



# **Environmental, Social and Governance (ESG) Trends and Developments for Counsel**

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**June 8, 2021 – 12:00 p.m. – 1:30 p.m.**

# Overview

- ESG Developments and Trends
  - ESG and Legal Practice
  - Key ESG Drivers
  - Disclosure Trends
  - GHG Target Trends
- Panel Discussion
- Audience Q&A

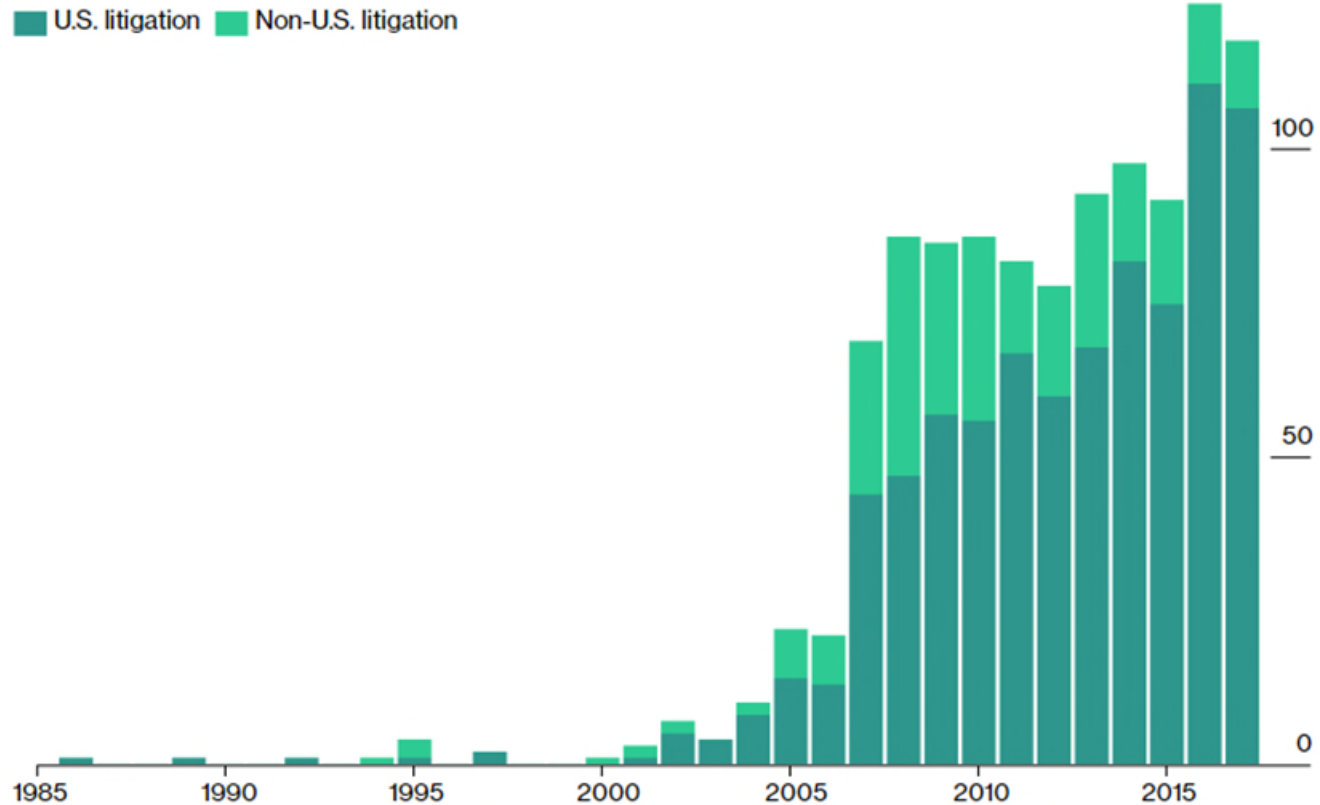
# ESG AND LEGAL PRACTICE

# *What is ESG?*



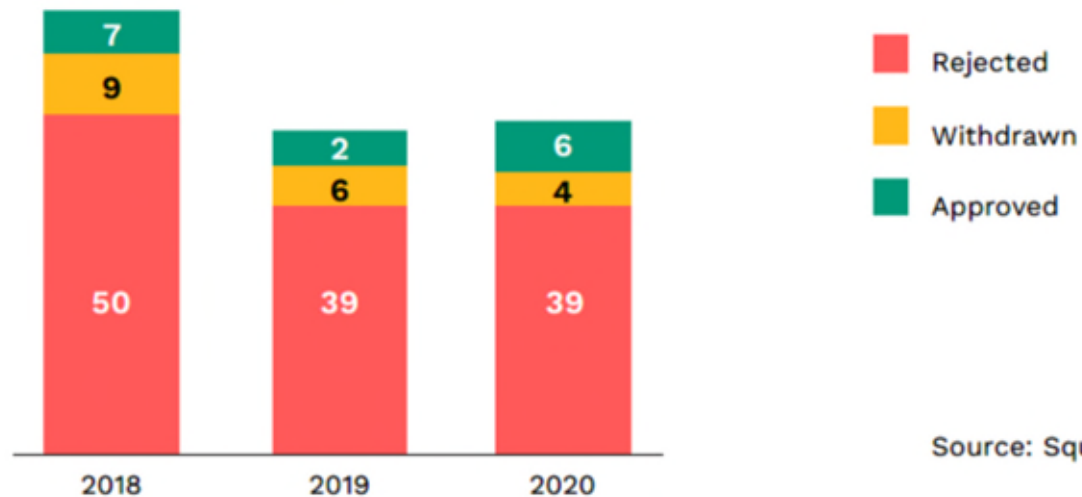
# KEY ESG DRIVERS

## Number of climate change lawsuits by year



Source: Sabin Center, Columbia Law School; Bloomberg

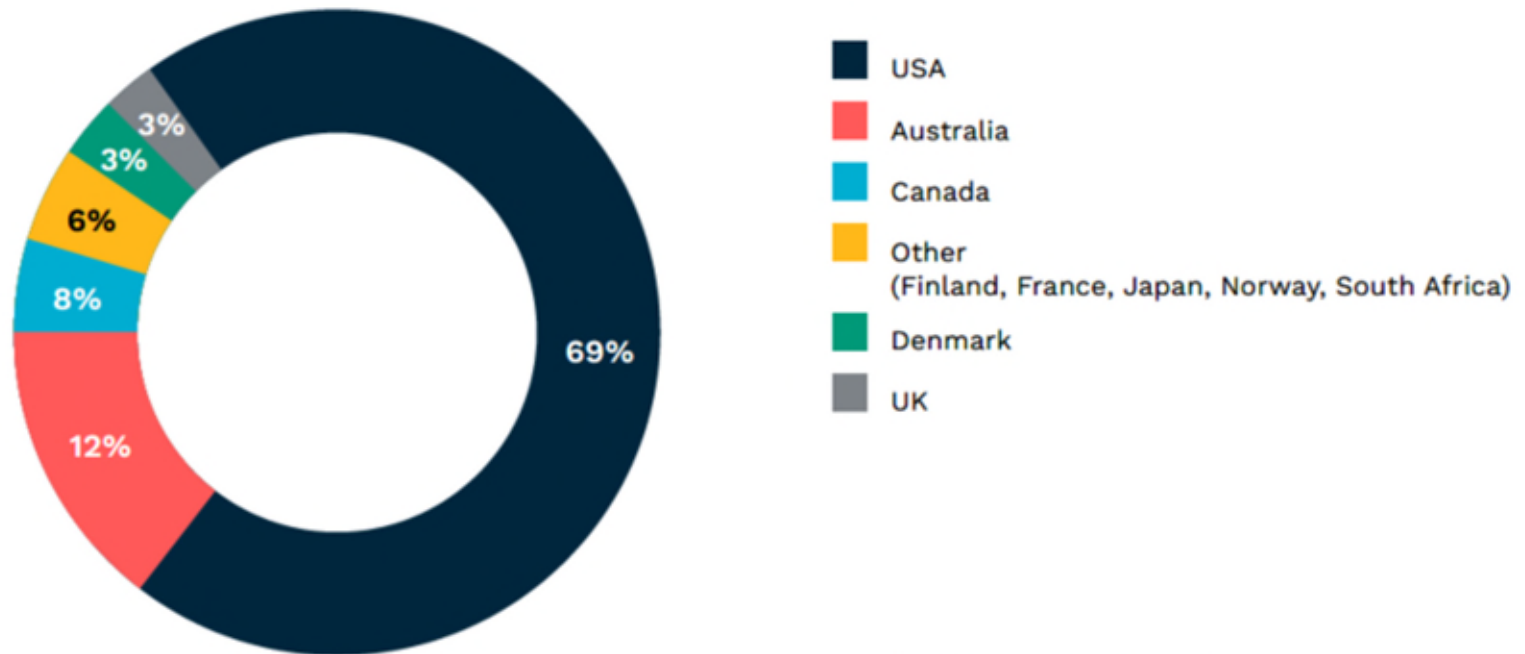
**Chart 1. Climate-related Shareholder Proposals Filed, by Year.**



