Cleary**, Chair, Institute of Sustainable Finance and Professor of Finance, Smith School of Business, Queen's University
 - **Ryan Riordan**, Director of Research, Institute of Sustainable Finance and Professor of Finance, Smith School of Business, Queen's University
 - **John Casola**, Chief Investment Officer, Canada Infrastructure Bank
 - **Richard Manley**, Managing Director, Head of Sustainable Investing, CPP Investments
 - **Deborah Ng**, Head of Responsible Investing, Ontario Teachers' Pension Plan
 - **Ben Vaughan**, Chief Operating Officer, Infrastructure, Brookfield Asset Management
 - **Amy Liane West**, Global Head of Sustainable Finance and Corporate Transition, TD Securities
- Many of ISF's events mentioned under "collaboration" fit under the outreach efforts of the organization as they directly involve reaching out to ISF's stakeholders and collaborating on events and activities together. For an extensive list, please see the "collaboration" tab above.

Some examples of ISF's visibility, including media outreach:

- Dr. Sean Cleary and Jim Leech OpEd in the Conversation, June 2019:
https://smith.queensu.ca/centres/isf/news/sustainable_finance.php
- Smith Business Insight article, June 2019:
<https://smith.queensu.ca/insight/content/how-sustainable-finance-will-take-root.php>.
- Sean Cleary and Jim Leech OpEd in the Globe and Mail on November 19, 2019 (day of official launch event):
<https://smith.queensu.ca/centres/isf/news/climate-proofing.php>.
- Smith magazine cover page of ISF article in April 2020:
<https://smith.queensu.ca/magazine/issues/winter-2020/features/rise-sustainable-finance.php>.
- "Research at Queen's" article, September 12, 2020:
<https://www.queensu.ca/research/features/fixing-financial-fairy-tales-rise-sustainable-finance-canada>
- The CMP report mentioned above received extensive media attention at the time including a Globe and Mail article related to the release on September 29, 2020 titled "[New Report offers unexpected optimism that Canada could meet its 2030 obligations](#)", and an Op-Ed (Leech/Riordan) that was published in the Globe on September 30, 2020 titled "[It will take capital not just ambition to make Canada's low carbon transition a reality](#)"
- The recent ISF publication mentioned above regarding TSX Index companies' disclosures and climate target setting received significant media attention, including significant references in two April 2021 Globe and Mail articles:
 - [What Does Net Zero Emissions even mean for Canada?](#)
 - [Corporate Canada faces uphill battle to his new emissions reduction](#)
- Globe and Mail Article quoting Dr. Sean Cleary "[Bank of Canada warns carbon-intense assets are mispriced](#)".
- Sean Cleary participated in a podcast with [Bruce Sellery discussing the importance of sustainable finance and ISF's work](#).
- Smith Insight article featuring ISF's newest report, titled "[Climate of Disclosure](#)".
- Sara Alvarado was interviewed on May 20th, 2021 by RBC's Inspired Investor, Bonnie Schiedel on investors ESG risk assessment approach and developments in sustainable finance. Draft article in progress.
- Sara Alvarado was interviewed and quoted by the Canadian Institute of Mining in early June in article titled "Sustainability-Linked Loans, a New Frontier for Responsible Mining". <https://magazine.cim.org/en/news/2021/sustainability-linked-loans-a-new-frontier-for-responsible-mining-en/>

Media Summary

- Two media summary reports provided for the November 19, 2019 to March 1, 2021 period report that ISF received 356 media mentions over that period (with potential reach of 634.1 million), including 234 for Dr. Sean Cleary and Ryan Riordan (potential reach of 409.9 million), which is not broken down specifically. The top outlets, in order, include The Globe and Mail, Queen's Gazette, Advisor.ca, and Investment Executive Online. (In a separate attachment, please see the CMP media report).
- LinkedIn Followers as of May 27th, 2021: 16,950 from 15,858 on April 19th, 2021 and growing
- Twitter following: 794 people.

