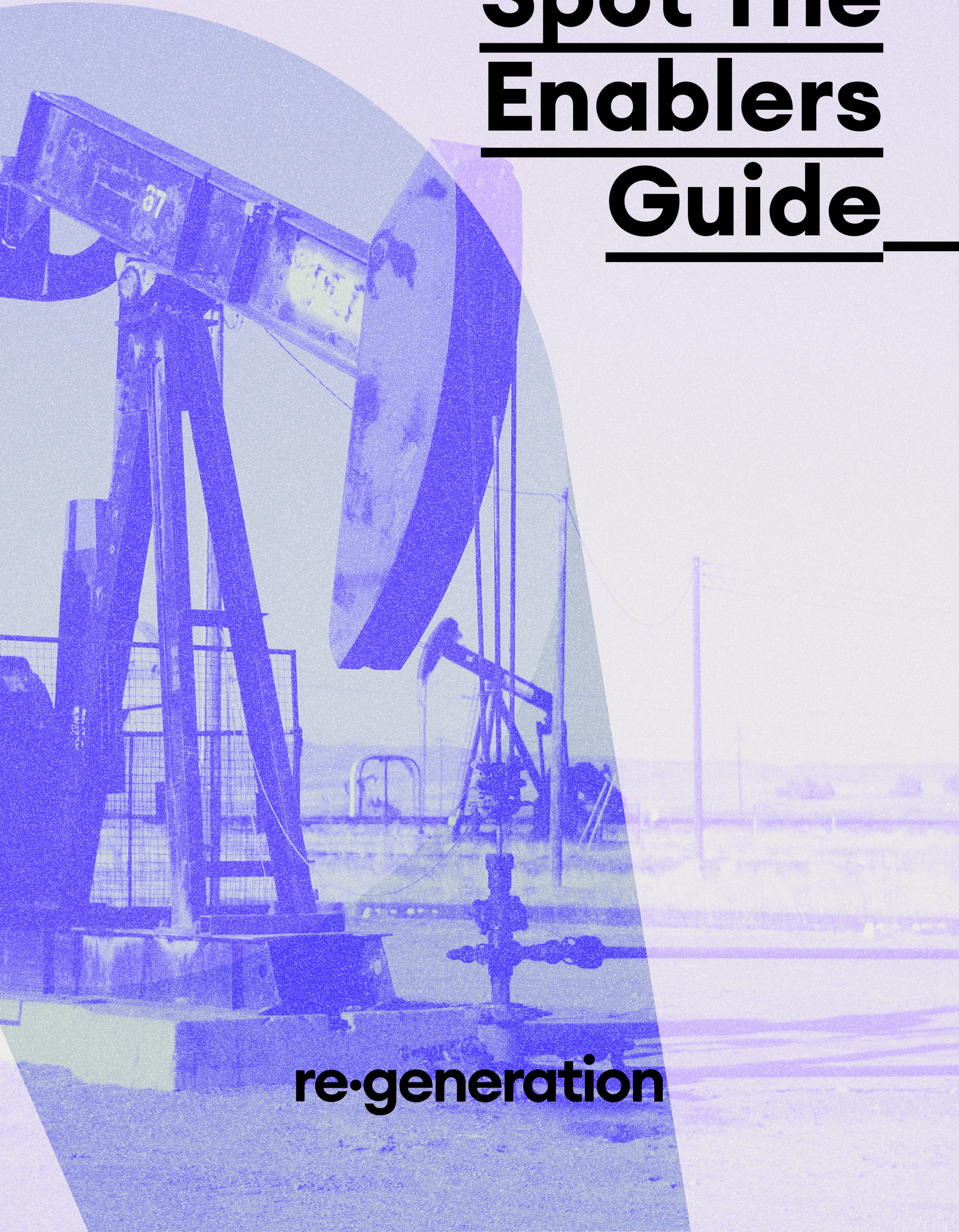
Spot The Enablers Guide



re·generation

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Intro-duction

As the climate crisis accelerates, so does the conversation and controversy around the concept of sustainability. In all sectors, companies are proudly boasting their ESG and net zero goals, and making bold promises about their sustainability plans.

By the numbers, it would look like Canada's private sector has never been more "sustainable."

"Responsible Investments" in Canada, which incorporate Environmental, Social, and Governance (ESG) principles – quadrupled between 2013-2023, reaching $4.5 trillion in managed assets. Apparently, 71% of all assets under management in Canada are labelled as "Responsible Investments." In finance and energy sectors, big players including Suncor (an oil sands company) and TD Bank – have publicly set goals to achieve net-zero by 2050.