Source: SquareWell, ISS

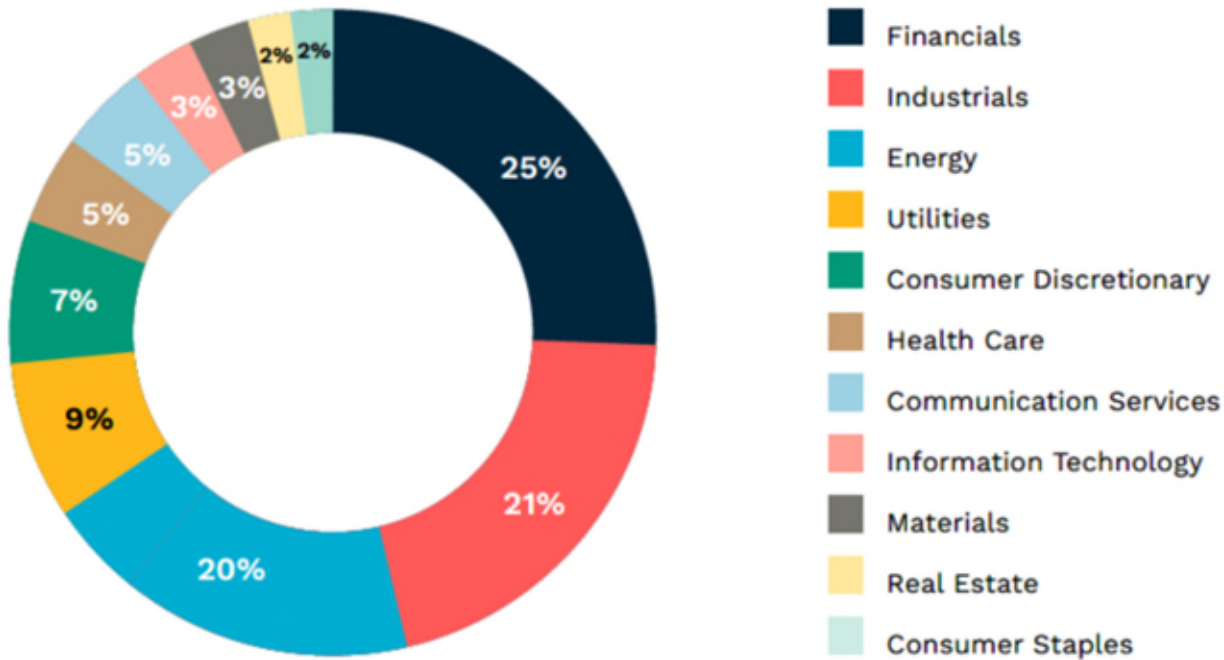


**Chart 2. Companies Targeted by Climate-related Shareholder Proposals, by Country (2018 to 2020).