3. GOVERNANCE

A. ISF'S COMMITMENT TO EDII

ISF is committed to creating a diverse and inclusive environment in all of its operations and programmatic activities. Existing ISF programs and activities closely adhere to Smith School of Business commitment to Diversity, Inclusion and Indigenization (EDII). ISF's areas of engagement and improvement include:

- a) Diversifying and expanding its Advisory Board
- b) Establishing a diversified and inclusive Research Advisory Council
- c) Identifying new hires consistent with best EDII practices. The most immediate priorities included hiring a new Executive Director (Dr. Cleary's role has transitioned to Chair of the ISF and a new Executive Director joined the ISF in early April. Hiring a Communications Officer and two new Research Associates who bring the necessary skills as well as important EDII representation.
- d) Onboarding mandatory training for new employees include the following sessions:
 - i. Working Together
 - ii. Call it out: Racism, Racial Discrimination and Human Rights
 - iii. Accessibility for Ontarians with Disabilities Act: Access Forward, Accessible Customer Service and Human Rights 101.

All ISF staff have completed this mandatory training.

B. ADVISORY BOARD EXPANSION

At the September 10th, 2020 ISF Advisory Board meeting, one of the key agenda items was to discuss ISF's EDII efforts, particularly as it pertains to governance structure of the organization. Related to this discussion and in an effort to diversify the ISF Advisory Board, a Nominating Committee was formed. Subsequent meetings with the nominating committee identified a need for an external consultant to facilitate the objective process of recruitment and identification of individuals to address diversity and inclusion objectives for the Advisory Board. As a result, the ISF welcomed ten new members to its advisory board in May 2021. The advisory board brings together diverse and expert perspectives as a resource for ISF leadership. Collectively the board members represent financial services, investment, industry, stakeholder groups, not-for-profits, public sector, academia, representation from minorities, women and indigenous communities.

The new members joining the Advisory Board are:

- **Tabatha Bull**, President & Chief Executive Officer, Canadian Council for Aboriginal Business;
- **Ehren Cory**, Chief Executive Officer, Canada Infrastructure Bank;
- **Paul C. Douglas**, Group Head, Canadian Business Banking, TD Bank Group;
- **Simon A. Fish**, Chair, BMO Climate Institute;
- **Kikelomo Lawal**, Executive Vice-President and Chief Legal Officer, CIBC;
- **Jaqui Parchment**, Chief Executive Officer, Mercer Canada;
- **Lindsay Patrick**, Head of Strategic Initiatives and ESG, RBC Capital Markets;
- **Meigan Terry**, Senior Vice President & Chief Communications and Social Impact Officer, Scotiabank;
- **Peter Tertzakian**, Deputy Director, ARC Energy Research Institute; and
- **Nadeem Velani**, Executive Vice President and Chief Financial Officer, Canadian Pacific Railway.

[See complete ISF advisory board membership here](#)

C. THE ISF RESEARCH ADVISORY COUNCIL

The ISF is also currently in the process of forming the Research Advisory Council. This council will be working closely with the Research Director and ISF's leadership. The council will be comprised of leading experts in sustainable finance research and innovation. The council will meet twice per year to discuss and provide input on the focus of the Institute's research. Membership on the ISF Research Advisory Council will also reflect Queen's University and Smith School of Business' commitment to diversity and inclusion and new representation will reflect diversity of experiences and increased access and inclusion for underrepresented groups including BIPOC communities, members of the 2SLGBTQ+ community, persons with disabilities and women.

The council will:

- Share expertise about research opportunities, engagement and collaboration.
- Suggest responses to research opportunities that advance the strategic objectives of ISF.
- Review and provide input on new research projects that advance the strategic objectives of ISF.
- Provide feedback on research activities carried out by ISF and its partners.
- Publicize and aid in the dissemination of research findings.

4. OPERATIONS

A. FUNDING DIVERSIFICATION

The ISF was very pleased to announce on November 19th, 2020 that Canada's big five banks, TD Bank, Scotiabank, CIBC, BMO and RBC have committed combined \$5 million in support of the ISF's mission of aligning mainstream financial markets with Canada's transition to a lower carbon economy. In addition to the financial support which is no doubt very important for the ISF to deliver on our goals, having the support of Canada's big banks represents great endorsement of our mandate and provides opportunities for collaboration on the topic of sustainable finance. Initial funding by the various foundations truly enabled our early work, which in turn facilitated the funding campaign with the banks, which culminated in their combined \$5 million commitment.

