

Canadian Investor Statement on Climate Change



Statement

We, the undersigned institutional investors, recognize that climate change presents a major threat to long-term growth and prosperity, and that there is an urgent need to accelerate the transition towards a net-zero economy.

The Intergovernmental Panel on Climate Change (IPCC) has reported that, in order to avoid catastrophic impacts from climate change, we must limit the average global temperature rise to no more than 1.5°C above the preindustrial era. To achieve this target, global carbon emissions must decline by approximately 45% relative to 2010 levels by 2030, and reach net zero around 2050. Consequently, Canada has committed to achieve net-zero emissions by 2050, and aims to reduce emissions by 40 to 45% relative to 2005 levels by 2030. Within this context, we support the goal of achieving net-zero emissions by 2050 as well as the broader goal of keeping planetary warming to no more than 1.5°C.

As stewards of capital, we have a fiduciary responsibility to consider all material factors that may impact the risk-adjusted returns of our investments, including climate-related financial risks and opportunities. The value of financial assets could be impacted by the physical effects of climate change – known as physical risks, and by an adjustment toward a net-zero economy – known as transition risks. While climate change poses a systemic and unprecedented risk to the global economy, the impacts on specific markets, regions, communities, and investments are complex, dynamic, and uncertain.

The complexity and uncertainty of climate-related risks points to the importance of clear, comprehensive, and high-quality data on how issuers are addressing climate change. We therefore support robust climate-related financial disclosures in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

We recognize that a transition to a net-zero economy will involve a major transformation of sectors and industries. We encourage all companies and stakeholders to facilitate a just transition that does not leave workers or communities behind. We also recognize that the financing required for transition activities and climate solutions presents an investment opportunity.

We further recognize that Indigenous Peoples have managed collective wealth for millennia – including lands, waters, and resources – with a strong sense of stewardship and consideration for future generations. Indigenous Peoples have faced disproportionate burdens and adverse impacts of economic and political transitions throughout Canada's history. We support a transition to a net-zero economy informed by Indigenous perspectives, that supports Indigenous economic opportunities, and encourages business practices that align with the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

This Statement identifies the actions we, as Canadian institutional investors, are taking to support the transition to a net-zero economy. In this context, my institution commits to the following actions.

With due regard to the materiality of climate change risks and opportunities to their business, we expect investees to:

1. Establish robust board and management oversight of climate-related risks, opportunities, strategies, and performance to support the company's reduction of emissions.
2. Establish long-term and interim greenhouse gas (GHG) emissions reduction targets that are based on climate science and are aligned with the ambition of achieving net-zero emissions by 2050 or sooner.
3. Collaborate and consult with stakeholders to identify opportunities that support the transition to net zero and mitigate the potential negative impacts of a transition to net zero on workers, communities and Indigenous Peoples.
4. Provide annual disclosures that align with the recommendations of the TCFD, including disclosures of emissions data, detailed transition plans, and progress against stated GHG emissions reduction targets.
5. Ensure that lobbying activities and industry association memberships are aligned with a just transition and the ambition of achieving global net-zero emissions by 2050 or sooner.

As institutional investors, we will take the following actions to support the goal of achieving global net-zero emissions by 2050 or sooner:

1. Integrate climate-related risks and opportunities into our investment processes.
2. Develop a climate action plan that details the actions we are taking to support the global goal of achieving net-zero emissions by 2050 or sooner.
3. Implement a stewardship and engagement strategy to advance our expectations of investees described in this Statement.
4. Ensure that any climate-related policy advocacy we undertake supports a just transition and the ambition of achieving global net-zero emissions by 2050 or sooner, and engage with our industry associations to encourage climate advocacy efforts that are consistent with these goals.
5. Finally, provide annual disclosures that align with the recommendations of the TCFD to report on our progress. This includes best-efforts reporting on our financed emissions.

We recognize that expectations, frameworks, standards, and methodologies related to climate change continue to evolve. We are committed to reviewing and monitoring climate science, technologies, frameworks, standards, methodologies and policies to ensure that we remain aligned with best practices. Where possible, we will work together and with our investees to standardize climate-related disclosures and to promote a common and consistent understanding of climate-related data and best practices.

We invite other institutional investors to join us and share experiences and best practices to support the goal of achieving a just transition to global net-zero emissions by 2050 or sooner.

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Institutional Investor Signatories

Addenda Capital	Gestion FÉRIQUE	Pension Plan of The United Church of Canada
Amundi	Honeytree Investment Management	Rally Assets Inc.
Bâtirente	IG Wealth Management	RBC Global Asset Management
BMO Asset Management Inc.	Investment Management Corporation of Ontario (IMCO)	Simon Fraser University
British Columbia Investment Management Corporation	Jarislowsky Fraser Global Investment Management	TD Asset Management Inc. (TDAM)
British Columbia Municipal Pension Board of Trustees	Mackenzie Investments	The United Church of Canada
British Columbia Public Service Pension Board of Trustees	McConnell Foundation	The United Church of Canada Foundation
Caisse de dépôt et placement du Québec	MD Financial Management	Trottier Family Foundation
Canada Post Corporation Pension Plan	National Bank Investments	University of Toronto Asset Management (UTAM)
CIBC Asset Management	NEI Investments	University Pension Plan
Desjardins Group	Ninety One	Vancity Investment Management Ltd. (VCIM)
ELFEC	Ontario Pension Board	
	Pacifica Partners Inc.	

Supporting Organizations

Æquo, Shareholder Engagement Services	Business, Queen's University	Stephen Whipp Financial
Edgewater Financial Products	Ivey Foundation	The Silicz Wealth Management Team
Fin-ML/IVADO	Johnny Fansher Financial	TMX Group
Good Investing	Libro Credit Union	Toronto Finance International (TFI)
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