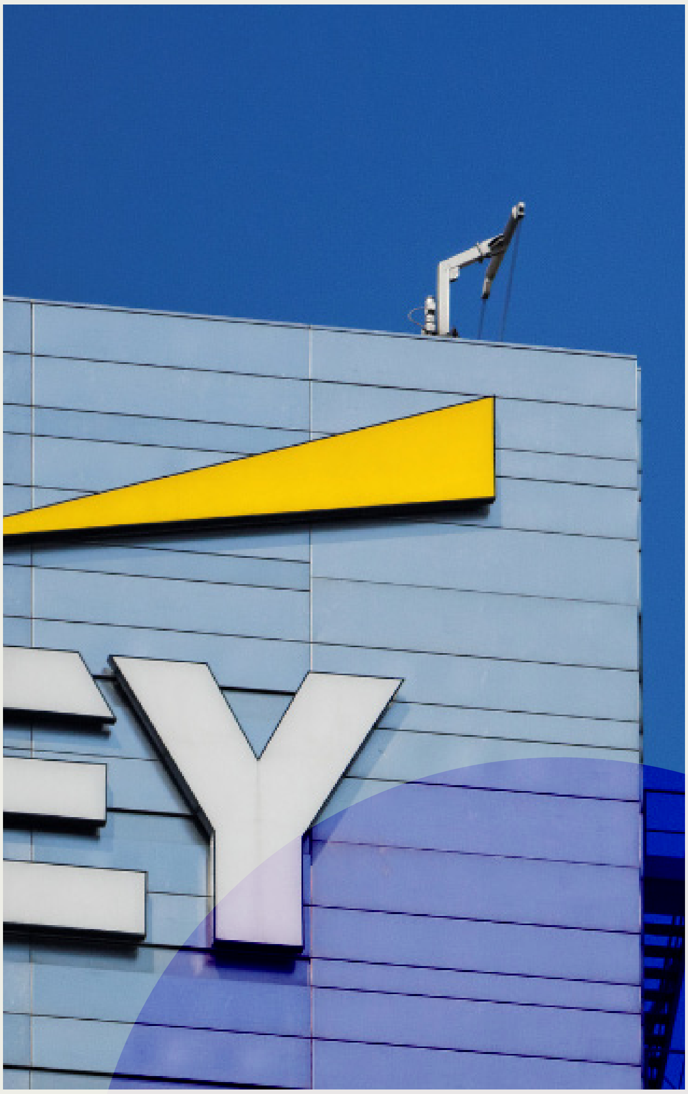
As sustainable terms become commonplace buzzwords, their significance is becoming increasingly diluted.

How do we know which companies are truly "sustainable?" How do we separate companies that are greenwashing their activities, from those that are following through with real, tangible climate action?

Some companies are already championing this green revolution. Some are really walking the talk and putting resources towards meaningfully following through on climate action. At the same time, many companies peddle dubious claims about their climate commitments while continuing to enable fossil fuel expansion/dependence.

How can we know who is telling the truth?

This Spot the Enablers Guide will equip you with the critical questions you need to ask to determine if a company is truly sustainable.



Questions to ask when evaluating a company's climate/sustainability commitments:

Look through company websites, "About Us" pages, sustainability reports/annual reports to find this info (client lists, climate targets, emissions reporting, etc...).

Operations / business model:

1. Do they work with fossil fuel clients (i.e., companies that extract and sell coal, oil, and gas)?
2. Do they provide funding (e.g., insurance, loans) for fossil fuel companies?
3. Do they rely on fossil fuels in their supply chain (e.g., fossil-fuel powered manufacturing, transport)?
4. Are they making an effort to transition away from fossil fuels (e.g., switching to renewable energy, electrifying their transportation)?
5. Do they have dedicated sustainability / climate staff?
   a. What responsibilities do these staff have?
   b. How much power do these employees have?
   c. Do they have access to leadership and budget?
6. Are they part of any sustainability programs or adhere to any sustainability certifications (e.g., Fairtrade, Rainforest Alliance, B Corporation)?