<https://smith.queensu.ca/centres/isf/news/big-five-banks-commit-5-million-to-ISF.php>

B. HIRING PROCESS

As a part of our hiring process, ISF will continue to work closely with Smith School of Business Department of Human Resources in ensuring that priority considerations will be given to individuals with a diverse background or practical experience supporting and strengthening EDII efforts.

ISF recently recruited a new Executive Director, Sara Alvarado, as well as two new Research Associates (RAs) Shuyi Hui and William Hamilton, to support its programmatic activities. In the intermediate term (i.e., before the end of 2021) it is also anticipated that the ISF will recruit an Associate Director of Research, whose primary responsibilities will be managing the Climate Finance Data Lab, as well as assisting the Director of Research in coordinating various research projects. The ISF also anticipates adding two more Research Associates in addition to the two noted above, bringing the total research associates to six people. A Communications Associate Director is also expected to join the ISF this year.

5. CONTACTS AT THE ISF

Chair, Dr. Sean Cleary, sean.cleary@queensu.ca

Executive Director, Sara M. Alvarado sara.alvarado@queensu.ca

Maya Saryyeva, Associate Director, maya.saryyeva@queensu.ca

A. APPENDIX: KEY FINDINGS OF THE CMP REPORT

- **Canada's low carbon investment requirement is imminently reasonable and achievable.** The estimated annual target of \$12.8 billion represents 0.6% of Canada's 2018 GDP, 2.7% of annual provincial tax revenues, and less than 10% of annual capital expenditures of firms listed on the TSX.
- **Private capital will significantly contribute to the overall required investment.** For example, if large publicly traded Canadian firms devoted 5% of their annual capital expenditure to reducing emissions over the next decade, that would cover half of the investment required. Further, financing mechanisms, such as green and transition bonds and green investment trusts, can draw in significant private capital needed to reduce emissions. Canada's Infrastructure Bank is also a key mechanism to create and support public-private low carbon partnerships.
- **Private capital is already flowing, and poised to flow at a more significant pace, in this direction over the next decade.** Investors and firms are already acting to avoid the economic risks and seize the opportunities of a global low-carbon transition. For example, green bond issuance in Q2 2020 totaled US\$49.5 billion—the third highest quarterly total on record. Last year, Canada broke the seal on sustainability-linked loans, which directly support private investment in carbon-reducing technologies and innovation.
- **The building sector is Canada's lowest hanging fruit.** Canada's third highest source of emission, buildings is the only sector where, in certain scenarios, reducing carbon emissions is less expensive than maintaining them. Financial and behavioral nudges have the potential to unlock large economic and environmental benefits.
- **Transportation is Canada's highest stakes play.** Emissions reductions in this sector will have the most substantial impact on the ability to achieve provincial and jurisdictional targets, but doing so will require addressing vast amounts of locked in capital. Public-private partnerships can be an effective way to mobilize capital.
- **Electricity, and oil & gas are the big bets we need to get right.** While these sectors are characterized by relatively high emissions abatement requirements, they are also both poised for meaningful low carbon technological disruption over the next decade. Meaningful investments in decarbonizing these sectors will most substantially benefit Saskatchewan, Alberta, and Nova Scotia, where they drive the vast majority of emissions.
- **The costs of not investing are exceedingly high.** The Economist Intelligence Unit has calculated that a 5-degree warming scenario would result from public sector perspective in present value losses of US\$18.4 trillion globally. Considered purely as a percentage of GDP, it could cost Canadians roughly double the estimated capital outlay to “not” invest in lowering emissions in line with global targets.

B. APPENDIX: KEY FINDINGS OF THE TSX REPORT

Publicly traded Canadian firms are disclosing GHG emissions and setting climate targets – but at rates significantly lower than global competitors.