**



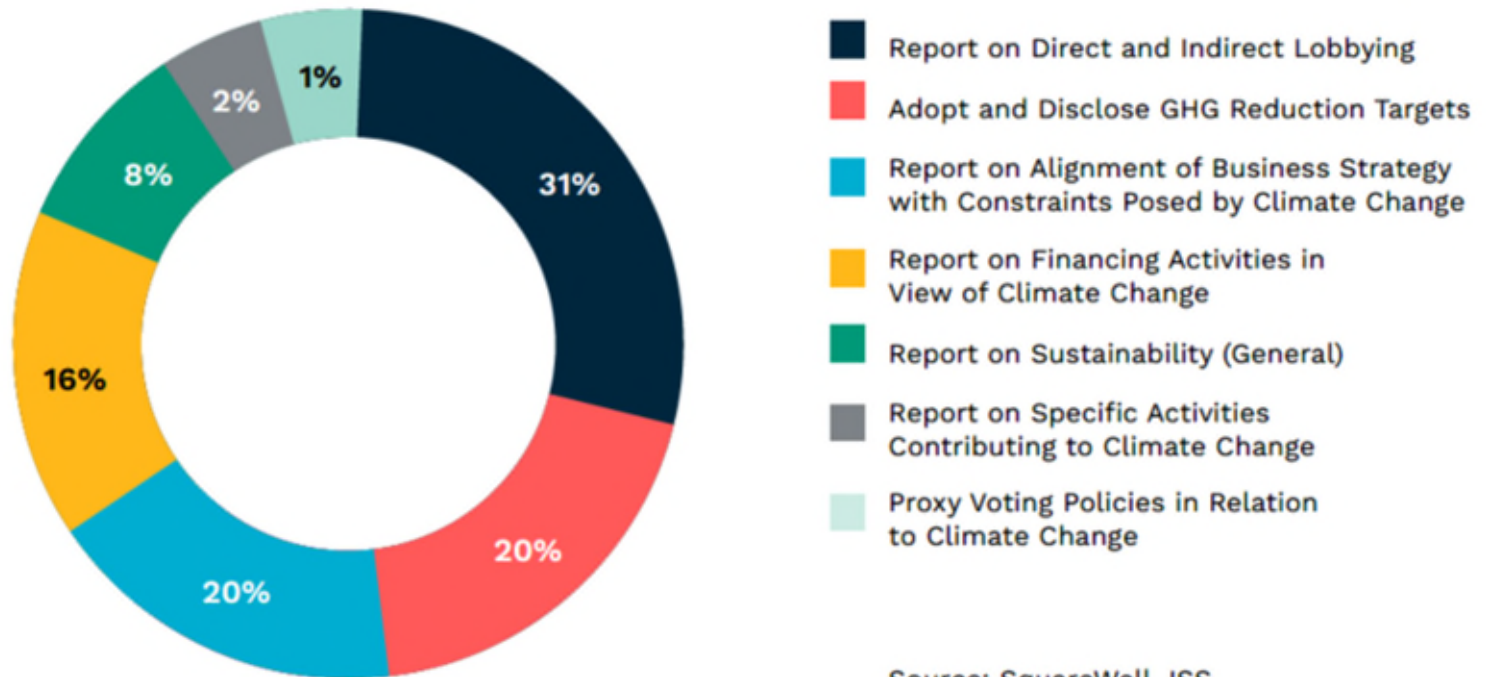
Source: SquareWell, ISS

**Chart 3: Sectors Targeted by Climate-related Shareholder Proposals, by Sector (2018 to 2020).