Climate reporting:

1. Do they have a climate plan?
2. Do they use a standard framework to report on their progress (e.g., SASB, GRI)?
   a. Sustainability reporting frameworks "guide corporate sustainability reporting by providing structured methods for disclosing ESG (environmental, social, and governance) performance and enhancing transparency and accountability."
      i. These frameworks include guidelines for reporting metrics such as carbon emissions, waste production, and energy usage.
   b. While not all reporting frameworks are created equal, it's generally better to follow one than not. Following a framework allows you to compare a company against others in its sector and get a more objective view on their sustainability progress.
3. What is included in their climate plan? Do they have carbon emissions reductions targets?
   a. Exercise discretion when using climate plans to evaluate your company. For example, a company may have emissions reduction targets, but may have an unclear/no track record of action to pursue these targets.
4. What scope of carbon emissions are included? Scope 1 and 2, or also Scope 3? Including Scope 3 is best.
5. Are their targets in line with the Paris Agreement and on track to reach net zero by 2050?
6. Are their carbon reduction targets relative (i.e., reducing the intensity) or absolute (i.e., reducing the actual amount)? Absolute is better.
7. Are they meeting their targets?
8. Are their emissions generally increasing or decreasing?

Databases & Resources for Specific Industries

Banking

1. Banking on Climate Chaos Report
   a. This report adds up financial commitments – lending and underwriting of debt and equity issuances – from the world's 60 biggest banks for the fossil fuel sector as a whole, as well as for companies expanding fossil fuels and companies active in specific sectors.
2. BNEF - Financing the Transition Report
   a. This Bloomberg report assesses banks' energy sector financing activity in 2021.
3. Sustainability Policy Tracker
   a. This report tracks the sustainability commitments adopted by the top 60 banks worldwide regarding their support for renewable energy.
4. Reclaim Finance - Oil and Gas Policy Tracker
5. Reclaim Finance - Coal Policy Tracker
   a. These Policy Trackers are designed to track the commitments taken by top financial institutions worldwide, highlight the good practices, and expose the flaws and loopholes to be avoided.
6. IEEFA - Coal Divestment
7. IEEFA - Oil and Gas Divestment
   a. These databases track the commitments of major global financial institutions to divest from coal, oil, and gas.
8. Global Call for Fossil Banks
   a. This global open letter calls upon banks to stop funding fossil fuel projects.

Consulting

1. Race to Zero for Professional Services
   a. This paper explores best practices for professional services firms to align their operations with the international 1.5 C climate target.

Public Relations

1. Clean Creatives - F-List
- The F-List documents known relationships between fossil fuel clients and advertising and PR agencies.
2. Desmog - Advertising and Public Relations Database
   a. This database lists advertising and PR industry firms which have protected the reputation of their fossil fuel clients and created greenwashing campaigns to convince the public that climate change is not an urgent threat.
3. F Minus
   a. Organization holding PR and advertising firms accountable for their work with fossil fuel clients.

Accounting

1. 2021 investor letter urging Big 4 auditors to include climate risk in valuations

Insurance

1. Insure Our Future - Scorecard
   a. This scorecard ranks global insurance firms based on their underwriting and investment in the fossil fuel industry.

Asset Managers

1. Urgewald - Investing in Climate Chaos 2023
   a. This database lists institutional investors' (e.g., pension funds, insurance companies, asset managers) holdings of the world's largest oil, gas, and coal companies.

Law

1. Law Students for Climate Accountability - Law Firm Climate Change Scorecard
   a. The Scorecard ranks the top law firms according to how much fossil fuels work they have engaged in over a five-year period.
2. UofT Law Union - The Canadian Law Firm Climate Impact Report
   a. This University of Toronto Law Union report analyzes the Canadian legal industry's work for fossil fuel companies,

and the role that five of the largest and most influential Canadian law firms play in exacerbating the climate crisis.

3. Climate Case Chart
   a. This site provides American and global databases of climate change case law.
4. Redline Database
   a. This University of College London database provides research analysis and data for litigation against new fossil fuel extraction projects.

Additional Resources

More questions to ask:

1. re-generation Employee Advocacy Toolkit
   a. The Company Transition Toolkit is intended as a guide for employee activists to advocate for transformative change within their organizations.
   b. Using this Toolkit, employees can evaluate their employer's performance on social and environmental issues and help their companies become more sustainable and just.
   c. The Toolkit combines resources and self-assessment questions from a variety of sources that are organized into four key issue areas: ecological well-being, human well-being, business ethics, and business model and governance.

General info on companies:

1. Global Divestment Commitments Database

   a. This database from Stand.Earth monitors fossil fuel divestment commitments made by institutions (e.g., municipalities, pension funds, unions) worldwide.

2. Desmog Climate Disinformation Database

   a. This database compiles research on the individuals and organizations that have helped to delay and distract the public and elected leaders from taking needed action to reduce greenhouse gas pollution and fight global warming.

3. Corporate Mapping Project - Fossil Power Top 50

   a. This database houses detailed profiles for the most influential organizations in and around the fossil fuel sector, including emitters (coal, oil, and gas producers), enablers (e.g., banks, regulators), and legitimators (e.g., think tanks, lobby groups).