- While 2/3rds of Canada's publicly traded companies disclose GHG emissions, a breakdown in line with the U.S., this is behind Europe and the UK – which show 10 and 30 per cent higher disclosure levels, respectively.
- Only 27% of TSX companies have stated emissions targets, far lower than the 53% on the S&P 500 and 67% on the FTSE 100 indices.

In cases where targets exist, the level of detail provided in plans to achieve commitments, as well as the link to compensation, varies significantly across firms.

- Only 15% of TSX companies that state climate targets have a detailed plan for achieving them, while another 62% provide some level of detail.
- Only 25% specifically link achieving those targets to executive compensation, while another 47% provide less specific climate-related incentives.

The small number of firms that are setting targets are among Canada's largest emitters— their actions have an outsized impact on progress.

- If all 60 TSX companies that have climate targets achieved them, they would collectively reduce their emissions by 34% and the overall emissions of the TSX by 17% by 2030.
- If the 23 companies that have targets in the “Top 40 emitters” category of the TSX achieved them, the impact would be almost the same as all 60 companies achieving their targets.
- The GHG contribution of the top 40 reporting emitters accounts for the vast majority of all reported emissions, and two thirds of total estimated emissions by TSX Index companies.

Resources

- Download the full [Corporate Canada Assessment report \(PDF\)](#).
- The Institute for Sustainable Finance also presented the research findings during a webinar on April 21, 2021. The webinar was attended by over 150 attendees, and featured Jennifer Reynolds, President and CEO of Toronto Finance International, Dr. Sean Cleary, Chair, ISF and BMO Professor of Finance at Smith School of Business, Monika Freyman, Head of Responsible Investment for Mercer Canada, and Jamie Bonham, Director of Corporate Engagement at NEI Investments.

C. APPENDIX: RATIONALE FOR ONGOING PROGRESS REPORT ON RECOMMENDATIONS OF THE EXPERT PANEL

- Global trends indicate a significant increase in interest and efforts on sustainable finance – European Commission Action Plan on Sustainable Finance is progressing into legislation; consolidation of sustainability reporting efforts (i.e. GRI, SASB, IIRC, CDP) and IFRS Sustainable Reporting Standard Consultation; transition finance guidance from the International Capital Markets Association (ICMA); Blackrock going all in on climate and responsible investing and building climate data into its analytics; China's commitment to net zero by 2060.
- Many pandemic recovery initiatives are linked to investing in sectors that create jobs and reduce climate impacts including the recommendations from the Task Force for a Resilient Recovery in Canada. These recommendations require additional investment from the private sector to be fully realized and governments are working to establish the policy signals and certainty to encourage investment in net zero transitions.
- COP 26 is being hosted by the U.K. and Italian governments in November 2021 and building a private finance system for net zero is a key theme. There is clear recognition that meeting net zero goals require alignment of financial policies and investments.

Objectives of the Project

- Build on Canada's momentum to accelerate sustainable finance by conducting an assessment of progress on the Expert Panel recommendations through reviewing actions and initiatives by government, financial sector, academic and other expert stakeholders.
- Recommendations on areas where actions are having an impact and areas where additional effort is required, as well as priorities that should be focused on over the next 1-3 years. Position the report as an opportunity to accelerate ambition and integrate Canada's efforts across multiple stakeholders.
- The audience for the progress report includes decision-makers at government, financial sector and other interested stakeholders in Canada, as well as international audiences in association with COP 26.
- The report and associated communications should be solutions-oriented and easily communicated through multiple channels.

Anticipated Activities and Deliverables

- Establishment of an Advisory Council (formed in April 2021 with the first meeting held in early May 2021) for this project involving the Ivey Foundation, financial sector representatives, government and other experts. A term of reference for the group was distributed. The Advisory Council provides input to the report development and agree to be part of report communication.
- Development of a scope of work, research methodology and workplan to carry out the project.
 - Showcase the connections between different efforts and initiatives and how they can amplify impact
 - Include a high-level analysis of what is happening internationally and how Canada's efforts fit in this context, as well as how global actions can inform how to fill existing gaps in Canada
 - Methodology to group efforts by meaningful categories and focus areas such as capacity building, scaling solutions etc.
- A schedule of check-in meetings and Advisory Council meetings to review materials and provide input and direction on the project.
 - Interviews of 10-20 experts
 - Development of 4-5 short in-depth examples/case studies
 - Production of a draft and final report – including visual elements to maximize impact and outreach
- Development of a set of slides and a presentation to the Advisory Council
- Development of a communication plan for the report with input from the Advisory Council
- Support on the communication efforts and launch of the report

Timeline

- All materials are to be designed and finalized by September 2021 for release in early October
- Communication efforts will continue until the end of the year with a focus on efforts before COP26 which starts the first week of November, however, the content of the report will remain relevant for many stakeholders and decision-makers post COP26.