**



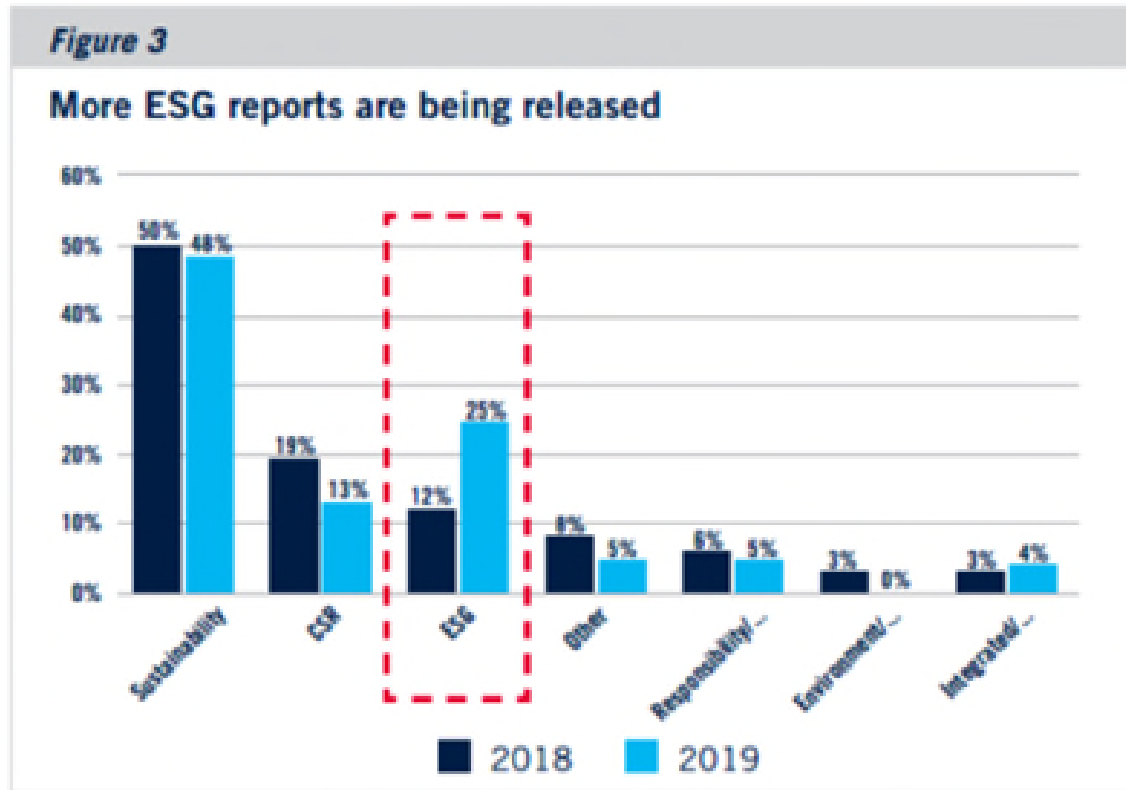
Source: SquareWell, ISS

**Chart 4. Climate-related Shareholders Proposals, by Category (2018 to 2020).**

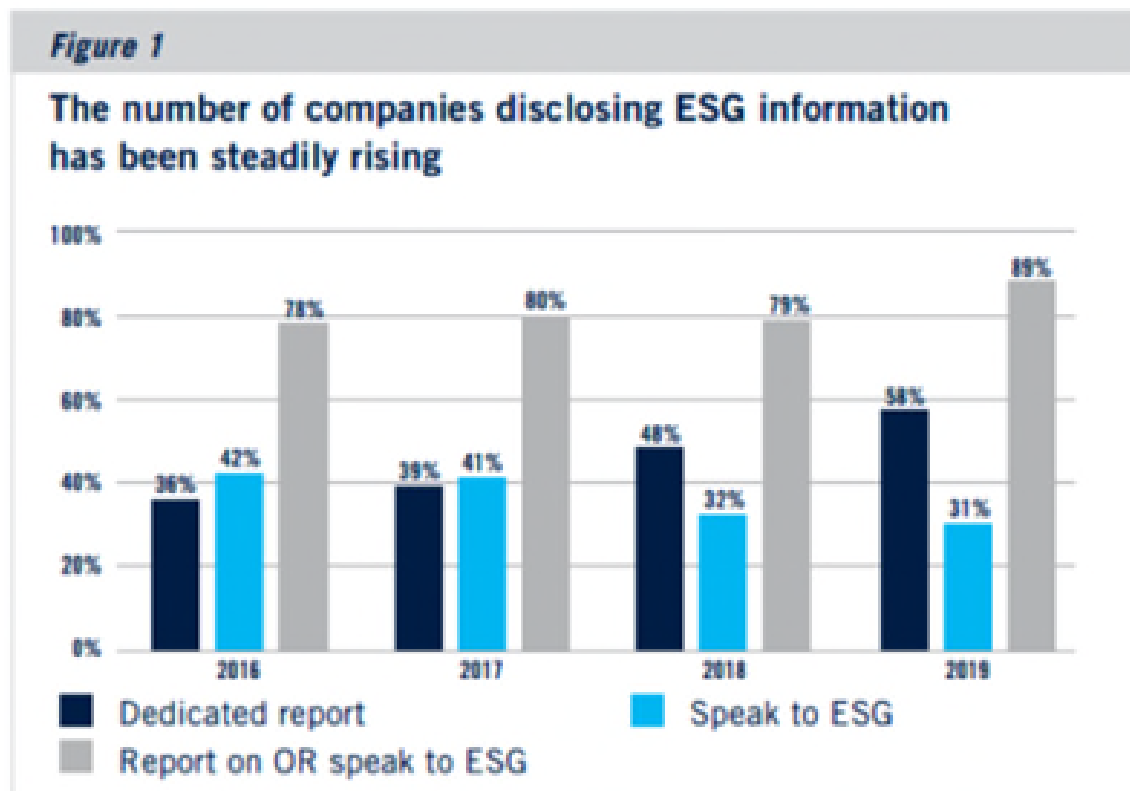


Source: SquareWell, ISS

# DISCLOSURE TRENDS



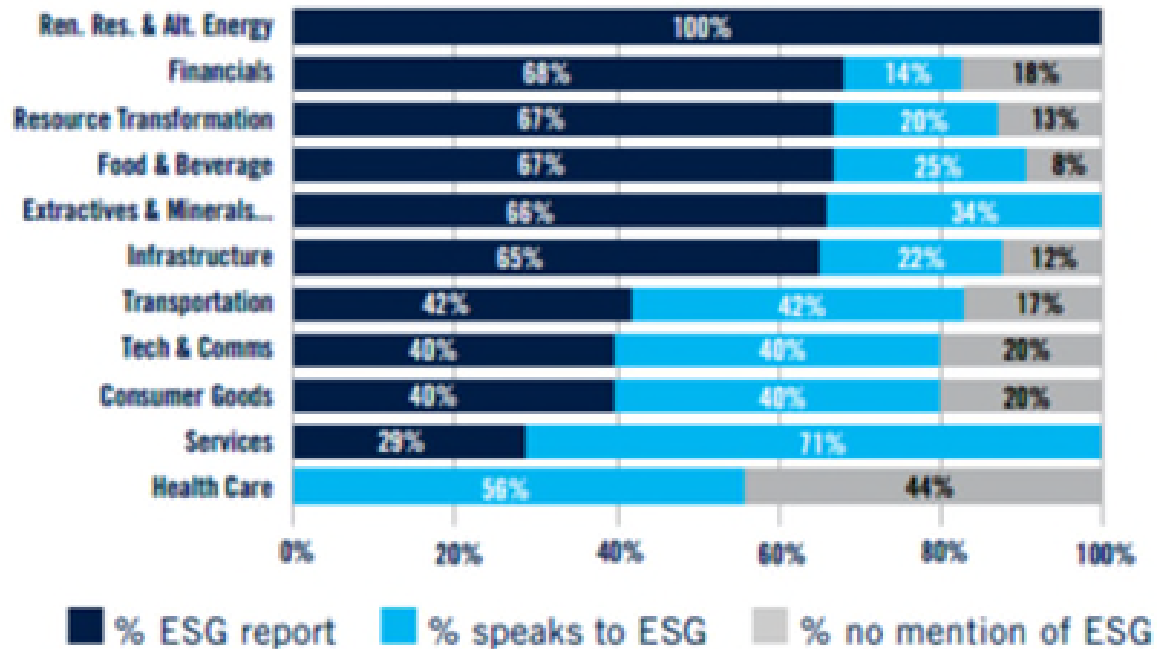
Source: Milani: S&P/TSX Composite Index (September 2020)