6. THE ISF TEAM



Sean Cleary, PhD, CFA Chair

sean.cleary@queensu.ca

Sean Cleary, 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.



Sara Alvarado, CFA, MBA Executive Director

sara.alvarado@queensu.ca

A veteran investment professional with a focus on climate change and sustainability, Sara will help drive forward ISF's mandate to build Canadian sustainable finance capacity. Prior to joining ISF, she was head of risk and chief anti money laundering officer (CAMLO) at Canada Infrastructure Bank, where she was responsible for building the inaugural enterprise risk management function. Previously, she worked as senior officer, infrastructure new products and special transactions at the European Investment Bank, with a mandate to catalyze private-sector investments in the EU with focus on climate change and sustainability. Sara also spent 25 years in the investment industry in Canada.



Ryan Riordan, PhD Director of Research

ryan.riordan@queensu.ca

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*, *Review of Financial Studies*, and the *Journal of Financial Markets* among many others.



Maya Saryyeva, MA Associate Director

maya.saryyeva@queensu.ca

Maya Saryyeva joined the Institute for Sustainable Finance (ISF) in December 2018 to support the implementation of the Institute's core programs and outreach efforts. Prior to joining ISF, Maya worked in the international development sector, leading a number of United States Agency for International Development (USAID) funded governance and economic development initiatives in Eastern Europe as well as South and Central Asia. Maya is also pursuing a PhD in global development with a focus on sustainable finance. She researches the efficacy of global governance frameworks surrounding green bonds and sustainable initiatives.



Simon Martin Research Associate

Simon Martin holds a master's degree in economics from the University of Toronto and an undergraduate degree in finance and economics from Dalhousie University. Prior to joining the Institute for Sustainable Finance (ISF), Simon worked at the Urban Analytics Institute where he developed price prediction models and analyzed data. Simon has a strong interest in energy markets and renewable energy sources. He loves spending time outdoors and is passionate about a clean energy future.



Andrew Hakes Research Associate

Andrew joined the Institute for Sustainable Finance as a research associate in March 2020. Prior to joining the ISF, he worked as an analyst at the Delphi Group, a consultancy focused on climate change and corporate sustainability. Andrew holds a Master of Global Affairs from the University of Toronto's Munk School of Global Affairs & Public Policy, where he completed a specialization in global capital markets, as well as a collaborative program in environmental studies. Additionally, Andrew has a Bachelor of Arts (Hons) from the University of Western Ontario, holds a Sustainability Accounting Standards Board (SASB) FSA credential, and has completed CFA Level I.



Shuyi Hui Research Associate

Shuyi is passionate in exploring sustainable finance and developing unique solutions to complex problems with her experience in data mining and machine learning. Prior to joining ISF, Shuyi worked in the financial technology (fintech) industry, focusing on combining the practical uses of financial information with innovative technologies. Shuyi is a recent graduate of the Master of Management Analytics (MMA) program at Smith School of Business, Queen's University, holds a bachelor's degree in finance from the University of Toronto, and certified in Tableau, SAS Enterprise Miner, and SAS Viya. She enjoys hiking in nature and loves photography.



Will Hamilton Research Associate

William has a pure mathematics degree from Dalhousie University, and three years of experience working in radiomics and computer aided diagnosis at Toronto General Hospital. With a background in signal analysis and machine learning, he has a strong interest in the fundamentals of machine learning models, and their application in sustainable finance. William aims to improve the quality of curated datasets, with the ultimate goal of moving toward unsupervised end-to-end machine learning frameworks.