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**Figure 6**

**Some sectors are leading**



Source: Milani: S&P/TSX Composite Index (September 2020)

**FIGURE 3**

## TSX Market: Disclosure

Companies that disclose emissions make up 88% of the TSX market capitalization and contribute 72% of the total emissions to the TSX Index.



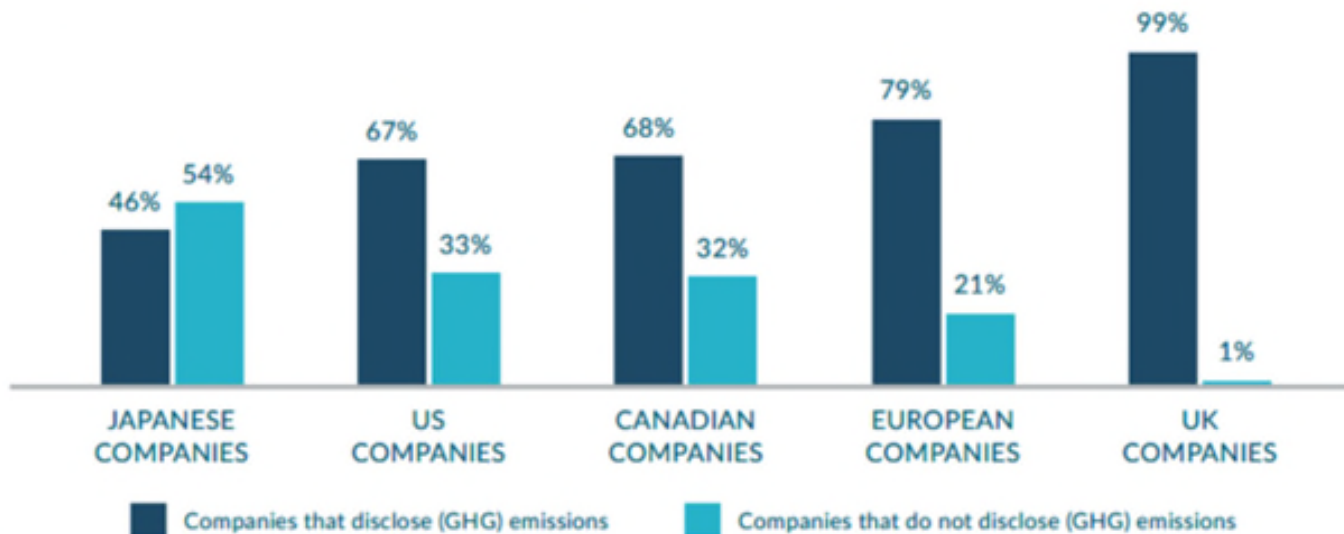
Source: Institute for Sustainable Finance (April 2021)



**FIGURE 2**

## Canada vs The World: Disclosure

Canada's publicly traded firms rank far below European and UK peers in terms of climate disclosure.

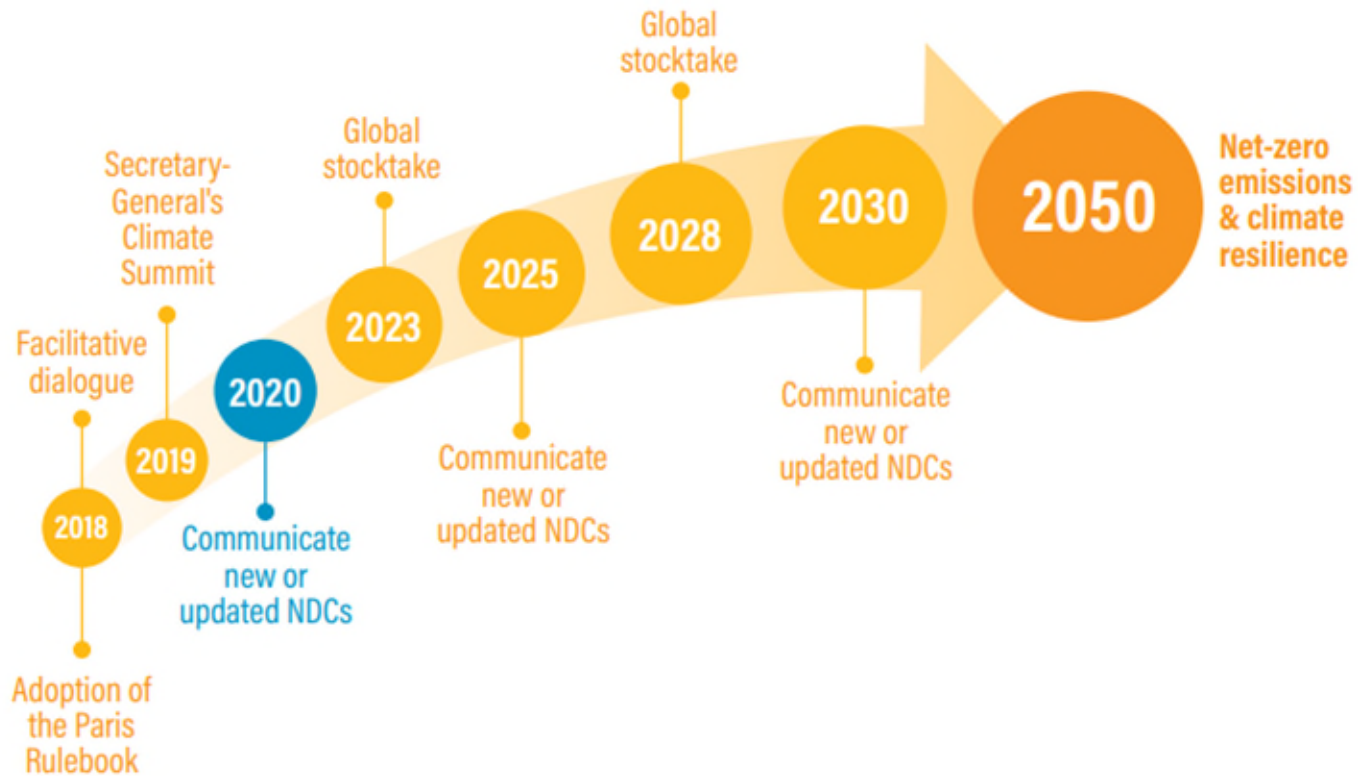


Source: Institute for Sustainable Finance (April 2021)



Source: SquareWell (April 2021)

# GHG TARGET TRENDS



Source: WRI, “Enhancing NDCs by 2020”

**FIGURE 5**

## Canada vs The World: Targets

Canada's publicly traded firms are far behind their peers on the S&P 500 and FTSE 100 indices when it comes to setting climate targets.



Source: Institute for Sustainable Finance (April 2021)

**TABLE 1**

**S&P/TSX Composite Index Firms with Emissions Reduction Targets**

**Emissions Reduction Target Characteristics**

<b>Absolute targets</b>	<b>51</b>
<b>Intensity targets</b>	<b>20</b>
<b>More than one target</b>	<b>(11)</b>
<b>TOTAL</b>	<b>60</b>
<b>Absolute Targets</b>	<b>51</b>
2021-2025	21
2026-2030	15
2031-2050	13
Other	2
<b>Intensity Targets</b>	<b>20</b>
2021-2025	11
2026-2030	9

Source: Institute for Sustainable Finance (April 2021)

**FIGURE 7**

## TSX Companies: Plans & Incentives to Achieve Targets

Only 15% of companies that state climate targets have published a detailed plan for achieving them, while only 25% link achieving those targets to executive compensation.



Source: Institute for Sustainable Finance (April 2021)

**THANK YOU!**